



Lake Washington School District
Study Session of the Board of Directors

Date: September 18, 2017

Topic: **Bond and Levy Planning**
Short-Term Facility Planning

Purpose

The purpose of the study session is to provide the Board an update on Bond and Levy and Short-Term Facility Planning.

Background/Overview

Student enrollment in LWSD is rapidly growing. 2016-17 enrollment now stands at 29,008 and LWSD is the 3rd largest district in Washington State. The district is growing by the size of a large elementary school each year. Enrollment is expected to continue to grow. In 2015, the Long-term Facility Planning Task Force recommended building new schools to accommodate growth and a bond advisory committee convened to help develop a long-term funding plan to implement the Task Force recommendations. The plan called for bond measures in 2016, 2018, 2022, and 2026 to meet the district's need for classroom space through 2030. In addition to the planned bond measure, the district has two levies expiring that must be renewed in 2018. The Educational Programs and Operations Levy and a Capital Projects Levy.

Study Session Overview:

- Bond&Levy Advisory Committee work-to-date
- Short-Term Facility Plan

Bond and Levy Advisory Committee

The role and advisory committee membership was reviewed. An overview of the three meetings with the advisory committee was provided.

Legislative Update and Local Impact

In an effort to fully fund education in the state, the legislature revised and is adjusting state property tax for the support of common schools. This money will fund education across the state. The legislature imposed new limits on how much districts could raise from their local levy. Beginning in 2019, the maximum EP&O levy a local district is allowed to collect is either \$1.50 per thousand of AV or \$2,500 per student, whichever is less. For LWSD, the lesser amount is \$2,500 per student which equates to approximately \$1.29 per thousand of AV. This changes does not significantly affect our ability to collect local funding, however, other districts with a higher levy rate will experience a significant impact.

Lake Washington School District is planning for the 2018 bond and the replacement of two expiring levies in February 2018. The Educational Programs and Operations Levy, Capital Projects Levy and 2018 Bond.

2018 Bond Measure

An overview of what a bond is and the Long-Term Facility Task Force recommendations were reviewed. The 2018 Bond of \$299 million provides for space for 2100 students. Current enrollment projections are slightly higher than projected in 2015 when the task force convened. Therefore, sometime prior to the 2022 Bond, the district will reconvene a task force to review and update the recommendations. The specific bond projects were reviewed.

Capital Projects Levy

An overview of the capital projects levy was reviewed. This levy must be renewed every four year. The Capital Projects Levy includes both Facilities and Technology.

Educational Programs and Operations Levy

The educational programs and operations levy (EP&O) pay for programs and operations beyond the program of Basic education. The state limits the amount that can be levied. The state has provided approved categories for what the EP&O levy can be used for. The LWSD collected an average of \$65.9 million in 2014. Assuming 15% inflation, the 2018 levy amount would be approximately \$75.8 million. Based on the new state limit we could collect approximately \$78.1 million average per year and still keep our promise not to increase the tax rate. However, we are counting on additional money from the state so we can reduce reliance on local levy for Basic Education staff compensation. In addition, the district has new priorities that can only be funded through local levy such as 7 period day for high schools students as the state now requires 24 credits to graduate. Therefore the district plans a \$63.5 million average per year levy. This represent a 3.6% decrease from the 2014 levy and 18% less than we could collect based on the state limit while still keeping our promise. The EP&O tax rate would decrease from \$1.26 to \$1.03. The total tax rate would decrease from \$3.16 to \$2.93.

Short-Term Facility Plan

As district enrollment grows, additional classrooms are needed. Some of this capacity need will be addressed by the 2016 and 2018 bond projects. Until those projects are completed, there may be a need for temporary short-term capacity changes. Needs are different by learning community.

Key Criteria

In August 2014, the board provided input on criteria used to develop short-term facility options. These criteria were reviewed.

History and Portable Analysis

In 2014, the district developed a short-term plan to address immediate needs for classroom space to 2017-18 prior to the 2016 bond. A similar plan has been developed prior to the 2018 bond. The Long-Term Facility Task Force recognized that capital funding may not be available to implement all the recommendations in the timeframe needed to meet forecasted growth. To plan for this, case, the Task Force identified strategies that could help bridge the gap, including:

- Move district-wide programs around
- Add teacher planning rooms
- Increase portable classrooms
- Change school attendance boundaries
- Limit/eliminate all-day kindergarten (if allowed under state guidelines)

- Reduce number of specialized spaces
- Increase class size

In 2014 an analysis was conducted to determine portables that could be sited at each school. Elementary sites with master plan approval are Bell, Frost, Keller, Muir, Sandburg, Thoreau, Rose Hill, McAuliffe. The district must still go through the building permitting process to place portables on site. Approval of any additional portables not included in a site master plan requires the district to receive approval of a "Conditional Use" permit in addition to a building permit. To be approved for a conditional use permit, the project must meet concurrency requirements of the jurisdiction. This includes analysis of traffic and passing traffic concurrency requirements, assessing any deficits in the adequacy of site storm water, water/sewer, etc. necessary to handle the additional permitted square footage. This process is also subject to the approval and conditions of the SEPA process.

Short-Term Plan

The district reviewed space needs through 2019-20 by learning community. Capacity may be addressed through reduction in standard in service, program moves/placement and/or portables. The costs for adding 10 portables is \$4.5 million with the assumption that each portable cost \$450,000. In addition, costs of \$1.5 million for interior building modifications and program moves. These costs will come from the 2014 and 2018 Capital Projects Levy.

Next Steps

District staff will meet with the Bond and Levy Advisory Committee on September 21, 2017. A Board Study Session and Board Meeting Presentation and Resolution will be held on October 2nd. Board action on bond and levy resolutions will take place at the October 16, 2017 meetings.