

#### **Volunteers for Issaquah Schools**

### What are School Levies used for?

- Maintenance and Operations (M&O) levies provide over 20% of Issaquah School District's operating budget. These levy dollars flow directly into the classroom, providing funding for program enhancements and to supplement the state's minimum basic education allocation.
- Transportation levies replace old buses with new more efficient models that align with the state's safety standards and replacement cycle. Fuel savings and lower maintenance costs mean more dollars go into the classroom.
- Technology and Critical Repairs levies provide for all technology infrastructure, including hardware, software and technology. State funding does not include technology.

## What is a School Bond used for?

• School bonds provide funding for construction -- building new schools, acquiring property, renovating and repairing facilities and systems within buildings. Capital funds provide for excellent learning environments and help ensure that space is adequate for reasonable class sizes. Our 2016 school bond passed with over 70% approval rating. The passage of levies is totally independent from School Bonds.

## What is the "Levy Rate"?

• A levy rate is the amount of property tax that voters approved to be assessed for every \$1000 of property value. A levy rate of \$1.00 means that for every \$1,000 of property value, the owner of the property will pay \$1.00 in taxes. For example, if a homeowner's house is valued at \$400,000, and the voters passed a levy at a \$1.00 levy rate, the homeowner will pay \$400.00 annually in property taxes.

# What is the "Levy Cliff"?

- With the exception of some districts that are grandfathered at higher rates, local M&O levies are currently capped at 28% of district operating revenue—a number referred to as the "levy lid." For example, if a district receives a combined \$1,000,000 in funding from state and federal sources, the maximum amount their local levy can raise is \$280,000 (28%).
- The Legislature raised the levy lid from 24% to 28% in 2010, to allow local districts to raise additional funds during the economic recession. This increase was intended to be temporary, until the recession was over and the Legislature had met its McCleary obligation to fully fund education.
- Consequently, the Legislature set a "sunset" or expiration date of 2018 on this 4% increase in local levy authority. This reduction of districts' ability to raise funds locally is known as the "levy cliff."
- In Issaquah, the 2010 action raised our levy lid from 24.97% to 28.97%. The current annual cost of the levy cliff to our district would be approximately \$7.5 million dollars.