



McCleary

What it means to local taxpayers

EDAC: SEPTEMBER 25, 2018

WADE SMITH, SUPERINTENDENT OF SCHOOLS



Walla Walla Public Schools

Developing Washington's Most Sought-After Graduates

Disclaimer



Snapshot of McCleary History

- 2007 Lawsuit: (McCleary family) The suit alleged that the state wasn't meeting its Constitutional duty. Article IX, Section 1, states that education is "the paramount duty of the state."
 - Core Issue: Districts were having to assess large local levies (e.g. M and O) in order to cover basic ed costs not covered by the state, rather than for "above and beyond" activities they were intended to cover
- 2012, the Supreme Court in McCleary ruled that the State had not satisfied its Article IX duty to amply fund K-12 education, and the Court retained jurisdiction over the case to monitor implementation. Directed the state to fully fund education by 2018.
- In 2015, the Court held the State in contempt over its failure to provide a plan, fining the state \$100,000 perday.
- In 2017, the Legislature enacted EHB 2242 ("Initial McCleary"), but noted that it was short \$1.0B to meet its obligation
- Supreme Court ordered 2018 legislature to address and fix (SB 6362/6614) ("McCleary Fix")



Basics of “McCleary” Funding Solution From a Taxpayer Perspective

Statewide Tax Implications

- Raises the statewide education property tax by ~\$.82 to ~\$2.70 beginning in 2018
 - Generates about \$7.3B in additional revenue for schools over four years
 - One-time relief of ~\$.30 in 2019 (Part of the 2018 “McCleary Fix” agreement)

Local Voter-approved Tax Implications

- Reduces the reliance on local levies and restricts the spending to only “enrichment activities”
 - Caps the “M and O” levy at \$1.50/\$1,000 AV or \$2,500 per student, whichever is less
 - For most Eastern WA schools, the \$1.50/\$1,000 is the new cap
 - For most area schools this results in a significant tax reduction
 - Reduces over \$3B in funding from levy reductions statewide



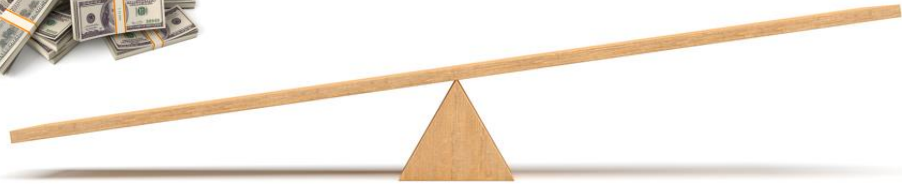
General McCleary Impact Locally

PRE-MCLEARY

LOCAL



STATE



POST-MCLEARY

LOCAL



STATE



Pre-McCleary (2017 Tax Year)

District	Bonds	M and O Levy	Capital Levy	State Tax	Total	Ranking
Prescott	\$1.03	\$1.83	\$0.00	\$1.97	\$4.83	1
Dixie	\$0.00	\$2.49	\$0.81	\$1.97	\$5.27	2
Waitsburg	\$1.34	\$3.34	\$0.00	\$1.97	\$6.65	3
Walla Walla	\$1.22	\$3.51	\$0.00	\$1.97	\$6.70	4
Richland	\$1.60	\$3.40	\$0.00	\$2.14	\$7.14	5
Kennewick	\$1.62	\$3.41	\$0.00	\$2.14	\$7.17	6
Columbia	\$1.51	\$3.31	\$0.49	\$1.97	\$7.28	7
College Place	\$2.60	\$3.10	\$0.00	\$1.97	\$7.67	8
Touchet	\$2.79	\$3.19	\$0.00	\$1.97	\$7.97	9
Pasco	\$2.25	\$4.27	\$0.00	\$2.14	\$8.66	10

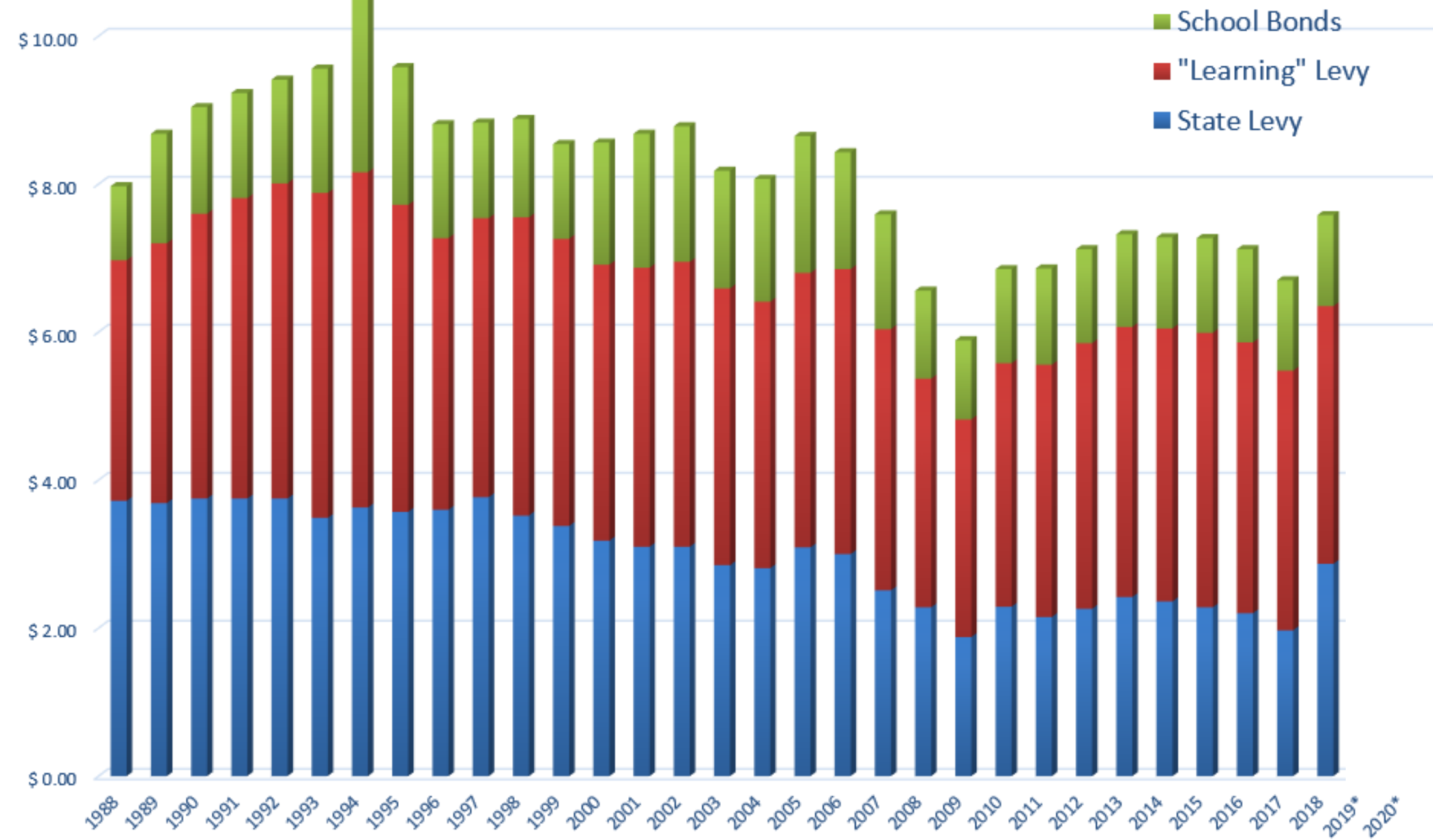


Post-McCleary (2019 Tax Year)

District	Bonds	M and O Levy	Capital Levy	State Tax	Total	Ranking
Prescott	\$1.03	\$1.83 - \$1.50	\$0.00	\$1.97 - \$2.57	\$4.83 to \$5.10	2
Dixie	\$0.00	\$2.49 - \$1.50	\$0.81	\$1.97 - \$2.57	\$5.27 to \$4.67	1
Waitsburg	\$1.34	\$3.34 - \$1.50	\$0.00	\$1.97 - \$2.57	\$6.65 to \$5.41	4
Walla Walla	\$1.22	\$3.51 - \$1.50	\$0.00	\$1.97 - \$2.57	\$6.70 to \$5.29	3
Richland	\$1.60	\$3.40 - \$1.50	\$0.00	\$2.14 - \$2.74	\$7.14 to \$5.84	5
Kennewick	\$1.62	\$3.41 - \$1.50	\$0.00	\$2.14 - \$2.74	\$7.17 to \$5.86	6
Columbia	\$1.51	\$3.31 - \$1.50	\$0.49	\$1.97 - \$2.57	\$7.28 to \$6.07	7
College Place	\$2.60	\$3.10 - \$1.50	\$0.00	\$1.97 - \$2.57	\$7.67 to \$6.67	9
Touchet	\$2.79	\$3.19 - \$1.50	\$0.00	\$1.97 - \$2.57	\$7.97 to \$6.88	10
Pasco	\$2.25	\$4.27 - \$1.50	\$0.00	\$2.14 - \$2.74	\$8.66 to \$6.49	8

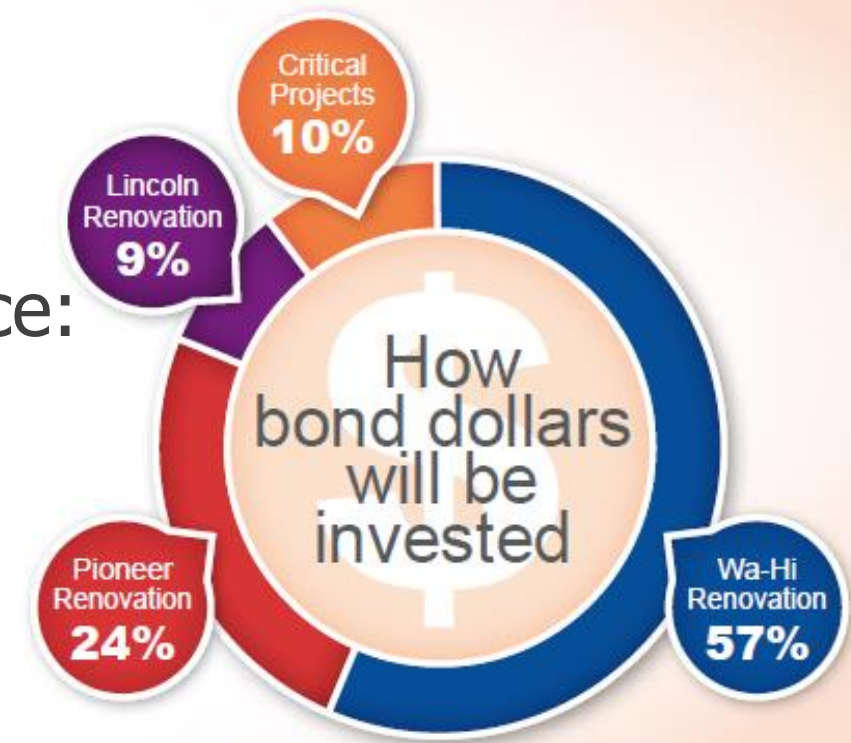


WWPS Historical Education Tax Rate (\$1/\$1,000)



Nov. 6, 2018 Replacement Bond Facts

- Replaces current bond (fully paid off) with same rate: \$1.23/\$1,000
- Generates \$65.6M local
- Eligible to receive \$52.6M in state match
- Proceeds to be spent only on the specific projects identified by the Community Task Force:
 - Renovation/improvements at WaHi and Pioneer
 - Modest preservation/improvements at Lincoln
 - Explicit safety, roofing, plumbing, and heating/cooling/efficiency upgrades at other campuses



New School Board Listened & Learned



- **Make efforts to keep money local**
 - Through intentional project phasing, delivery methods, and thoughtful programming, the Board will make every effort to maximize opportunity for local contractor/vendor involvement

Safety and Security at All Campuses

- Improved access control measures
- Increased cameras
- Lock-down capabilities
- Fire safety enhancements
- Improved traffic flow and pedestrian access
- ADA/accessibility
- Emergency communication improvements
- Backup power to maintain phone/life-safety measures



Oversight & Accountability to Taxpayers



Membership

- Bonnie Bowton
- Yolanda Esquivel
- Mark Hess
- Lawson Knight
- Kim McDaniels
- Terry McConn
- Jennifer Mouat
- Dick Moeller
- Scott Morasch
- Ken Seibold
- Tony Wenham



Visit WWPS.org

- Details about the proposed bond measure
- Virtual tours of Wa-Hi, Lincoln and Pioneer
- Proposed improvements and costs per site and project
- Bond Oversight Committee, updates and local contractor/vendor involvement



Registration

» ONLINE REGISTRATION

Is easy at MyVote Washington

» VOTER REGISTRATION

Registration forms are at all schools and the WWPS District Office

Voting Dates

» October 8, 2018 -

Last day for mail, online new registrations and address changes

» October 17, 2018 -

Ballots mailed to homes

» October 29, 2018 -

Last day for in-person voter registration

» November 6, 2018 -

Election (ballots due)

