

WOODLAND Public Schools

Where Community & Learning Connect



MEMORANDUM:

DATE: November 4th, 2009
TO: Woodland Public Schools Board of Directors
FROM: Michael Green
REGARDING: M&O Recommendation

Given the current state of the national, state, regional, and local economy I believe it is prudent to take a relatively conservative approach to an M&O Levy. It is my recommendation that we pursue a 2 year M&O Levy (2011-2012). We have the option of requesting a levy for up to four years. I believe a two-year levy is the best option. The future of state and Federal funding is unclear but certainly does not appear to be trending positively. Running for the shorter term allows us to make appropriate adjustments in levy requests for 2013 and beyond.

I am recommending a relatively modest increase in M&O levy amounts for the two-year term of the M&O. \$150,000 increase in each of these years. Since 2006 the rate of increase has been \$200,000 each year. This growth in levy dollars has maintained an actual levy percentage of approximately 15.5%. With the anticipation of continued modest growth in revenues for the foreseeable future I anticipate the decreased rate of levy growth will keep us within this revenue range. The total M&O levy for 2011 would be \$2,950,000, and \$3,100,000 in 2012.

Typically when we talk to our community about the M&O levy we discuss anticipated tax per \$1000 in assessed property value. This figure puts into understandable and calculatable terms the anticipated impact of the Levy. Projecting the impact on tax rates of this levy with any hope of reliability is a challenge. Historically we have been relatively conservative in our projections so that the actual tax rate comes in lower than that which are communicated at the time of the levy.

In developing our last levy our projections were off in any given year anywhere from 2.3% to 12.2%.



Michael Z. Green, Superintendent of Schools

800 Third Street » Woodland WA 98674
T 360.225.9451 » F 360.225.8956
www.woodlandschools.org

Woodland Public Schools is an Equal Opportunity Employer

Tax Year	Projected AV Increase	Actual AV Increase
2007	4%	16.2%
2008	7%	4.7%
2009	8%	14.5%
2010 (est.)	8%	-2.0% (est)

The current economy poses a challenge for us that I have not experienced in my career as an educator— flat or declining total assessed property value. We may very well, for see M&O tax rates increase, while individual tax payers may actually see their tax bill decrease. Certainly this will change our conversation.

In my opinion it would be imprudent to project growth using AV increase estimates similar to those used in the last M&O effort considering that we may face decline in total assessed value in 2010. The most conservative approach would be to project a continued decline in total AV. A middle approach would be to project flat growth in AV.

Following are projections of tax rates based on three different growth scenarios:

	Estimated AV (0%)	Levy Amt	M&O Tax Rate
2010	\$1,380,981,249.00	\$2,800,000	\$2.0275
2011	\$1,380,981,249.00	\$2,950,000	\$2.1362
2012	\$1,380,981,249.00	\$3,100,000	\$2.2448

	Estimated AV (-2%)	Levy Amt	M&O Tax Rate
2010	\$1,380,981,249.00	\$2,800,000	\$2.0275
2011	\$1,353,361,624.02	\$2,950,000	\$2.1798
2012	\$1,326,294,391.54	\$3,100,000	\$2.3373

	Estimated AV (+2%)	Levy Amt	M&O Tax Rate
2010	\$1,380,981,249.00	\$2,800,000	\$2.0275
2011	\$1,408,600,873.98	\$2,950,000	\$2.0943
2012	\$1,436,772,891.46	\$3,100,000	\$2.1576

Following board review of this proposal I intend to hold a public forum, on Monday November 16th with the intent of gathering community input on the plan for the M&O.