

DAVENPORT SCHOOL DISTRICT

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Dear Davenport School District Patrons,



First of all, I want to thank you for your continued support of our school district. We are able to offer many instructional and co-curricular programs for our students thanks to the amazing support we receive from the Davenport Community. Your support is very much appreciated!

Secondly, the school district is asking you to vote on two proposed special levies. You may be asking, “Hey, didn’t the school district recently have a school levy measure on the ballot?” The answer is “yes”. On February 9, 2016, voters approved a four year levy (see chart below).

M & O Levy Approved in 2016

Levy Collection Year	Levy Amount	Impact of New Law Passed in 2017
2017	\$1,066,000	Full amount can be collected
2018	\$1,087,000	Full amount can be collected
2019	\$1,109,000	Only est. \$419,000 can be collected
2020	\$1,131,000	Only est. \$432,000 can be collected

So why are we now going out to voters again? That is a great question! The answer is that the 2017 Legislature passed a new education funding bill (House Bill 2242) that significantly changes the way schools are funded. This bill was passed in late June of 2017 after three over-time legislative sessions. This was the Legislature’s response to the State Supreme Court’s “McCleary Case” ruling. HB 2242 limits the tax rate/\$1000 for local M & O Levies to \$1.50, beginning in 2019. The State will be collecting more property

taxes that will go back to the State and this will begin in 2018. As shown above, our M & O Levy will be reduced from \$1,109,000 in 2019 to an estimated \$419,000. After a very thorough analysis of what this reduction in levy authority will have on our district finances, the Davenport School Board recently authorized two new levies: a Capital Projects Levy that will help with technology, safety, security, and facilities improvement and a Transportation Vehicle Levy that will help with the purchase of new buses and major bus repair.

In the past, our district used local M & O Levy funds to help with facility and technology improvements, bus purchases, and major repairs. Since the M & O Levy capacity is now going to be severely limited with the \$1.50 cap, we are asking our patrons to approve two special levies that will help make up the shortfall in funding.

You may now be asking, “Will my school taxes go down or up, what is the deal here?” **For the 2018 calendar year, your overall school taxes will go up for one year** (see chart on next page). This is not due to the levy that was passed in 2016. This is occurring because of the state increase in property tax (often referred to as the “levy swap”). This increase will happen even if our two special levy requests are not approved, since those levies are not collected until 2019. **Beginning in 2019, we are estimating that your overall school taxes will be less than you are currently paying in 2017.** This is due, in large part, to the restriction of \$1.50 mil rate on the school M & O Levy that is now being referred to as an enrichment levy.

The chart below includes the state school levy rate that, beginning in 2018, will be increased by the state. The chart also shows the local M & O levy rate, the tax rate for the current building bonds, and the two special levies that we are asking voters to approve on February 13.

Tax Impact History & Projected –mil rate/\$1,000	2017	2018	2019	2020
Our Current M & O Levy	4.01	4.00	1.50	1.50
Proposed Capital Projects Levy			.90	.90
Proposed Transportation Vehicle Levy			.45	.45
K-8 & HS Construction Bonds	2.68	2.63	2.59	2.58
State Tax Rate for K-12 Schools	2.07	2.83	2.87	2.92
Totals	8.76	9.46	8.31	8.35

Beginning in 2019, the state is limiting our regular school levy tax rate/\$1,000 to \$1.50

The estimated tax rate in 2019 & 2020 will be less than the rate voters were paying in 2017

Our M & O Levy that was approved by voters in 2016 will expire in 2020, as will the two special levies if they are approved.



Our school district is working hard to maintain quality programs. If you have any questions about the proposed special levies and/or want more information, please contact me via phone at 509-725-1481 or via email at jkowalkowski@davenportsd.org.

Jim Kowalkowski
Superintendent



Additional information regarding these two proposed levies and the new education funding law (HB 2242) can be found on the school district website: <https://www.davenport.wednet.edu/>. Click on the “Proposed Special Levies” link under Announcements heading on the right corner of the front page.