



ELMIA

SCHOOL DISTRICT

What is an EP&O Levy?

1. Definition:

- EP&O stands for Educational Programs and Operations.
- It's a local property tax approved by voters to support the district's general fund.

2. Purpose:

- Directly funds essential district operations not fully covered by state or federal funding.
- Supports district athletics, activities, and other educational programs.

3. Key Facts:

- It's a replacement levy, not a new tax.
- The proposed rate is \$2.19 per thousand, below the available \$2.50 per thousand limit.



Historic EP&O Levy

- In the past, the amounts collected for the District's EPO levy have been limited by the amount requested of and approved by voters
- By State law, taxes collected from an EPO levy are restricted to the lesser of:
 - The amount approved by voters, or
 - A tax rate of \$2.50 per \$1,000 of assessed value, as calculated each tax year by the assessor's office, or
 - A per pupil amount of \$2,500 per student beginning in tax year 2019 and adjusted by Consumer Price Index (CPI) in future years.
- For tax year 2024, it is estimated the per pupil amount will be **\$3,149.69** per student.

DATE	1st Year	2nd Year	% Yes
Feb 2022	\$3,034,031	\$3,422,623	55.13%
Feb 2020	\$2,643,570	\$2,775,749	64.00%
Feb 2018	\$2,514,435	\$2,514,435	55.95%
Feb 2016	\$3,170,610	\$3,170,610	64.18%
Feb 2014	\$3,170,610	\$3,170,610	65.17%
Feb 2012	\$3,170,160	\$3,170,610	62.10%
Feb 2010	\$2,924,000	\$2,925,000	55.63%

Comparable Tax Rates

Grays Harbor, Mason & Thurston County School Districts 2023 Total Tax Rates						
District	Assessed Value	Bonds	EP&O	Capital Projects	Trans.	Total
Olympia SD No. 111	\$ 15,311,119,090	\$ 1.22	\$ 1.93	\$ 0.78	\$ -	\$ 3.92
Tumwater SD No. 33	9,539,342,382	1.26	2.04	0.60	-	3.90
Aberdeen SD No. 005	2,164,121,749	1.38	2.44	-	-	3.82
Hoquiam SD No. 028	1,063,162,401	1.31	2.50	-	-	3.81
North Thurston SD No. 3	22,938,842,696	1.80	2.00	-	-	3.79
Shelton SD No. 309	3,160,701,698	1.61	1.75	-	-	3.36
Yelm SD No. 2	5,884,779,854	1.15	2.02	-	-	3.17
Tenino SD No. 402	1,834,506,679	-	2.15	0.92	-	3.07
McCleary SD No. 65	493,977,575	1.22	1.80	-	-	3.02
Montesano SD No. 66	1,314,712,595	0.99	1.95	-	-	2.94
Rainier SD No. 307	1,000,595,821	0.77	2.13	-	-	2.91
Wishkah Valley SD No. 117	191,134,096	-	2.50	0.30	-	2.80
Oakville SD No. 400	333,528,575	1.42	1.33	-	-	2.75
Cosmopolis SD No. 099	330,146,827	0.76	1.99	-	-	2.75
Ocosta SD No. 172	1,310,233,320	0.88	1.33	0.33	-	2.53
Rochester SD No. 401	2,075,916,523	-	2.21	-	-	2.21
Elma SD No. 068/137	1,506,850,668	-	2.07	-	-	2.07
Mary M. Knight SD No. 079/311	335,415,036	-	2.01	-	-	2.01
Southside SD No. 42	382,067,664	-	1.68	0.29	-	1.98
North Mason SD No. 403	3,481,842,612	0.84	1.11	-	-	1.95
Pioneer SD No. 402	2,368,221,560	0.70	1.19	-	-	1.88
Taholah SD No. 077	25,518,197	-	1.80	-	-	1.80
Griffin SD No. 324	1,925,474,031	-	1.31	0.39	-	1.70
Grapeview SD No. 54	1,239,292,247	0.82	0.63	-	-	1.44
Quinault SD No. 97	341,661,395	-	1.32	-	-	1.32
Satsop SD No. 104	88,661,802	-	0.92	-	-	0.92
Hood Canal SD No. 404	1,917,608,222	0.00	0.72	0.00	-	0.73
North Beach SD No. 064	3,619,961,616	0.01	0.59	-	-	0.60



ELMA SCHOOL DISTRICT NO. 68

GRAYS HARBOR AND MASON COUNTIES, WASHINGTON - February 2022

EXPLANATORY STATEMENT

Proposition No. 1 - REPLACEMENT EDUCATIONAL PROGRAMS AND OPERATION LEVY

Passage of Proposition No. 1 would allow the Elma School District to replace an existing educational programs and operations levy that will expire at the end of the calendar year 2022. The taxes collected by this replacement levy will be used to pay expenses of educational programs and operation that are not fully funded by the State of Washington, including, but not limited to: reduced class sizes, athletics, extracurricular activities, transportation, nutrition, substitutes, nurses, mental health specialists, and counselors. Further information is available at the District's website

The proposed two-year replacement levy would authorize collection of taxes to provide up to \$3,034,031 in 2023 and \$3,422,623 in 2024. The tax levy rate required to produce these levy amounts is estimated to be \$2.19 per \$1,000 of assessed value. The exact tax levy rate and amount to be collected may be adjusted based upon the actual assessed value of the taxable property within the District and the limitations imposed by State law at the time of the levy. Exemptions from taxes may be available to certain homeowners. To determine if you qualify, call the Grays Harbor County Assessor at 360.249.4121 or the Mason County Assessor at 360.427.9670 ext. 491.



Understanding the Levy: Pro & Con Statements

WA State Law: When proposing a levy, both Pro (in favor) and Con (against) statements are required if volunteers are available. This ensures voters receive a balanced view.

Examples of Pro Statement:

- **Investment for the Future:** Supports school programs.
- **Below Max Rate:** Demonstrates fiscal responsibility.
- **Ensures Continuation:** Vital for district athletics & activities.

Examples of Con Statement:

- **Financial Concern:** Added burden on homeowners.
- **Past Spending Queries:** Questions on fiscal prudence.
- **Economic Uncertainty:** Preference for minimizing expenses.

Sources of District Revenue

Federal Funding - Special Education, Nutrition, etc.

- *\$3,279,298.83*

State Funding - General Education, Levy Equalization, etc.

- *22,392,168.46*

Local Funding - EP&O Levy

- *\$3,279,637.12*

Other - Donations, Co-op

- *\$505,864.69*

TOTAL - \$29,456,696.10



EP&O Expenditures

Regular Instruction - *Salaries*

- \$2,809,140.72

Community Services - *Athletics and Activities*

- 352,305.38

TOTAL - \$3,279,298.83

Historically, Run at \$2.19 per \$1,000 of Assessed Value





EP&O Levy

Election Date	Resolution Filing Date	Appoc Ballot Date	Certification Date
February 13, 2024	December 15, 2023	January 26, 2024	February 23, 2024

IF WE RUN - Capital Project Levy

Election Date	Resolution Filing Date	Appoc Ballot Date	Certification Date
April 23, 2024	February 23, 2024	April 5, 2024	May 3, 2024
August 6, 2024	May 3, 2024	July 19, 2024	August 20, 2024
November 5, 2024	August 6, 2024	October 18, 2024	November 26, 2024

District Recommendation for Capital Projects

- Do not make an immediate decision on Capital Projects Levy - YET
- Continue to gather information for Non-Profit Donations of Athletic Capital Projects
- Run Capital Project Levy to Close Gap
- No Firm Decision on Capital Projects Levy until after the district has a better understanding of:
 - Grants
 - Non-Profit Donations
 - Public Works Donations
- Board presentation by WA State Auditor at the Nov 8 Board Meeting.
- Must pass the EP&O First



Private Donations

1. School Board Policy:

- Purpose/Scope: This section might clarify the types of donations that can be accepted and for what purposes.
- Approval Process: Many policies will require board approval for significant donations, especially if there are long-term implications or costs for the district.
- Conditions: Some donations might come with conditions attached, and the policy often outlines under what conditions the school board can accept or decline those donations.
- Recognition: Details on if/how donors will be recognized.
- Equity: Ensuring that donations don't exacerbate inequalities between schools or students.
- Accounting: How the donations will be accounted for and any transparency or reporting requirements.



Private Donations

2. Legally Defining the Donation in a Contract:

- **Scope of Work:** Clearly define what the donation covers, whether it's the entirety of the project or specific parts.
- **Obligations:** Clarify what the obligations of each party are, e.g., who is responsible for ongoing maintenance or future repairs?
- **Payment Terms:** Details on how and when funds will be transferred, any conditions for payment, etc.
- **Compliance with Washington Law:** This is especially crucial since public works have specific legal requirements in Washington, including bidding processes, prevailing wage laws, bonding, and more. Even if a private donor funds the project, it would typically still need to adhere to these laws if it's a public works project. A legal professional familiar with Washington public works law should be consulted to ensure compliance.
- **Termination:** Conditions under which the agreement can be terminated.
- **Liability and Indemnification:** Addressing potential liabilities and who bears them.



Unlimited Tax General Obligation (UTGO) Bonds

- New revenue created
- Repaid with property taxes levied annually over the term of the bond
- Approved with a 60% yes vote, 40% validation
- Statutory borrowing limit of 5% assessed value
- 40-year maximum term (match useful life of asset)
- May only be submitted to voters twice in a calendar year



Capital Project Levy

- One- to six-year collection cycle
- Simple majority (50% + 1)
- Multiple capital projects levy may be authorized for the same period (e.g. technology and new roof)
- Possible life cycle mismatch
- No interest cost
- If a capital projects levy fails, may be resubmitted to voters only once in the same 12-month period
- Pay costs to construct, modernize or remodel school facilities (including technology improvements)

Non-Voted Limited General Obligation Bond

- Repaid with existing revenue (typically general fund)
- Can't be used for 'new' construction
- Statutory borrowing limit of 3/8 of 1% assessed value.
- Taxes collected from a Capital Projects Levy may be used to repay the principal of an LGO Bond (NOT the interest)
- A public hearing is required if more than \$250k is borrowed.



Educational Programs & Operations Levy

- Pay costs of maintenance and operations (e.g. educational programs, facility maintenance and day-to-day operations).
- One to four year collection cycle
- If EP&O levy fails, may be resubmitted to voted only once in the same 12-month period.
- Collection may not exceed the maximum amount of established by state law.

A close-up photograph of a wheat field during sunset. The sun is low on the horizon, creating a warm, golden glow and lens flare effects. The wheat stalks are in focus, showing their green leaves and developing grain heads. The overall mood is peaceful and grateful.

THANKYOU.