

POLICY BRIEF

Citizens' Guide to the Seattle Families and Education Levy, to double a city tax for local school programs

Liv Finne, Director, Center for Education

September 2018

Key Findings

1. Seattle officials want voters to pass a new Families and Education Levy of \$636.5 million, more than double the special levy it is replacing.
2. The levy would cost a family with a median-priced home \$249 more per year (up from \$136 a year under the old levy), in addition to regular property taxes of nearly \$6,000/yr.
3. This is the sixth time city officials have sought this extra tax. The first Families and Education Levy was passed 28 years ago.
4. To date the levy has failed to achieve what officials promised. It has not significantly raised test scores, reduced the achievement gap, increased graduation rates, or made every student college-ready.
5. Levy supporters said it would ensure that every pre-schooler is "ready to learn," but children in the program have gained no benefit in learning skills compared to other students.
6. Regular property taxes in King County increased in 2018 by an average of 17%, adding about \$800 more in tax, to a total of about \$6,000/yr for a typical family.
7. In recent years the state has added about \$7 billion more for schools. Seattle now spends \$18,000 per student, more than many private schools.
8. The high tax burden in Seattle contributes to income inequality, as the financial cost of special levies falls hardest on households that are least able to afford it.



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Introduction

Seattle officials are again asking voters to pass a special tax to pay for a basic public service. In this case they want voters to approve an added property tax of \$636.5 million over seven years for an expanded Families and Education Levy that is on the November ballot. This is the sixth time city officials have pressed for this particular special levy. They are also seeking to increase the tax burden imposed under the levy by 119%, raising it from \$289.6 million in added taxes to \$636.5 million.

Officials estimate that a family with a median-priced house in the city would pay \$249 more per year, up from \$136 per year under the expiring levy.¹ This increase would be on top of the 2018 state property tax increase for schools that raised property taxes in King County by 17 percent, which requires the typical family with a median-priced home (estimated currently at \$509,000) to pay almost \$6,000 a year.

Officials say they would spend the levy money on K-12 schools (\$229.7 million), preschool (\$363 million), and to provide community college vouchers to Seattle public school graduates (\$43.8 million). Under a policy that is unusual for U.S. cities, these city tax funds would be spent on local schools, which already have a separate source of funding.

The city money would be in addition to the \$955.4 million in funding the Seattle School District receives through its own local levies and from state and federal funding. Currently the School District spends about \$18,000 per student, more than the tuition at many private schools.²

Proponents of the 2018 Families and Education Levy say the money would be used to:

- Eliminate the achievement gap between minority and white students;
- Improve academic achievement;
- Improve high school graduation rates;

1 "Seattle would spend \$636 million over 7 years under education-levy plan," Daniel Beekman, *The Seattle Times*, April 18, 2018, at <https://www.seattletimes.com/seattle-news/politics/seattle-would-spend-636-million-over-7-years-under-school-levy-plan/>.

2 "Seattle Public Schools, 2018-19 Adopted Budget," Seattle Public Schools at https://www.seattleschools.org/UserFiles/Servers/Server_543/File/District/Departments/Budget/2019%20Budget%20Development/adoptedbudget19.pdf.

- Provide more money to schools;
- Expand City of Seattle preschool program;
- Offer Seattle Public School graduates community college vouchers.

These are typical of the promises officials make whenever they have proposed this city levy to voters. This Citizens’ Guide provides an overview of this latest proposed Families and Education Levy, reviews the history of the levy, and assesses whether the levy has been effective in meeting the promises made by its supporters.

Review of the Seattle Families and Education Levy

The first Families and Education Levy was passed in 1990. It remains one of the few city special levies in the country that is devoted to funding school programs.

Table 1: History of Seattle Families and Education Levy³

Year of levy approval	Amount of tax increase
1990	\$69.2 million
1997	\$69 million
2004	\$116.8 million
2011	\$231.6 million
2014	\$58 million
November 2018	\$636.6 million (proposed)

1990 – The first Families and Education Levy increased city taxes by \$69.2 million over seven years, for “assistance to Seattle Public School students and their families for educational and developmental services, such as early childhood development, school-based student/family services, comprehensive student health services, and out-of-school youth activities.”

1997 – Voters approved an extension to this levy for another seven years. City officials funded several of the 1990 levy programs (including child care, family support workers and family centers), and expanded after-school programs for elementary and middle school students, as well as teen health centers. The taxpayer cost of the levy was held steady.

2004 – City officials decided to seek more money from the public with “the clearer goal of helping students succeed academically.”⁴

3 “Families and Education Levy & Seattle Preschool Program Levy,” Brian Goodnight, Seattle City Council Central Staff, December 15, 2015, at <https://www.seattle.gov/Documents/Departments/Council/Committees/CentralStaff/TopicPapers/2b.-Families-and-Education-and-Seattle-Preschool-Program-Levies.pdf>.

4 “Families and Education Levy & Seattle Preschool Program Levy,” Brian Goodnight, Seattle City Council Central Staff, City of Seattle, December 15, 2015, at <https://www.seattle.gov/Documents/Departments/Council/Committees/CentralStaff/TopicPapers/2b.-Families-and-Education-and-Seattle-Preschool-Program-Levies.pdf>.

The 2004 levy's services would be "designed to help address the needs of Seattle's public school children and Seattle's youth and their families, with the intent of promoting learning, supporting academic achievement, and increasing access to services, and the administration of those services."⁵

The expanded Family and Education Levy funded social services for immigrant, refugee and Native American elementary students, training for preschool teachers and family child care providers, health care centers at most middle and high schools, and summer learning for students behind in school.

2011 – City officials said that spending more money through the Families and Education Levy would improve academic achievement. Officials asked for, and voters approved, \$231.6 million for the 2011 Families and Education Levy. This time city officials promised the levy would achieve the following city-wide outcomes:

- Children will be ready for school;
- All students will achieve academically and the achievement gap will be reduced, and;
- All students will graduate from school, college and career ready.⁶

2014 – City officials sought and received an additional \$58 million to add a preschool program, which voters approved. City officials promised to create "high-quality, affordable early learning that would help bridge the opportunity gap between rich and poor, black and white."⁷

Assessment: Families and Education Levy has not met its promised goals

The Seattle Families and Education Levy has been in place for 28 years. City officials consistently praise the program and routinely seek tax increases. An objective assessment, however, shows the levy has not met its promised goals.

Education data show that levy spending has not made Seattle children ready for school.

In 2017-18, a large share of children entering kindergarten in Seattle did not have the skills educators say they needed to succeed. The state Superintendent of Public Instruction reports that only 64 percent of all Seattle children, and only 39 percent of Seattle's low-income children, are ready for kindergarten, as shown by results on the Washington Kindergarten Inventory of Developing Skills.⁸

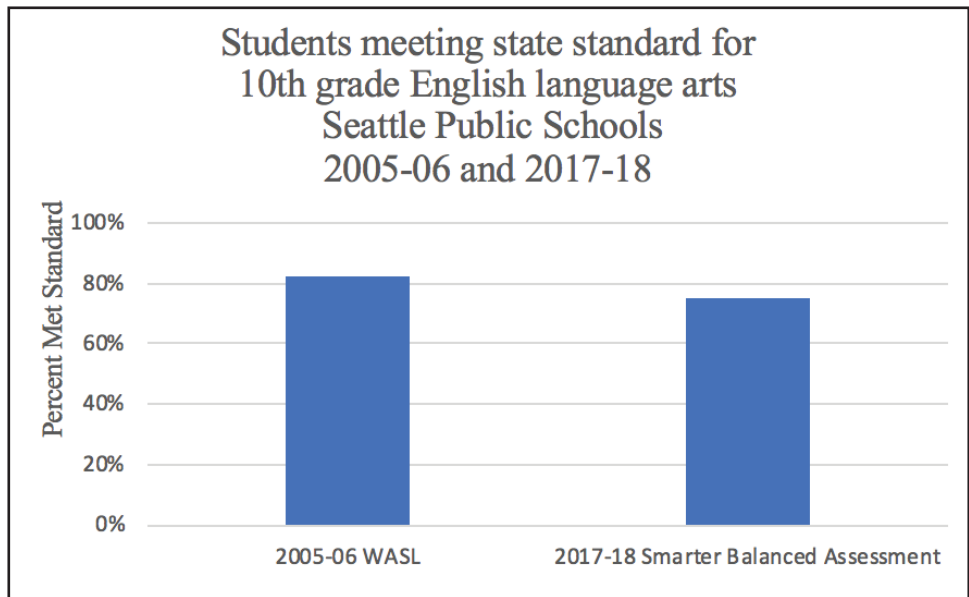
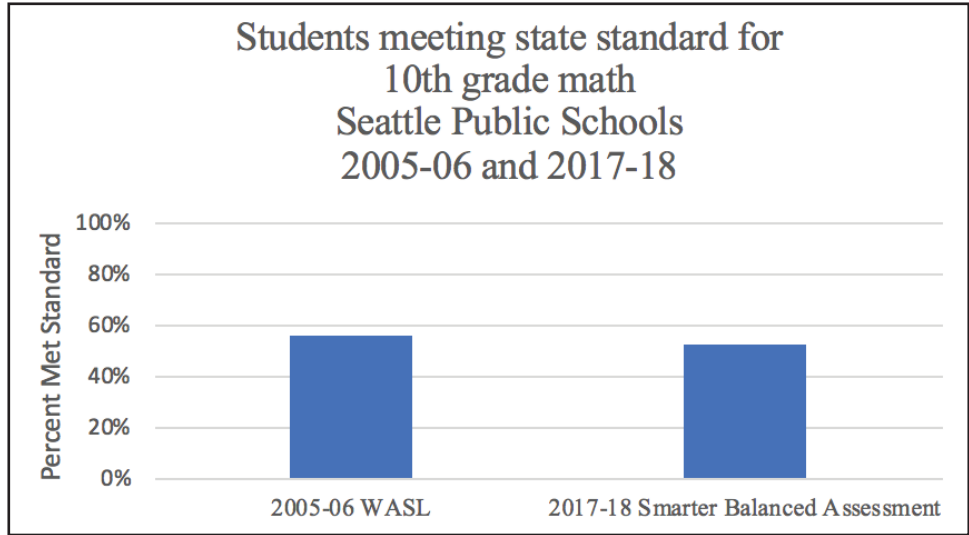
5 Ibid.

6 Ibid.

7 "Seattle's publicly funded preschool program not hitting education goals," by Ann Dornfeld, *KUOW Radio*, February 13, 2018.

8 "Washington Kindergarten Inventory of Developing Skills (WaKIDS), 2017-18," Office of Superintendent of Public Instruction, School Report Card, Seattle Public Schools at <http://reportcard.ospi.k12.wa.us/WaKidsDetailPage.aspx?domain=WaKIDS&groupLevel=District&schoolId=100&reportLevel=District&yrs=2017-18&year=2017-18&waslCategory=1&chartType=1>

Second, levy spending has not made all Seattle students achieve academically. Scores for math and reading show that the level of student learning remains flat, even as spending under the Families and Education Levy, and total education spending, increased.



Third, levy spending has not reduced the achievement gap. Only 36 percent of low-income and black third graders passed the 2016-17 state test in reading, while 80 percent of white third-graders passed the same test. After eight more years in school, only 18 percent of black students passed the eleventh-grade state test in reading, while 65 percent of white students passed, as measured by public school officials.⁹

⁹ “Washington State Report Card, Smarter Balanced Assessment,” Office of Superintendent of Public Instruction at <http://reportcard.ospi.k12.wa.us/TemplateDetail.aspx?domain=SBAC&groupLevel=District&schoolId=100&reportLevel=District&rs=2016-17&year=2016-17&gradeLevelId=3&waslCategory=6&chartType=1>.

Fourth, not every Seattle student is graduating from school college and career ready, as promised by levy proponents. Seattle’s overall high school graduation rate is just 77 percent,¹⁰ and only 61 percent and 57 percent of black and Hispanic boys, respectively, graduated from Seattle public schools in 2016.¹¹

Finally, the levy-funded preschool program is failing to deliver promised results. After three years into its four-year pilot, a report by the National Institute for Early Education Research shows children attending the Seattle Preschool Program perform no better in learning vocabulary, literacy, math, and executive function skills than their peers in a comparison group.¹² These independent researchers found the program performed poorly on several measures of teaching quality.¹³

Based on criteria city leaders themselves established, and based on the promises they made to the public over the 28-year period, Seattle’s Families and Education Levy has consistently failed to meet the goals defined by levy supporters.

Families and Education Levy is imposed on top of a rising tax burden

About 57 percent of property tax revenues collected in King County are used to pay for public schools.¹⁴ Property taxes on a median-priced home (estimated currently at \$509,000) in King County increased by an average of 17 percent in 2018, adding about \$800 more in tax, for a total of nearly \$6,000 in property taxes a year for a typical family.

This increased 2018 tax collections to \$5.6 billion, up from \$4.8 billion, or 17 percent higher than the prior year.¹⁵ This is the largest one-year tax increase imposed since King County was founded in 1852.¹⁶

Higher Seattle property taxes and more state funding directed to Seattle Public Schools has dramatically increased the budget of Seattle’s school officials. From 2017-18 to 2018-19, the operating budget of Seattle Public Schools grew by nearly \$100 million.

10 “Washington State Report Card, Seattle Public Schools,” Office of Superintendent of Public Instruction at <http://reportcard.ospi.k12.wa.us/summary.aspx?groupLevel=District&schoolId=1&reportLevel=State&yrs=2016-17&year=2016-17>.

11 “Outcomes Data Tables, 2016-17,” Seattle Public Schools, at http://www.seattleschools.org/cms/One.aspx?portalId=627&pageId=25571096#Graph_24.

12 “Year 2 Report: Seattle Pre-K Program Evaluation,” Milagros Nores, PhD, W. Steve Barnett, PhD, et al., National Institute for Early Education Research, October 2017, at http://nieer.org/wp-content/uploads/2017/11/SPP-Evaluation-Year-2-Final-Report-v11.1.17_EDITED.pdf.

13 Ibid.

14 “2018 Property Taxes,” King County Assessor John Wilson, February 13, 2018, at <https://www.kingcounty.gov/depts/assessor/2018Taxes.aspx>.

15 Ibid.

16 “Why property taxes are going up,” by Paul Guppy, Washington Policy Center, May, 2018, at <https://www.washingtonpolicy.org/library/doclib/Guppy-Property-taxes-are-going-up-2.pdf>.

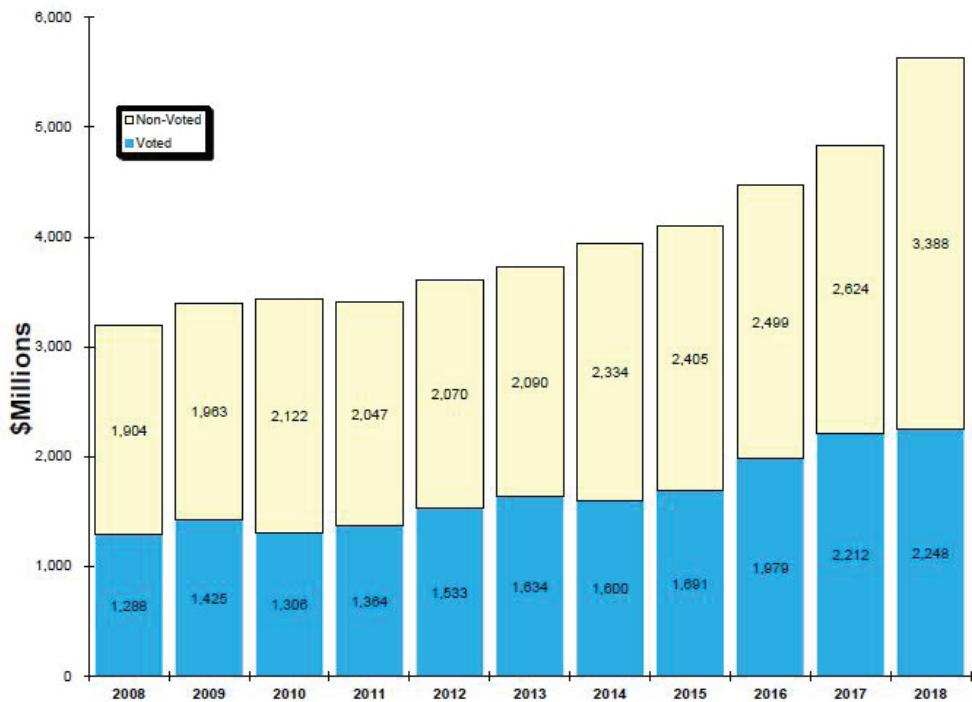
At \$18,000 per student, not counting money received under the Families and Education Levy, the budget for the Seattle school district is at the highest level in its history, even though school attendance is lower than in the past.

The rising tax burden: Voter and non-voter-approved property tax increases

Public officials in Seattle and King County have worked to increase the tax burden by proposing a series of voter-approved levies. Ballot measures proposing special levies nearly always pass, so over time officials have sought to shift more and more essential government services onto special taxes, while diverting regular tax revenue to less-popular programs. Currently, nearly half of local tax revenue in King County is collected through temporary special levies.

The chart below shows the steady rise in the King County property tax burden, and shows the portion that is voter-approved (solid bars), and the portion imposed by state and local elected officials using taxing authority:¹⁷

Voter approved and non-voter approved property tax increases in King County, 2008 – 2018



¹⁷ “Annual Report, Voted vs. Non-Voted Tax, 2018,” King County Assessor John Wilson, at <https://www.kingcounty.gov/depts/assessor/Reports/annual-reports/~media/depts/assessor/documents/annualreports/2018/18TaxRoll.ashx?la=en>.

Current voter-approved property tax increases in Seattle

Levy type	Enacted	Purpose	Duration of tax	Amount of tax increase	Starting year	Ending year
Temp. lid lift	January 2016	Low-income housing	7 years	\$290,000,000	2017	2023
Temp. lid lift	November 2015	Election campaign vouchers	10 years	Added rate of \$0.0194	2016	2025
Temp. lid lift	November 2015	Transportation	9 years	\$930,000,000	2016	2024
Temp lid lift	November 2014	Early learning programs	4 years	\$58,266,518	2015	2018
Bonds	November 2012	Alaskan Way seawall	30 years	\$290,000,000	2013	2042
Temp. lid lift	August 2012	Library services	7 years	\$122,630,099	2013	2019
Temp. lid lift	November 2011	Families and Education	7 years	\$231,562,000	2012	2018
Bonds	November 1998	Library facilities	30 years	\$196,400,000	1999	2028
Special levy	February 2016	Tech, academics capital levy	6 years	\$475,300,000	2017	2022
Special levy	February 2013	Capital projects	6 years	\$694,900,000	2014	2019

Further levy requests

As noted, Seattle School District officials seek their own property tax increases, in addition to those sought by the city.

In February 2019, Seattle school officials say they will ask taxpayers to approve a \$695 million capital levy to continue tax collections beyond an expiring capital levy that was passed in 2013.¹⁸

School officials also want a further school operating levy, to continue an expiring levy of \$758 million, to be collected over the next several years. It is likely Seattle school officials will want an increase in the tax burden imposed by their current school levy, above current operating levels.

A large tax-increase request is likely because school officials recently agreed to a union contract that puts their future budgets into deficit. Having decided to increase the cost of operating schools, they will likely say that a significant tax increase is the only way to bail out their deficit-budget.

Certainly the Families and Education Levy contributes to the difficulty of living in Seattle. As property taxes increase, the income disparity between the rich and poor increases. Also, property tax increases raise the cost of housing for all families. Young couples find it harder to afford a first home. Elderly couples living on fixed incomes must sell their homes to pay their bills. Low-income families cannot buy property at all.

¹⁸ "BEX IV," Seattle Public Schools, at <https://bex.seattleschools.org/bex-iv>.

Policy Analysis

Proponents of the Families and Education Levy have repeatedly promised the money collected through this extra tax would mean:

- Children will be ready for school;
- All students will achieve academically;
- The racial achievement gap will be reduced, and;
- All students will graduate from school college and career ready.

Yet state and local education data show all children are not ready for school, all children are not achieving academically, the achievement gap remains stubbornly large, and not all students are graduating school college and career ready. Repeated enactment and dollar increases for the Families and Education Levy have not achieved what voters were promised.

Families and Education Levy proponents now want voters to more than double the dollar size of the levy, saying that this time all children will be ready for school, all children will achieve academically, the achievement gap will be reduced, and graduation rates will improve.

Conclusion

In 2018, Seattle property owners received dramatic increases in the property tax burden. By adding an increased burden on top of existing taxes and special levies, the proposed Families and Education Levy would work to lower household incomes across the city. Higher taxes contribute to high rents and make housing less affordable for all families. In this way, the high tax burden contributes to the city's endemic problems of homelessness and income inequality.

Further, the past promises over what the Families and Education Levy was supposed to achieve have come under greater scrutiny. Twenty-eight years of experience shows that increased spending has not raised academic learning, has not significantly raised graduation rates, has not made every student who graduates college ready, and has not closed the achievement gap.

In spite of this lack of performance, city officials announced they would “double down” on the high tax approach and seek to more than double the size of the levy's financial burden. The city's extra tax is added to the existing spending of the School District, which, at \$18,000 per student, stands at record highs.

In November, voters may conclude the special levy is ineffective in delivering on its past promises and that, if approved, the Families and Education Levy would likely again fail to achieve what the public is being promised. If the levy does pass, it may contribute to taxpayer fatigue, causing voters to reject future funding requests. That in turn may place passage of the Schools District's coming February levy requests in doubt, as voters seek relief from the city's ever-rising burden of high taxation.

Published by Washington Policy Center

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Liv Finne is the Director of the Center for Education at Washington Policy Center. She is the author of *An Option for Learning: An Assessment of Student Achievement in Charter Public Schools*, which in 2011 reignited the charter school debate in Washington state. She wrote “Why parents will love charter schools,” “Why teachers will love charter schools,” and many other publications during the 2012 public debate on Initiative 1240, the nation’s first charter school initiative. When charter schools came under attack from the state teachers union, she wrote “Analysis: Why the state supreme court ruling against charter schools is wrong.” She is also the author of Washington Policy Center’s widely-read education blog, and of Washington Policy Center’s Education Reform Plan: Eight Practical Ways to Improve Public Schools. Liv holds a law degree from Boston University School of Law and a Bachelor of Arts degree from Wellesley College. She retired from civil litigation practice to raise two children and work as business partner for a small business she owns with her husband. Liv is committed to improving public schools by expanding school options for all parents, regardless of their zip code, including charter schools, vouchers, online and other innovations in education.