

Everett’s Bond Cost Ad Explained

Part of the 2020 Bond Report
From The School Data Project
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Summary

Problems with the Everett SD’s (ESD) advertisement:

1. The ESD is trying to compare the tax rates for just 2 years when this is a planned 22 year payback period bond that will be broken into 3 parts with their issue dates staggered.
2. The ESD did not break out just the cost for this 2020 bond.
3. The ESD didn’t mention the 8.5% increase in property appreciation, assessed value (AV), in 2020 or the high AV increases in previous years.
4. The ESD didn’t mention their assumed 3% growth each year for AV starting in 2023 and continuing through 2042 at the end of the 2020 bond payback period.
5. The ESD failed to mention AV growth at all and just marketed the tax “rate” with no consideration on how the actual taxes taxpayers pay in dollars have substantially increased and are slated to continue to do so under the current ESD plan.
6. The ESD didn’t mention the designed spike in 2019’s previous bond debt tax collection to help give the appearance of a drop in rates in 2021.

Bond cost to taxpayers as represented by the school district

Q: Will my property taxes increase?

A: If the bond passes, the portion of property taxes collected for the Everett Public Schools (including educational programs and operations levies, capital levies and capital bonds) is expected to drop slightly from \$4.88 per \$1,000 assessed property value for 2019 to \$4.78 per \$1,000 assessed property value for 2020. The district understands the impacts the COVID-19 pandemic has had on the economy, and there are many community members who have been financially impacted. We would like to reiterate the proposed deliverables offered in this bond can be implemented while lowering the overall tax rate.

Fig 1

Bond cost to taxpayers as calculated by the authors

Everett: Projected school tax collection for the 2020 bond
On a home with an assessed value of \$400,000 as of 2020
Total: \$6,917

Average per year: \$314 for 22 years

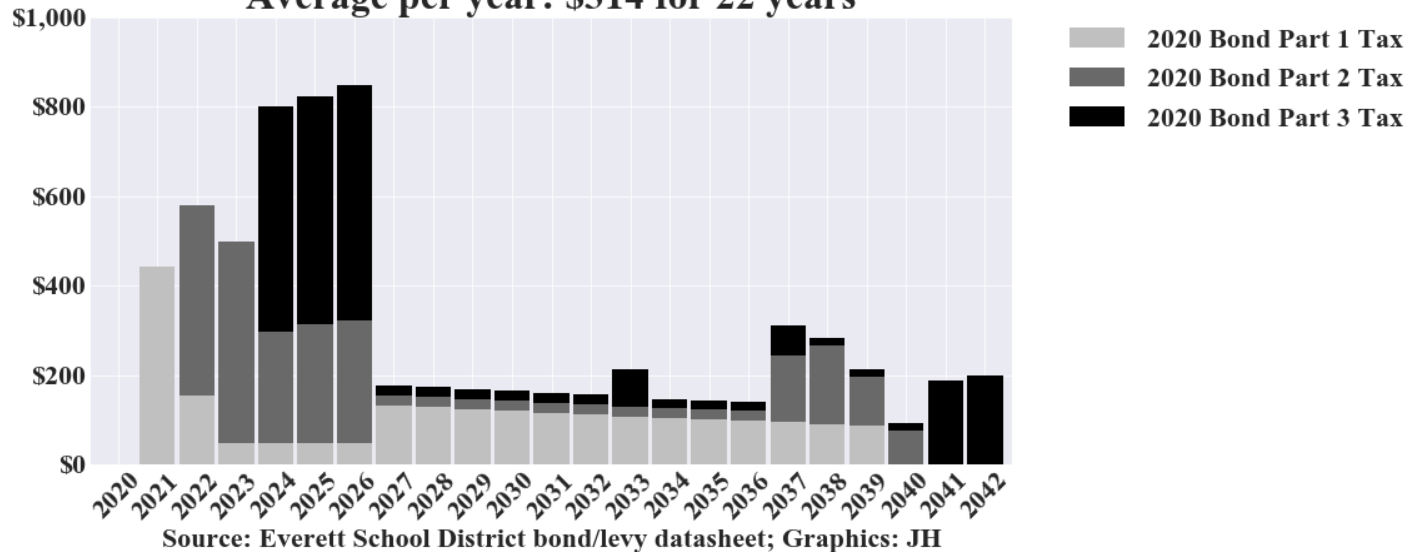


Fig 2

Local school tax rates

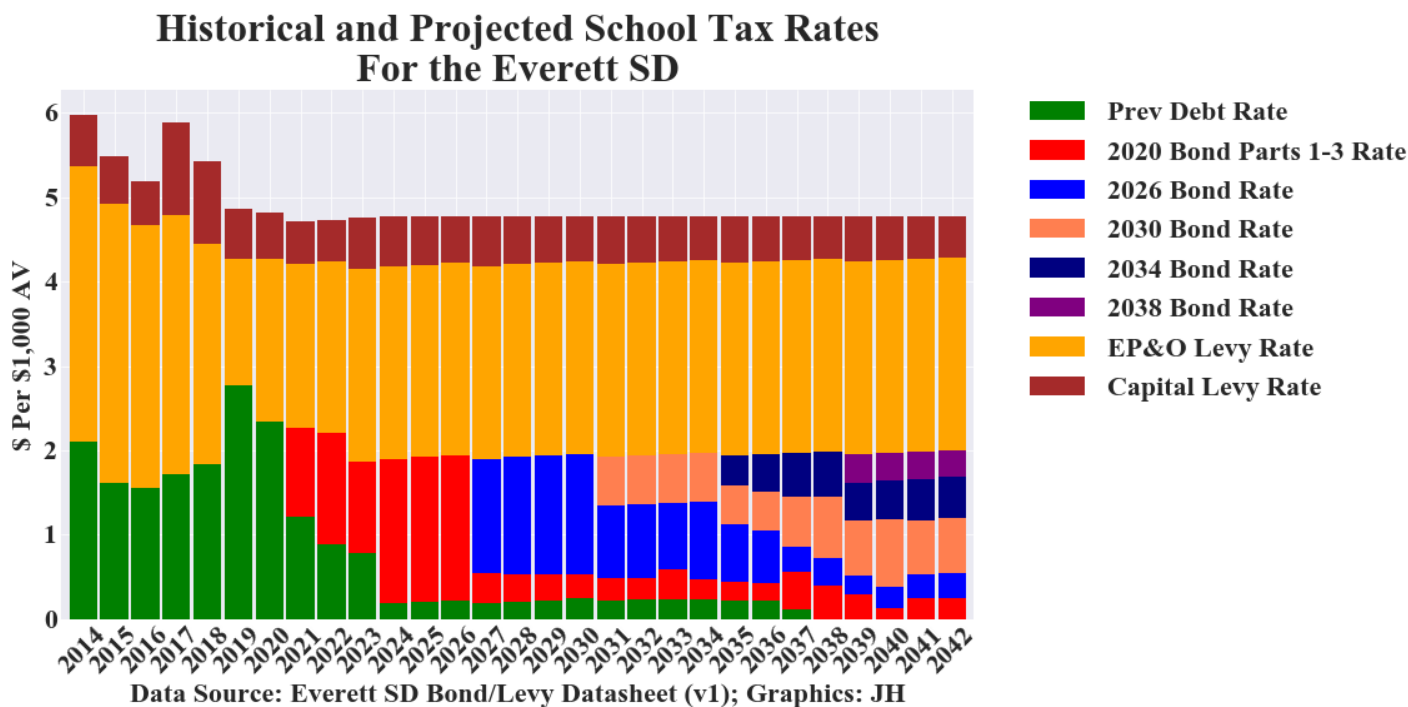


Fig 3

Year over year AV growth rate

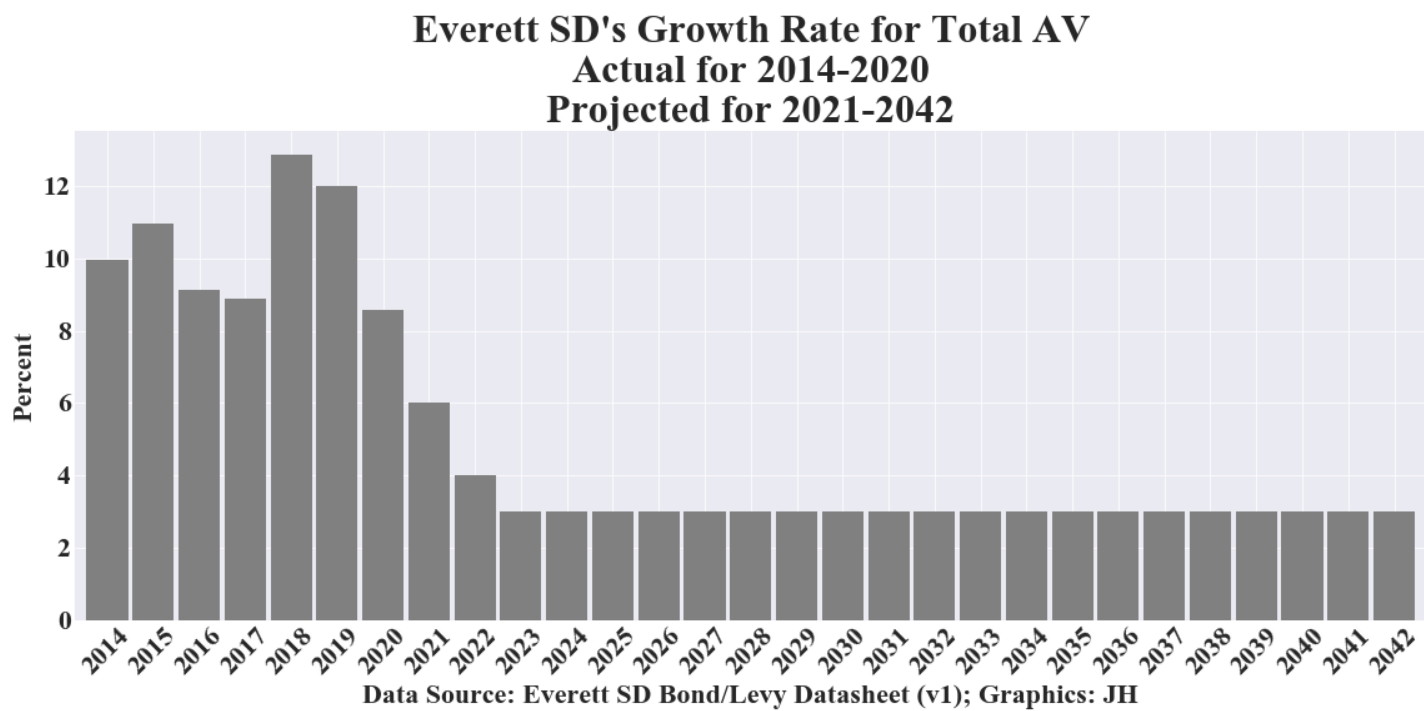


Fig 4

Existing debt tax collection planned

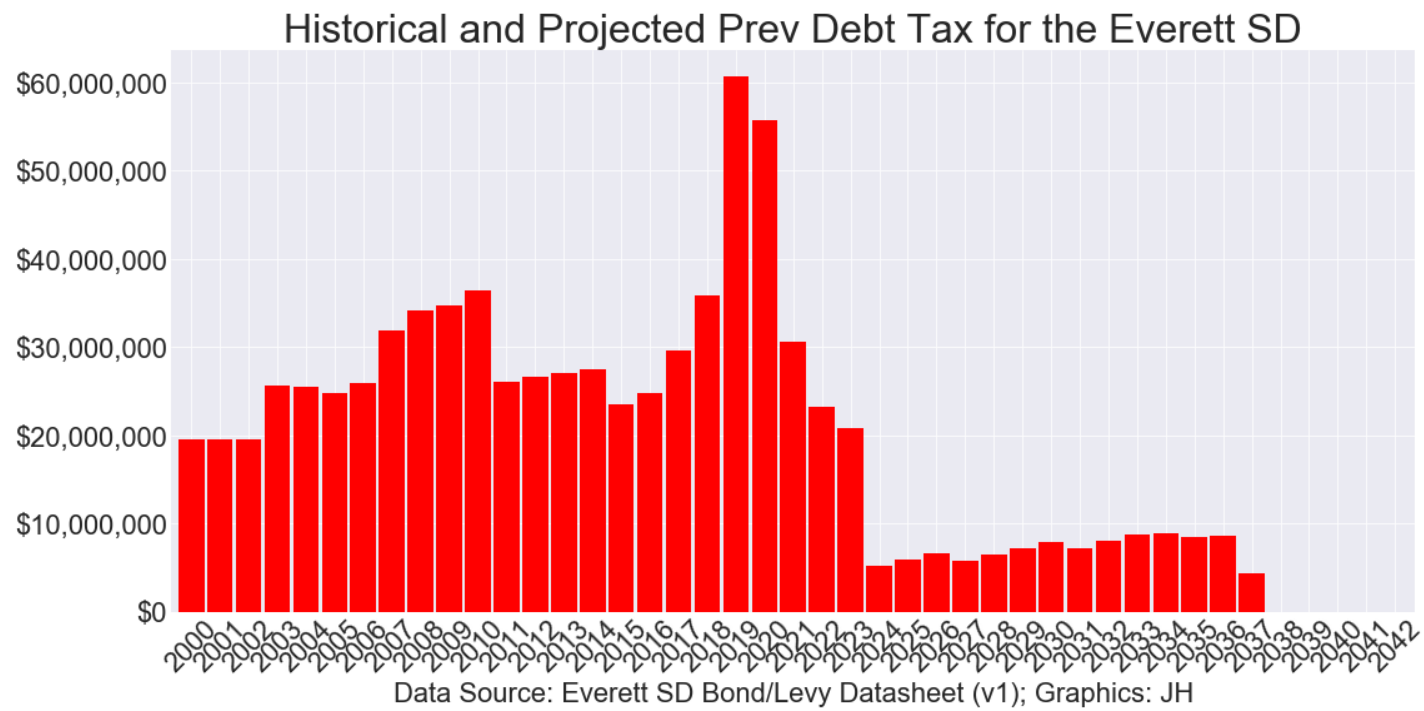


Fig 5

Estimated local school taxes

Projected School Tax Collection for Local School Taxes
On an Everett SD Home with an AV of \$400,000 as of 2020
Total: \$66,030

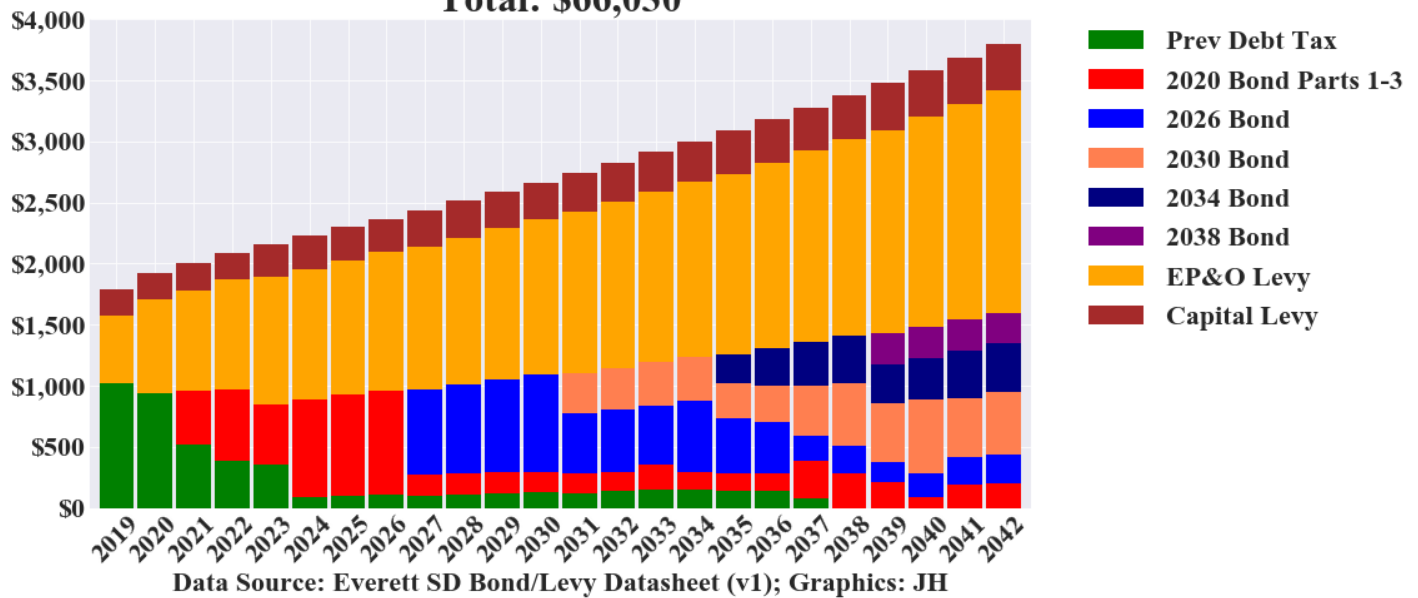


Fig 6

Estimated all school taxes

Projected School Tax Collection for All School Taxes
On an Everett SD Home with an AV of \$400,000 as of 2020
Total: \$93,760
Average per year: \$4,077 for 23 years

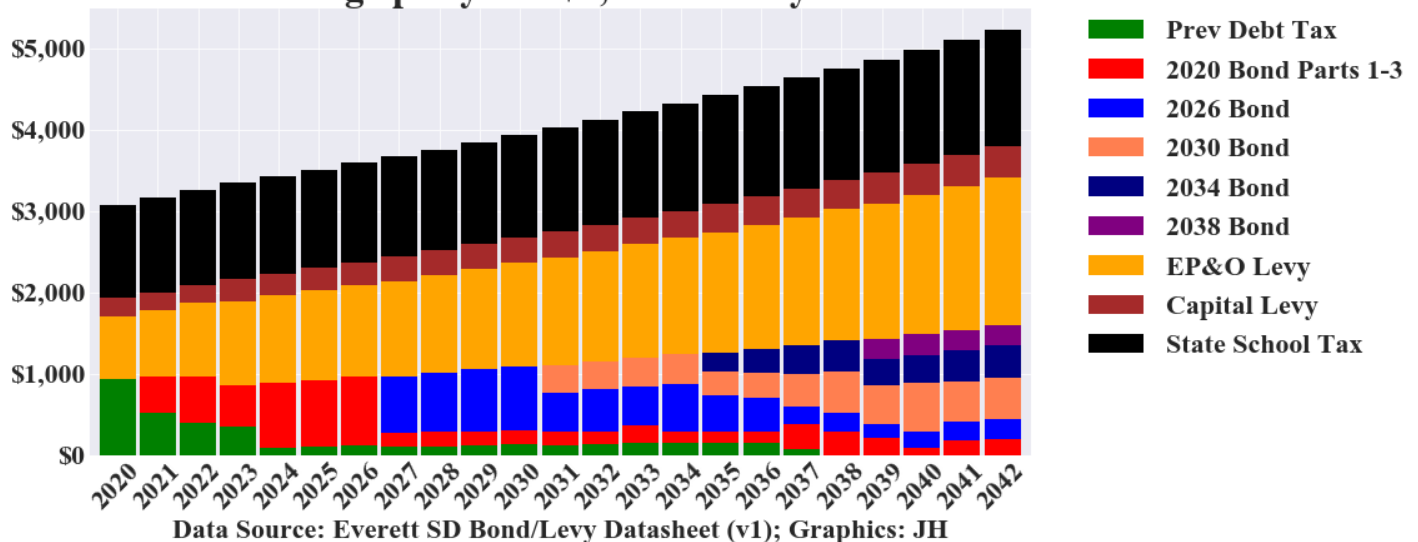


Fig 7

2016 bond tax collection schedule

Projected School Tax Collection for the Everett SD's 2016 Bond

Total = \$202,807,000

Bond Face Value = \$149,700,000

Interest + Fees = \$53,107,000

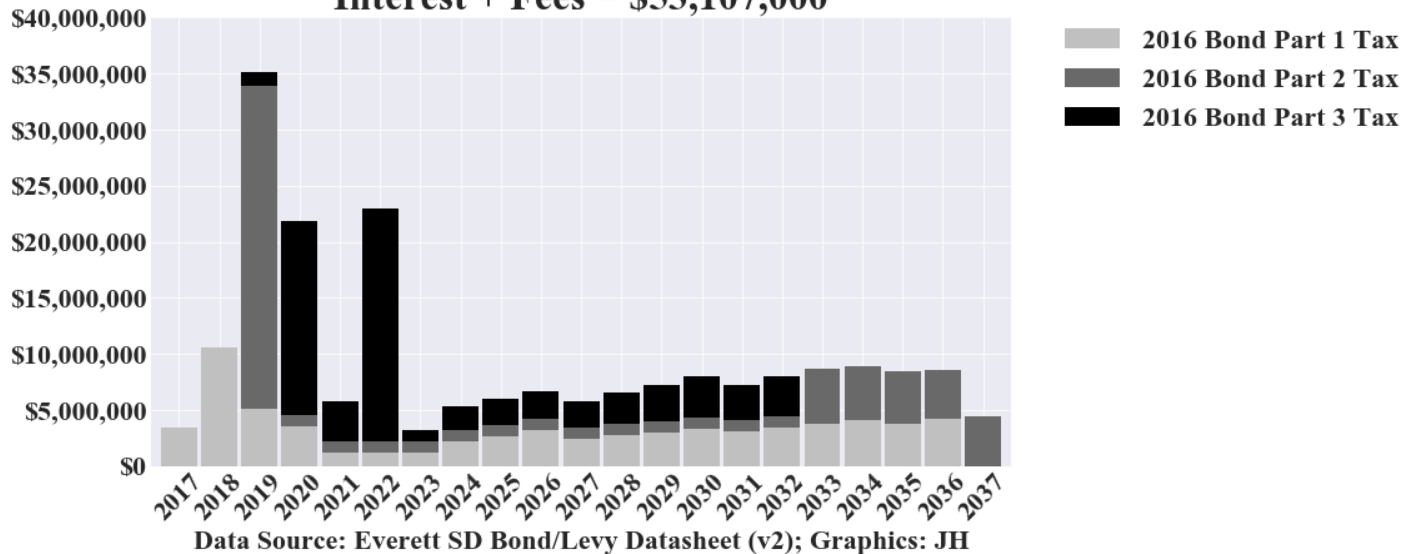


Fig 8

2020 bond tax collection schedule

Projected School Tax Collection for the Everett SD's 2020 Bond

Total: \$410,130,000

Bond Face Value = \$317,400,000

Interest + Fees = \$92,730,000

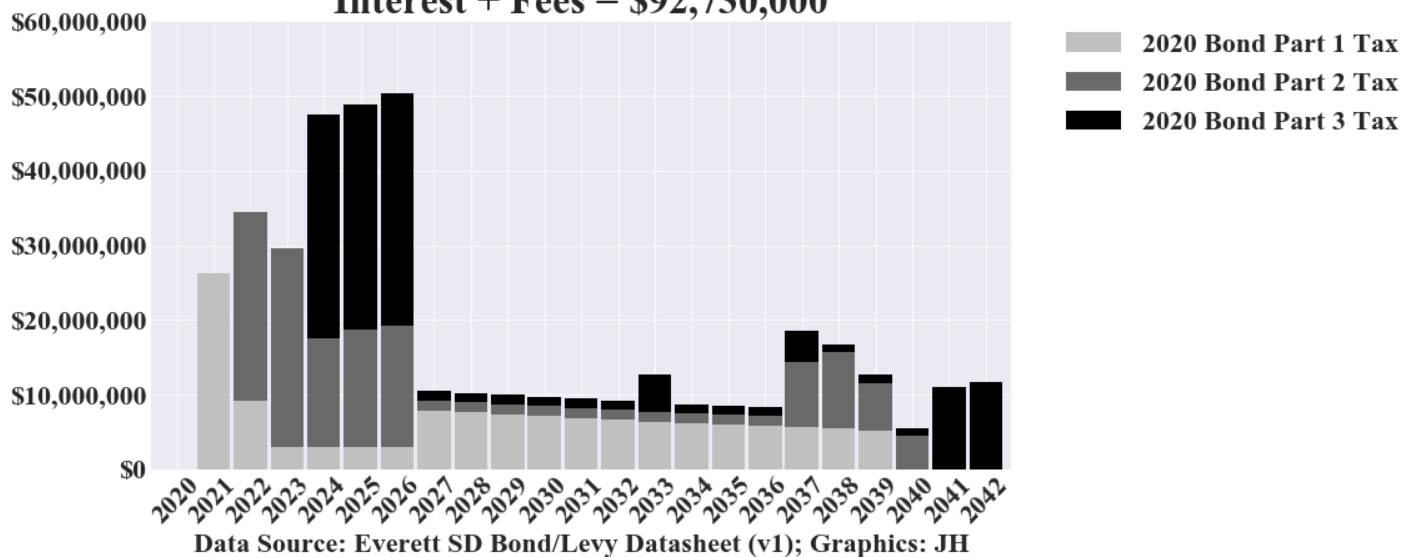


Fig 9