

Mukilteo’s Bond Cost Ad Explained

Part of the 2020 Bond Report
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Summary

The Mukilteo SD used a unique (out of the 21 districts with 2020 bonds) bond cost formula in their advertisement.

- They calculated an acceleration of total school rates over 2 years.
- First, they calculated the difference of total rates from 2019 to 2020.
- Then they calculated the difference of total rates from 2020 to 2021.
- Then they took the difference between those 2 differences.

Problems with Mukilteo’s advertisement:

- Calculating an acceleration of rates over 2 years has no meaning for the cost of a 22 year bond.
- The acceleration in tax rates actually has the units of dollars per assessed value in thousands of dollars per year per year.
- Once Mukilteo calculated this acceleration term, they then used the wrong units and multiplied this factor by the example home’s assessed value of \$500,00 to then obtain \$47.

Bond cost to taxpayers as represented by the school district



Fig 1

Bond cost to taxpayers as calculated by the authors

Projected School Tax Collection for the 2020 Bond Taxes
On a Mukilteo SD Home with an AV of \$500,000 as of 2020
Total = \$7,538
Ave Per Year = \$343 for 22 years

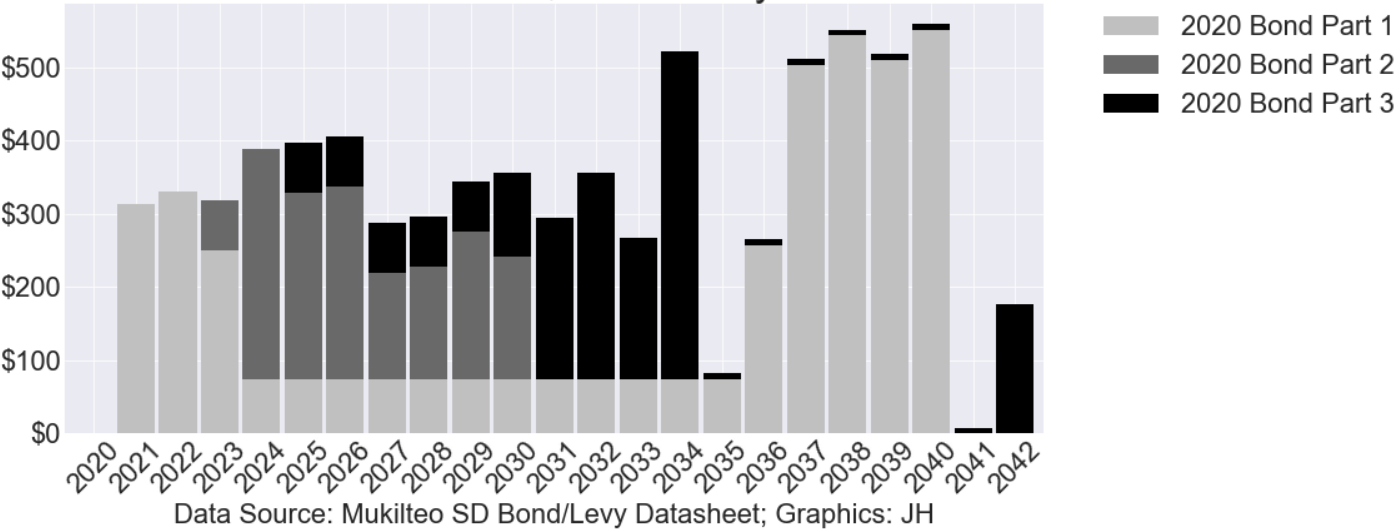


Fig 2

School tax rates

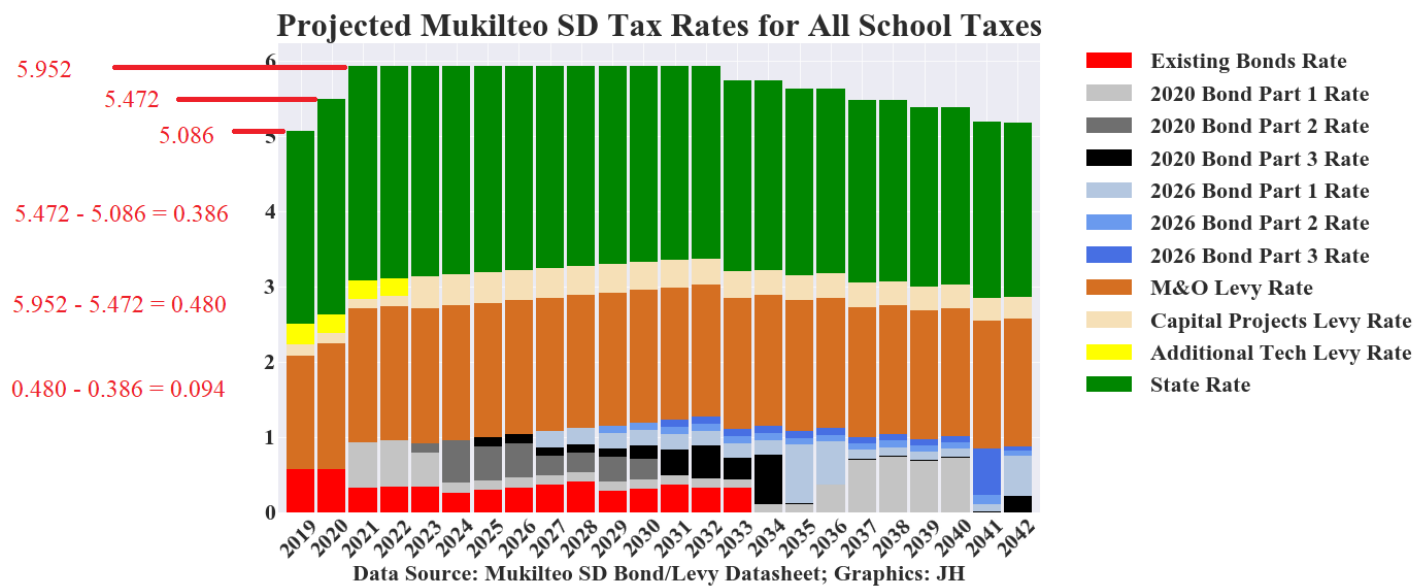


Fig 3

School taxes for the example homeowner

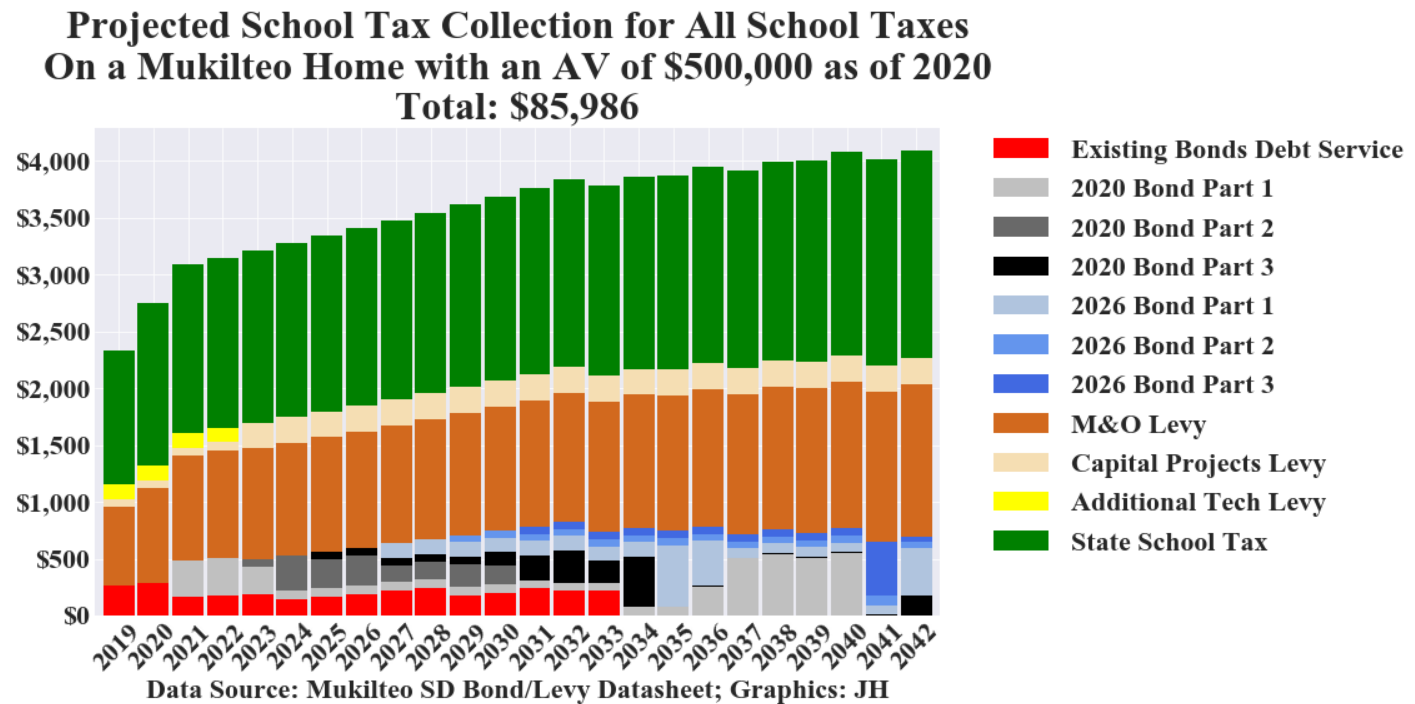


Fig 4