

Seattle property taxes would rise under GOP school-funding plan, state McCleary analysis shows

Originally published February 9, 2017 at 1:16 pm Updated February 9, 2017 at 6:58 pm

A GOP plan to fund Washington's K-12 schools would boost funding to every school district in the state, according to a new analysis. But Seattle, Bellevue, Mercer Island and Lake Washington would bear the brunt of property-tax increases.



By [Joseph O'Sullivan](#)
Seattle Times Olympia bureau

OLYMPIA — The Republican plan to fund Washington's K-12 education system would give more money to every school district in the state, according to a new analysis released Thursday.

But it would come at a hefty price tag to Seattle.

Statewide, the property-tax increase in school districts under the GOP plan would total more than \$500 million in 2019 — and nearly half that increase would come from Seattle, according to the analysis by the state Office of Financial Management (OFM).

The average Seattle homeowner would see an overall property-tax increase of \$628 in 2019, the OFM says. That is more than twice as high as the estimated average increase of \$250 given by Sen. John Braun, R-Centralia, the chief Republican budget writer, when he introduced the plan.

Braun said Thursday that he had seen the OFM numbers, and they were higher because they made different assumptions.

The OFM numbers, according to Braun, also factor in an optional, local property-tax levy allowed in the future under the GOP plan. Such a levy would be approved by voters in school districts, he said.

"They're assuming also the approval of the local levy in the future," Braun said. While the assumption isn't necessarily wrong, "it's kind of apples and oranges," he added.

The OFM analysis comes as lawmakers and Gov. Jay Inslee examine competing proposals intended to satisfy the state Supreme Court's 2012 McCleary decision.

In that decision, the justices ruled that lawmakers were violating the state constitution by underfunding K-12 public schools. Since 2014, the state has been held in contempt by the court for not making enough progress toward a full funding plan.

The unfinished chunk of McCleary is figuring how the state will provide for teacher and school-worker salaries. The court ruled that the state must pay those salaries. School districts pick up a big piece of the cost through local property-tax levies.

“Every district will get, at some level, more money” under [the GOP plan](#), said David Schumacher, director of OFM.

Released last month, the Republican plan would set a new uniform property-tax rate of \$1.80 per \$1,000 of assessed value across the state to fund schools.

In addition, the GOP plan also says it would direct \$1.4 billion more to schools in each two-year budget, but does not say where that money would come from.

The GOP plan would allocate at least \$12,500 per student to each district, with additional money for students who are low income, need special education and others.

But switching to a uniform property-tax rate statewide, many “property-poor” school districts would see an overall decrease in property taxes.

But in “property-rich” school districts like Seattle, Bellevue, Mercer Island and elsewhere, the overall property taxes would increase under the Republican plan.

The GOP plan would bring in about \$513 million more in tax from “property-rich” districts in 2019, according to the analysis — with about \$235 million of that coming from Seattle alone.

Meanwhile, it cuts local property taxes in other districts around the state by about \$403 million, according to OFM.

In the Bellevue School District, property owners could see an average tax increase of \$939 in 2019. In the Lake Washington School District, property taxes would go up an average of \$576.

In turn, 2019 property taxes for Tacoma homeowners would drop an average of \$293, according to the analysis. In Federal Way, property owners would pay an average \$300 less. In Kent, the average decrease would be \$186 for homeowners.

Inslee has long opposed a shift in property taxes, sometimes called a “levy-swap” because it would increase taxes in some areas of the state like Seattle.

The governor's proposed [2017-19 state operating budget](#) would add about \$4.4 billion in revenue, most of it going to education. About \$2.75 billion of that would boost teacher and school-worker salaries to comply with the McCleary decision.

To fund it, Inslee has proposed taxes on carbon emissions and capital gains, and increasing part of the business-and-occupation tax. Inslee also called for curtailing some tax exemptions.

Democratic lawmakers [released their own plan](#) last month. It would fund higher teacher salaries and boost starting salaries, cut class sizes and give relief to school districts that rely on local taxes to recruit and keep educators.

That proposal also lists a capital-gains tax and carbon pricing as potential sources of new revenue.

The court has said there must be a full education-funding plan in place by Sept. 1, 2018, with that plan approved by the end of this legislative session.

Joseph O'Sullivan: 360-236-8268 or josullivan@seattletimes.com. On Twitter [@OlympiaJoe](#)