

Sequim School District and Forest Revenues

Sequim School District No 323





Sequim School District and Forest Revenues

Washington State School Districts receive forest revenues in four different ways

- Federal Forest Funds



Sequim School District and Forest Revenues

- State Forest Funds
- Common School Trust Lands
(School Construction Assistance Program)
- Timber Excise Tax



Revenues



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Federal Forest Funds

- Secure Rural Schools and Community Self Determination Act provides payments to counties
- Counties keep half and distribute rest to junior taxing districts (schools, fire departments, water districts, etc)
- Schools receive Federal Forest Funds in General Fund
- Until 2015-2016, Federal Forest Funds were deducted dollar for dollar from state Basic Education Funding



Sequim School District and Forest Revenues

- During the 2015-17 & 2017-19 biennia only, the deduction of Federal Forest revenue from state school funding was suspended
- Sequim School District 15-16 Budget transfers \$120,000 in Federal Forest Funds to Capital Projects Fund for HVAC replacements
- Federal Forest Funds have ranged from \$80,000 to \$180,000 over last 10 years

Revenues

- State Forest Funds
 - Generated by sales of timber on State Forest Lands



Sequim School District and Forest Revenues

- Received by any school fund with an outstanding tax levy
- When received in General Fund, State Forest Funds are deducted dollar for dollar from State Basic Education funding
- In May 2018, OSPI amended WAC 392-12-415 to eliminate the requirement to treat State Forest funds as a deductible revenue from State Basic Education funding. This resulted in approximately a **\$600,00** in additional revenue during the 2018-2020 biennium budget





Sequim School District and Forest Revenues

- When received in Debt Service Fund, State Forest Funds are used to offset cost to taxpayers for paying off bonded indebtedness
- Revenues are variable based on timber harvest levels
- 2018-2020 Debt Service Fund State Forest Revenues were \$36,866



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Revenues

- School Construction Assistance Program (SCAP)
- Sales of timber from State Forest Trust Lands contribute to SCAP funding



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- Cutting more timber from State Forest Trust Lands does not increase a school districts eligibility for SCAP funding
- SCAP funding is formula driven and considers:
 - The number of “unhoused” students in a district
 - The Per Student Assessed Value of Real Property within the boundaries of a school district
 - Sequim’s Per Student Assessed Value of Real Property is higher than the state average so it constrains the district’s eligibility for SCAP



Revenues



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- Timber Excise Tax
- Timber Excise Tax is a form of real property tax
- Levied on the value of standing timber on private forest lands within the boundaries of the district
- Reduces the amount of property tax levied on other forms of real property
- School districts with an active operating levy or Debt Service Fund levy are eligible to receive Timber Excise Taxes
- Timber Excise Taxes in Sequim School District for 18-2020 were budgeted to be received in the General Fund for **\$24,251.97**





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- Thank you!
- Questions?
- www.sequimschools.org
- Contact Darlene Apeland, Director of Business Operations and Finance at 360-582-3266 or dapeland@sequimschools.org



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- For additional information regarding the management of Forest Revenues for Public Education, please see this link from WSSDA's Trust Lands Advisory Committee <https://www.wssda.org/about-us/committees/trust-lands/>. Representatives from school districts that are most affected by school trust land issues assist the WSSDA Board of Directors to ensure that trust land revenues are maximized to benefit school construction and



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remodeling. The Trust Lands Advisory Committee meets or conducts conference calls several times a year on an as-needed basis.