Mukilteo's Bond Cost Ad Explained

Part of the 2020 Bond Report
From The School Data Project
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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

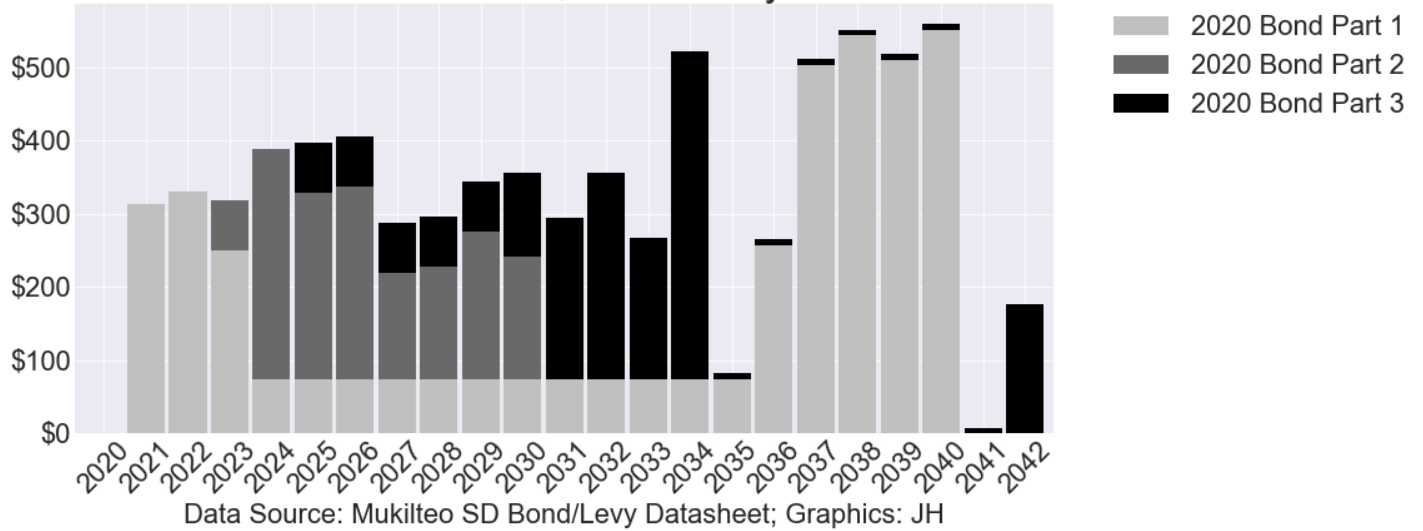Legend:
- 2020 Bond Part 1
- 2020 Bond Part 2
- 2020 Bond Part 3

Data Source: Mukilteo SD Bond/Levy Datasheet; Graphics: JH

Fig 2

School tax rates

Projected Mukilteo SD Tax Rates for All School Taxes

5.952

5.472

5.086

5.472 - 5.086 = 0.386

5.952 - 5.472 = 0.480

0.480 - 0.386 = 0.094

Legend:
- Existing Bonds Rate
- 2020 Bond Part 1 Rate
- 2020 Bond Part 2 Rate
- 2020 Bond Part 3 Rate
- 2026 Bond Part 1 Rate
- 2026 Bond Part 2 Rate
- 2026 Bond Part 3 Rate
- M&O Levy Rate
- Capital Projects Levy Rate
- Additional Tech Levy Rate
- State Rate

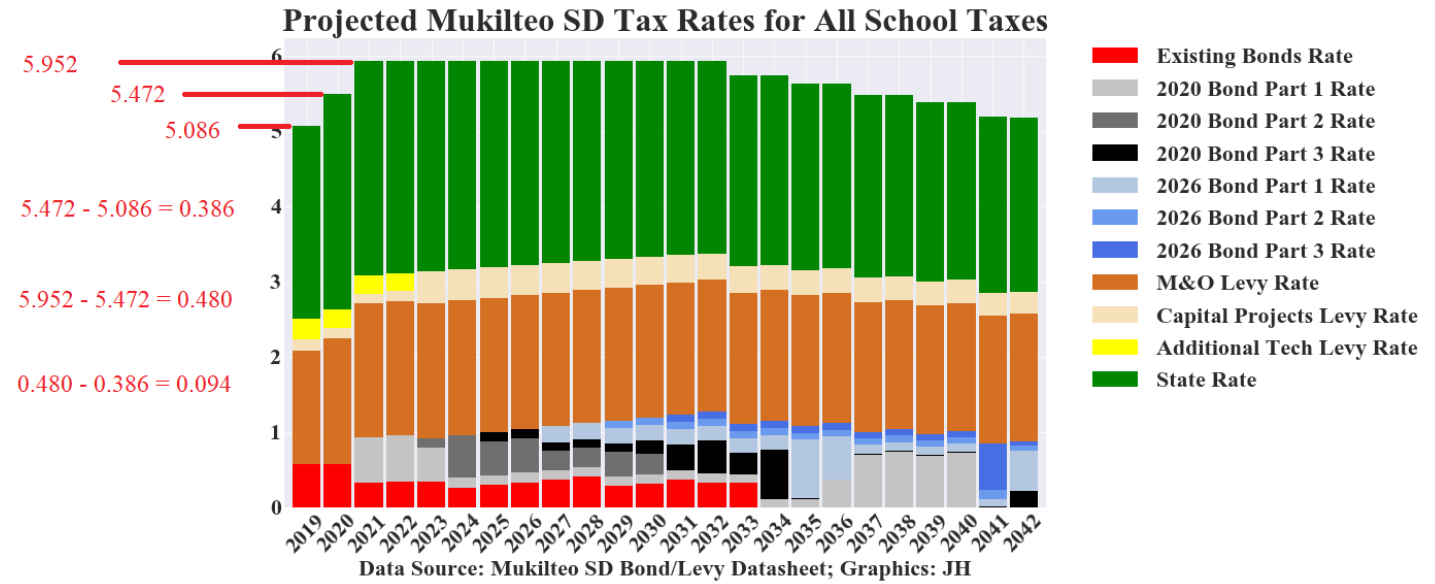Data Source: Mukilteo SD Bond/Levy Datasheet; Graphics: JH

Fig 3

School taxes for the example homeowner

Projected School Tax Collection for All School Taxes
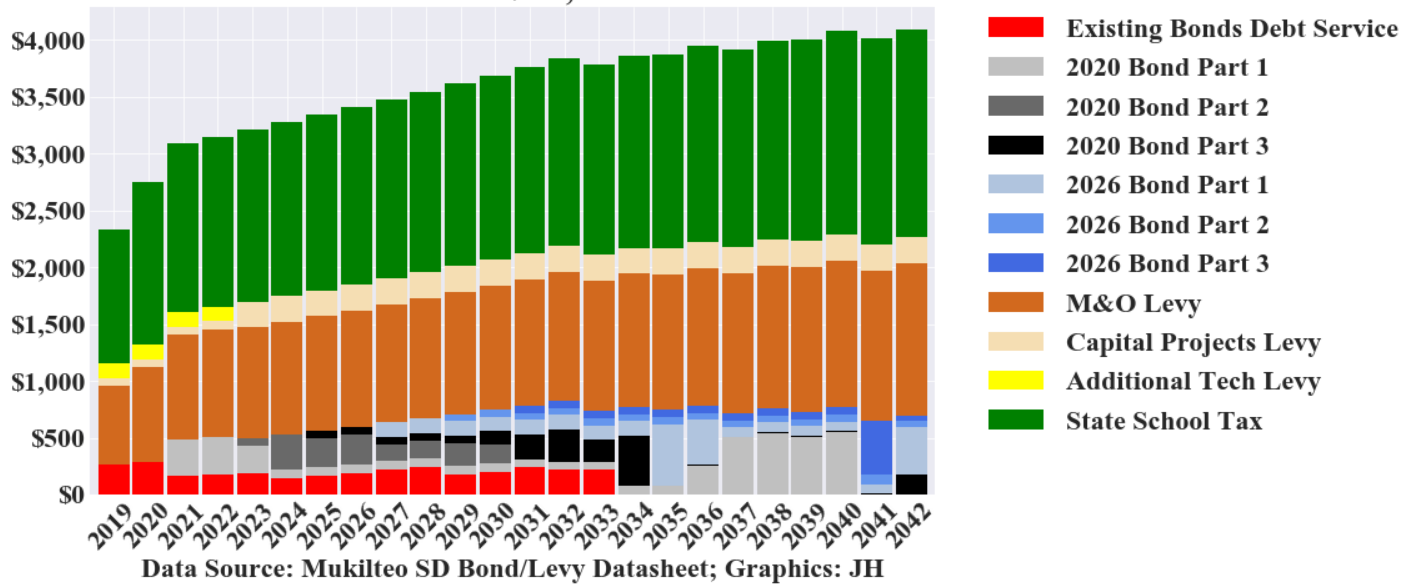## On a Mukilteo Home with an AV of $500,000 as of 2020
Total: $85,986

Legend:
- Existing Bonds Debt Service
- 2020 Bond Part 1
- 2020 Bond Part 2
- 2020 Bond Part 3
- 2026 Bond Part 1
- 2026 Bond Part 2
- 2026 Bond Part 3
- M&O Levy
- Capital Projects Levy
- Additional Tech Levy
- State School Tax

Data Source: Mukilteo SD Bond/Levy Datasheet; Graphics: JH

Fig 4