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## Education Appropriations Committee

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### HB 2840

**Brief Description:** Examining levy-funded employee-related costs.

**Sponsors:** Representatives Kretz and Short.

#### Brief Summary of Bill

- Adds additional items for review by the local finance work group under the Quality Education Council.
- Provides three new reporting dates to the legislature on use of levy funds for employee-related costs.

**Hearing Date:** 1/26/10

**Staff:** Wendy Polzin (786-7137).

#### Background:

In 2009 the Legislature enacted Engrossed Substitute House Bill (ESHB) 2261, which relates to redesigning the K-12 finance structure. ESHB 2261 established a Quality Education Council (QEC), as well as several working sub-groups, to examine current practices and provide input on redesigning these systems.

Under current law districts may propose to voters local levies. Levy funds may be used for any expense incurred by the district, which may include employee-related expenses that are outside of the basic education allocation. Levy funds are defined as being outside of basic education.

ESHB 2261 directed one of the working groups to review local finance, such as local school district levies. The group must consider the overall impact on school district revenues in light of the proposed new basic education funding system, and recommend a phase-in approach to ensure no district experiences decreased funding due to implementation of a new system of funding outside of basic education allocations. The local finance work group is scheduled to begin its analysis in July 2010.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Summary of Bill:**

The bill adds to the local finance working group's tasks an examination of how local levy funds are used for supplemental employee related costs beyond state funding allocations, including but not limited to:

1. Supplemental contracts
2. Enhanced employee basic benefits
3. Professional development days
4. Release time
5. Tuition reimbursement
6. Additional leave

This review will be used to examine the impact of these funds on class size, staffing level, instructional time for students, and other areas.

Information will be used by the group as they determine a new system of local funding outside of basic education, including providing recommendations on appropriate uses of levy funds for employee-related costs.

A preliminary report from the local finance working group is due November 15, 2010, and a final report due by December 1, 2011. In addition, a report from the Quality Education Council on conclusions and recommendations for appropriate uses of levy funds for employee-related costs must be provided to the legislature by January 1, 2011.

**Appropriation:** None.

**Fiscal Note:** Requested on January 18th 2010.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.