
Education Appropriations Committee

HB 2670

Brief Description: Restoring the school district levy base.

Sponsors: Representatives Haigh, Ericks, Quall, Sullivan, Kenney, Maxwell, Simpson, Priest, Dammeier and Kagi.

Brief Summary of Bill

- Specifies that the Initiative 728 and Initiative 732 funding levels are included in the levy base as approved by the voters if each were fully implemented by the legislature until December 2017.
- Allows the K-4 Enhancement funding to continue to be counted in the levy base, if they are eliminated.

Hearing Date: 1/19/10

Staff: Wendy Polzin (786-7137).

Background:

Levy Authority:

In 1977, when the state assumed additional responsibility for funding schools, the Legislature limited school district maintenance and operation levy authority by enacting the levy lid law. This law determines the maximum amounts school districts can collect through local maintenance and operation levies. The original 1977 law, which took effect in 1979, sought to limit levy revenue to 10 percent of a school district's state basic education allocation. It also contained a "grandfathering" provision which allowed districts that historically relied heavily on excess levies to exceed the 10 percent limit.

Over time, the legislature has increased the levy lid. The last adjustment to the levy lid was in 1999, when it was set at 24 percent.

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.

Under current law, most districts may raise 24 percent of the district's levy base. There are 91 school districts that are grandfathered at higher percentages that range from 24.01 percent to 33.9 percent.

A district's levy base includes most state and federal revenues received by the district in the prior school year.

Currently, when voters pass a levy for support of a school district, no further tax levies for maintenance and operation may be authorized for the levy period. A maintenance and operations levy may last for up to four years.

I-728 and I-732 Funds:

Initiative 728 (I-728), adopted in November 2000, dedicated lottery proceeds and a portion of the state property tax for educational purposes by transferring revenues to the Student Achievement Program and the Education Construction Account. Moneys appropriated for these purposes may be used for: hiring more teachers to reduce class sizes; making necessary capital improvements; creating extended learning opportunities for students; providing professional development for educators; and providing early childhood programs.

In the 2003-05 and 2009-11 biennial budgets, the legislature reduced funding for Initiative 728.

Initiative 732 (I-732), adopted in November 2000, provided an annual cost-of-living adjustment would be granted to K-12 teachers and other school employees. As amended in 2003, it requires the state to allocate to districts a cost-of-living adjustment for school district employees in the state funded salary base.

In the 2003-05 and 2009-11 biennial budgets, the legislature reduced funding for Initiative 732.

Legislation enacted in 2004 allows school districts to include in their levy bases the amounts that districts would have received if I-728 and I-732 would have received if I-728 and I-732 had been fully implemented. This inclusion is scheduled to expire at the end of calendar year 2011.

K-4 Enhancement:

The legislature provides funding for additional staffing in K-4 classrooms beyond basic education. All districts receive this enhanced allocation, except that for the 2009-11 biennium, those districts with more than 25 percent of their K-4 student enrollment in online learning programs only receive the enhancement to the extent that they actually use it to enhance the number of staff in those grades.

Summary of Bill:

School districts' levy bases will continue to include amounts districts would have received if I-728 and I-732 were and continue to be fully funded. The expiration date for this inclusion is extended to December 2017.

In addition, if the K-4 enhancement dollars are eliminated by the legislature, the lost funds are included in the base in the same manner as I-728/I-732.

The bill creates definitions of the Initiative 728 and Initiative 732 levy base, and specifies the calculation of the I-728 levy base use the allocation rate, rather than total allocation amount, that a district would have received per student.

Appropriation: None.

Fiscal Note: Requested on January 17, 2010

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