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## Appropriations Committee

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### HB 2215

**Brief Description:** Concerning the maximum per-pupil limit for enrichment levies.

**Sponsors:** Representatives Slatter, Berg, Senn, Walen, Ramel, Reeves, Reed, Fosse and Pollet;  
by request of Superintendent of Public Instruction.

**Brief Summary of Bill**

- Increases the maximum per-pupil limit used for enrichment levies for school districts with less than 40,000 students by the school district's regionalization factor used for state salary allocations.
- Requires the Superintendent of Public Instruction to make recommendations to remedy school funding challenges.

**Hearing Date:** 2/3/24

**Staff:** James Mackison (786-7104).

**Background:**

Local Enrichment Levies.

Local enrichment levies can be approved by voters within a school district as a property tax for enrichment beyond the state's statutory program of basic education. Enrichment levy collections are capped for school districts at the lesser of \$2.50 per \$1,000 of assessed property value in the district, or \$2,500 per pupil increased for inflation (\$2,988.32 in 2023) for school districts with less than 40,000 students. School districts with 40,000 or more students subject to a per-pupil limit are allowed to collect up to \$3,000 per pupil adjusted for inflation (\$3,585.99 in 2023). The formulas for special education also apply to charter schools and tribal schools in state-tribal education compacts.

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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 part of the legislation nor does it constitute a statement of legislative intent.*

Regionalization for State K-12 Salary Allocations.

Minimum salary allocations for school district staff are adjusted for regional differences in the cost of hiring staff. Regionalization factors for school districts were initially set in 2017 and rebased in 2023. The factors are based on differences in the median residential value of each school district and nearby districts, with adjustments of 6, 12, or 18 percent. Adjustments of 6 percent are also added for districts that border others with factors that are more than two regionalization levels higher.

**Summary of Bill:**

Beginning with taxes levied for collection in calendar year 2025, a school district's maximum per-pupil limit for enrichment levy purposes must be calculated by multiplying the statutory limit of \$2,500 per-pupil increased for inflation by the district's regionalization factor as defined in the omnibus appropriations act for the prior school year. This regionalization adjustment is only applicable to the maximum per-pupil limit for school districts with fewer than 40,000 students.

The Superintendent of Public Instruction must report recommendations to remedy school funding challenges, including levies, levy equalization, and regionalization by December 1, 2025 to the Governor and the Legislature.

**Appropriation:** None.

**Fiscal Note:** Requested on February 2, 2024.

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