
Education Appropriations Committee

HB 1776

Brief Description: Changing school levy provisions.

Sponsors: Representatives Ericks, Haigh, Priest, Hunter, Liias, Sullivan, Pedersen, Maxwell, White and Kenney.

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 in previous and subsequent years.
- Includes in district's levy bases the difference between the highest salary allocations available and actual district salary allocations for certain staff.
- Allows districts to return to voters for additional levy authority in the middle of a levy period if the levy base is expanded by state or federal legislation.

Hearing Date: 2/11/09

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 grandfather clause which permitted districts that historically relied heavily on excess levies to exceed the 10 percent limit.

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, 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 Fund and the Education Construction Account. Student Achievement Funds may be used for: hiring more teachers to reduce class sizes and making necessary capital improvements; creating extended learning opportunities for students; providing professional development for educators; and providing early childhood programs.

Initiative 732, adopted in November 2000, provided an annual cost-of-living adjustment (COLA) 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.

Salary Allocation Schedule

In the biennial budget, the LEAP Document 12E is referenced, and reflects the allocations of state funds for salaries. This document does not reflect actual salaries; salaries are set by the district.

Summary of Bill:

School districts levy bases are increased to reflect amounts districts would have received if I-728 and I-732 were and continue to be fully funded. In addition districts' levy bases include the difference between the highest salary allocations available for certain staff and the actual salary allocations received by the district.

Districts are also provided authority to return to voters partway through a levy period if state or federal legislation is enacted that increases the levy base.

Appropriation: None.

Fiscal Note: Available.

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