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## Education Appropriations & Oversight Committee

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### HB 1814

**Brief Description:** Preserving the school district levy base.

**Sponsors:** Representatives Sullivan, Maxwell, Haigh, Reykdal and Santos.

#### Brief Summary of Bill

- Expands, for school districts with a Maintenance and Operations (M&O) levy approved prior to April 30, 2011, the levy base through inclusion of the amount equivalent to each districts allocation of federal Education Jobs funds.
- Includes Education Jobs funding in the levy base through calendar year 2017.

**Hearing Date:** 2/15/11

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

#### Background:

The state authorizes school districts to collect local excess Maintenance and Operations (M&O) levies, which may last for up to four years; the state also provides levy equalization to districts with a local levy tax rate greater than a statewide average rate.

Local excess M&O levies are based on a district's prior school year funding, which is primarily made up for state and federal dollars. For example, for calendar year 2011, the levy base is the 2009-10 school year.

In addition to state and federal funding received by a district, the Legislature has allowed certain other types of state funding that have been suspended or eliminated to be included in the levy base for purposes of local revenue and levy equalization.

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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.*

Legislation enacted in the 2010 session included in districts' levy bases funds which were not actually received by districts. For the purposes of calculating the levy base for levies to be collected in calendar years 2011-17, the Legislature has allowed the inclusion of funds not received for Initiative 728 (student achievement program), Initiative 732 (cost of living increase), and the Kindergarten - 4th grade staffing enhancement.

On August 10, 2010 the President signed into law Public Law 111-226. This law appropriated \$10 billion for an Education Jobs Fund. For its share of the funding, Washington received \$208 million, which was allocated to school districts.

In December 2010, the Legislature took action on Ch 1, Laws of 2010, 2nd Special Session (HB 3225), which reduced state general apportionment funding by an amount equal to the Education Jobs amount, effectively offsetting the general apportionment reduction with the federal funds.

**Summary of Bill:**

Changes are made to the levy base used for calculating school districts M&O levies. In addition to other funds allowed to be counted in the levy base, the federal Education Jobs funds are included in the levy base as an offset to the state general apportionment reduction in Ch 1, Laws of 2010, 2nd Special Session (HB 3225). This inclusion applies only to districts with a voter approved levy prior to April 30, 2011.

**Appropriation:** None.

**Fiscal Note:** Available.

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