

Education Committee

HB 1839

Brief Description: *Changing local effort assistance provisions.*

Sponsors: *Representatives Rockefeller, Cox, Haigh and Talcott.*

Brief Summary of Bill

Hearing Date: *2/14/01*

Staff: *Susan Morrissey (786-7111).*

Background:

In 1987, the Legislature approved funding to help equalize special levy funding for school districts with above average tax rates due to low property valuations. This assistance is called local effort assistance in law, but is commonly known as levy equalization. The state began making LEA funding to school districts in 1989.

School districts are eligible for LEA funds if they have a 12 percent levy rate that exceeds the statewide average 12 percent levy rate. The 12 percent levy rate is the tax rate needed to collect a levy equal to 12 percent of the district's levy base. In determining the rates, assessed valuations are adjusted to bring property assessments to 100 percent of market value.

A district must certify an excess or special levy in order to receive LEA funding. In calendar year 1999, 194 of the state's 296 school districts received LEA allocations totaling \$86,000,000. Twenty-six additional districts were eligible, but did not pass a maintenance and operation levy to qualify for state matching money. In 2000, the state distributed \$116,447,868 in LEA funds. These funds comprise about 1.4 percent of all school district revenues statewide and may be spent on any general fund program or purpose.

Summary of Bill:

School districts in which a majority but fewer than 60 percent of the voters approved a maintenance and operation levy are eligible for local effort assistance funding if the districts would otherwise qualify for the matching funds provided through that program.

Appropriation: *None.*

Fiscal Note: *Requested on February 9, 2001.*

Effective Date: *Ninety days after adjournment of session in which bill is passed.*