

HOUSE BILL REPORT

HB 2044

As Reported by House Committee On:
Appropriations

Title: An act relating to school district levy base calculations.

Brief Description: Changing the school district levy base calculation.

Sponsors: Representatives Hunter, Tom, Jarrett, Clibborn, Fromhold and Ruderman.

Brief History:

Committee Activity:

Appropriations: 3/5/03, 3/8/03 [DP].

Brief Summary of Bill

- Expands the calculation of the levy base for the purpose of determining school district maximum levy authority.

HOUSE COMMITTEE ON APPROPRIATIONS

Majority Report: Do pass. Signed by 14 members: Representatives Sommers, Chair; Fromhold, Vice Chair; Cody, Conway, Dunshee, Grant, Hunter, Kagi, Kenney, McIntire, Miloscia, Pflug, Ruderman and Schual-Berke.

Minority Report: Do not pass. Signed by 13 members: Representatives Sehlin, Ranking Minority Member; Pearson, Assistant Ranking Minority Member; Alexander, Boldt, Buck, Clements, Cox, DeBolt, Kessler, Linville, McDonald, Sump and Talcott.

Staff: Denise Graham (786-7137).

Background:

Levy Lids

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.

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. The levy lid formula increases the base by multiplying the district's state and federal revenues by the percentage change in per student state expenditures between the prior and current school years, divided by 55 percent.

Salaries

Included in state basic education allocations to school districts are amounts for salaries for certificated instructional staff (CIS), which includes teachers, counselors, and librarians; certificated administrative staff; and classified staff.

The allocations for CIS are based on a salary allocation schedule, or grid, that recognizes experience and education. The first cell in the grid, for those with a bachelor's degree and in their first year of teaching, is referred to as the base salary. All the other cells for additional experience and education in the grid are driven off the base salary. Most school districts receive CIS salary allocations based on the statewide salary allocation schedule. Thirty-four districts, however, are known as "grandfathered districts" and receive CIS salary allocations based on higher salary allocation schedules. The grandfathered districts' salary allocation schedules compared to the statewide salary allocation schedule range from .08 percent higher in Cosmopolis to 6.3 percent higher in Everett.

State salary allocations for basic education certificated administrative and classified staff do not recognize experience or education. Instead, these allocations are based on a salary called out for each district, by type of staff, in "LEAP Document 12E", which is incorporated into the budget bill by reference. ("LEAP" refers to the Legislative Evaluation and Accountability Program Committee.) These salaries are increased each year by any across-the-board salary increases provided by the Legislature. Administrative salaries for 2002-03 school year allocations range from a low of \$30,583 in Evaline to a high of \$74,541 in Skykomish, Columbia in Stevens County, St. John, and Harrington. Classified salaries for 2002-03 school year allocations range from a low of \$21,266 in Damman to a high of \$32,173 in Seattle.

Summary of Bill:

For purposes of calculating levy authority beginning in calendar year 2004, a school district's levy base is increased by the difference between the district's actual state and federal revenues and the revenues the district would have received if the district's basic education allocations had been based on the highest salaries for state allocation purposes for certificated instructional staff, certificated administrative staff, and classified staff. These additional amounts will not be used in the calculation of local effort assistance (levy equalization) allocations.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect on August 1, 2003.

Testimony For: When state funding decreases, levy bases are reduced and local levy authority also decreases. But voters have already approved higher levies. This bill will eliminate part of this double whammy and will help mitigate some of the pending lay-offs in some districts. This bill doesn't require any state money and it does not hurt any district. It helps districts at their levy lid and allows all districts to collect their voter-approved levy amounts. It will level the playing field painlessly, and help districts attract good educators.

Testimony Against: None.

Testified: Representative Hunter, prime sponsor; Marcia Fromhold, Evergreen School District; Paul Mills, Bellevue School District; and Randy Parr, Washington Education Association.