
Education Committee

HB 1714

Brief Description: Changing school levy lid provisions for levies submitted to the voters after 2003.

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

Brief Summary of Bill

- Increases the maximum levy percentage under the levy lid to the highest percentage in the school district's educational service district.

Hearing Date: 3/3/03

Staff: Susan Morrissey (786-7111).

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 passing the levy lid law. This law determines the maximum amount that school districts can collect through local maintenance and operation levies, also called excess 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.

The levy lid law has subsequently been modified 10 times. A number of the changes revised the calculation of a district's levy base. Under the 1977 law, the levy base was limited to the amount a district received from the state for basic education. In 1979, state categorical funding such as funds for transportation and special education were added to the base. In 1987, revenue was added to the levy base from certain federal programs and state block grants. In 1992, the base was further increased by the percentage increase in state basic education and divided by 55 percent.

The current formula for calculating a school district's levy lid is:

(levy base × maximum levy percentage) ÷ transfers = maximum possible levy equalization

Under current law, a district's levy base includes most state and federal revenues for the prior school year. The base is further increased by the state basic education percentage increase in funding per student between the prior and current school years, divided by 55 percent. Under the levy lid formula, most districts may ask the voters to approve an amount equal to 24 percent of the total state and federal funds received by the district (the district's levy base). There are 91 school districts that are grandfathered in at higher percentages that range between 24.1 percent and 34 percent.

Educational Service Districts

There are nine educational service districts (ESDs) around the state. Every school district is located within an ESD.

Summary of Bill:

For any levy submitted to the voters in 2004 or later years, the maximum levy percentage that a school district may request is the highest maximum levy percentage permitted in 2003 to any school district that is located in the submitting's district's ESD.

Appropriation: None.

Fiscal Note: Not Requested.

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