

SENATE BILL REPORT

SB 6075

As of January 28, 2020

Title: An act relating to local effort assistance.

Brief Description: Concerning local effort assistance.

Sponsors: Senator Takko.

Brief History:

Committee Activity: Early Learning & K-12 Education: 1/22/20.

Brief Summary of Bill

- Changes the local effort assistance (LEA) threshold from \$1,550 per pupil when levying at a rate of \$1.50 per \$1,000 of assessed value to \$2,500 per pupil when levying at a rate of \$2.50 per \$1,000 of assessed value.
- Increases the LEA threshold for state-tribal compact schools from \$1,550 per pupil to \$2,500 per pupil.
- Provides a hold harmless provision which prohibits a school district from receiving less in LEA than it would have received under the 2019 LEA statutes.

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

Staff: Alex Fairfortune (786-7416)

Background: The Local Effort Assistance program (LEA), also known as levy equalization, was created in 1987. Under the LEA program, the state provides additional funding to school districts at a disadvantage in raising enrichment levies due to low property values.

LEA is provided to any school district that does not generate an enrichment levy of at least \$1,550 per student when levying at a rate of \$1.50 per \$1,000 of assessed value. An eligible school district's maximum LEA is the difference between the district's per pupil levy amount, based on a rate of \$1.50 per \$1,000 of assessed value, and \$1,550 per pupil, multiplied by the district's resident enrollment. Districts that are eligible for LEA, but levy below a \$1.50 per \$1,000 rate, receive LEA in proportion to their actual levy collection.

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.

Beginning in 2022, state-tribal compact schools may also receive LEA in an amount equal to the enrichment levy per student for the school district in which the state-tribal compact school is located, multiplied by the state-tribal compact school's enrollment. For purposes of making this calculation, levy and enrollment data from the prior school year is used. The maximum LEA that a state-tribal compact school can receive is capped at \$1,550 per student.

Summary of Bill: Beginning in 2021, LEA is provided to any school district that does not generate an enrichment levy of at least \$2,500 per student when levying at a rate of \$2.50 per \$1,000 of assessed value. An eligible school district's maximum LEA is the difference between the district's per pupil levy amount, based on a rate of \$2.50 per \$1,000 of assessed value, and \$2,500 per pupil, multiplied by the district's resident enrollment. Districts eligible for LEA, but levy below a \$2.50 per \$1,000 rate, receive LEA in proportion to their actual levy collection. The maximum LEA that a state-tribal compact school may receive is increased to \$2,500 per student.

A hold harmless provision provides that no district may receive less in LEA than it would have received under the 2019 maximum LEA amount of \$1,550 per pupil when levying at a rate of \$1.50 per \$1,000 of assessed value.

Provisions providing additional LEA funding for the 2019-20 school year, before the bill's effective date of January 1, 2021, are removed.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: The bill takes effect on January 1, 2021.

Staff Summary of Public Testimony: PRO: When we fixed McCleary it left a big hole in a lot of districts in rural areas. This bill will try to equalize what is going on around the state. There are districts with low property values that can not generate what districts in the I-5 corridor can, and this change to the funding mechanism will allow those school districts to feel like they can compete with Bellevue and Mercer Island. There are some equity tradeoffs when living in rural areas but that should not be the case for kids. Students should have access to enrichment experiences equal to those in wealthier districts. The current model creates a dual class of districts using a two tiered system where LEA districts are capped at \$1,550 per student and those who do not require assistance are capped at \$2,500 per student. Currently one third of the state is in this position. It takes seven times the amount in Federal Way to raise the same amount in Seattle.

OTHER: There are concerns that the eligibility threshold is increased to \$2.50/\$1,000, as the intent of LEA and this bill is to make sure all districts regardless of property value or community wealth have access to LEA. Raising it to the \$2.50 threshold would put an additional burden on already burdened taxpayers with lower ability to pay those higher taxes.

Would appreciate an approach that takes into account community need and not just property values.

Persons Testifying: PRO: Senator Dean Takko, Prime Sponsor; Alicia Henderson, Superintendent, Aberdeen School District; Steve Holland, Superintendent, Raymond Schools; Gene Sementi, Superintendent, West Valley School District #363; Tammy Campbell, Superintendent, Federal Way Public Schools; Lance Goodpaster, Superintendent, Franklin Pierce School District; Phil Brockman, Superintendent, Sedro-Woolley School District; Rebecca Diehl, South Kitsap School Board/WASSDA; Michelle Matakas, Office of Superintendent of Public Instruction.

OTHER: Julia Warth, League of Education Voters.

Persons Signed In To Testify But Not Testifying: No one.