

State and Local Levy Proposals



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Reliance on local levies for basic education



- The *McCleary* court found that because of historic legislative underfunding, school districts were relying on local levies to supplement state salary allocations for basic education.
- The state's 2013 Report to the Court “skims over the fact that state funding of educator and administrator staff salaries are constitutionally inadequate.” -- *Supreme Court order, January 2014.*



Legislative Responses



- In response to the Court findings, legislators have offered several proposals with one or more of the following purposes:
 - Reduce, limit and restrict the uses of local M&O levies.
 - Revise the formula for Local Effort Assistance.
 - Generate new state revenue for the purpose of increased salary allocations to districts, whether through an increase in the state levy or a new capital gains tax.
 - Revise the state salary allocation schedule and prescribe methods for raising teacher salaries.
 - Initiate statewide bargaining on K-12 employee benefits.



State and Local Levies: Dammeier and Hunter Proposals



	SB 6109 (Dammeier)	Rep. Hunter
M&O levy reduction	<ul style="list-style-type: none"> Beginning CY 2018, reduced by amount of state funding for salary enhancements in prior year. 	<ul style="list-style-type: none"> Beginning CY 2018, reduced by new state funding allocated for compensation for SY 2018-19.
M&O levy limit	<ul style="list-style-type: none"> Beginning CY 2020, levies limited to rate of \$1.25/\$1,000 AV. 	<ul style="list-style-type: none"> Beginning CY 2019, levies limited to \$2,500 per pupil.
M&O levy uses	<ul style="list-style-type: none"> M&O levy dollars may only be used for non-basic ed enhancements – defined in bill. 	<ul style="list-style-type: none"> M&O levy dollars may only be used for non-basic ed enhancements – referred to technical working group.
State levy	<ul style="list-style-type: none"> State levy rate increased from current \$2.19 to \$3.60 CY 2020. I-747 1% growth limit not applied in transition years. 	<ul style="list-style-type: none"> State levy rate increased from current \$2.19 to \$3.25 CY 2019. Beginning CY 2020, I-747 growth limit changed from 1% to CPI.
LEA	<ul style="list-style-type: none"> CY 2020: New formula based on relation to statewide median per pupil levy rate. 	<ul style="list-style-type: none"> CY 2019: New formula that equalizes to one-half of statewide median levy rate per pupil.



State and Local Levy Proposals

Estimated Revenue Impacts



Estimated Calendar Year Tax Impacts – CY 2021 (\$ Millions)

	SB 6109	Rep. Hunter
School District M&O Levies	(\$1,124.3)	(\$161.4)
State Property Tax Levy	\$1,818.7	\$1,716.7
Net Impact, Property Tax Revenues	\$694.4	\$1,555.3

Estimates: House Office of Program Research. Assumes 6109 state levy rate at \$3.30/\$1,000AV, rather than \$3.60 as in current draft of bill.



State and Local Levy Proposals -- Impacts



King County District	2015 M&O Levy Rate	2014 Levy Valuation Per Student	2020 Net Rate Impact SB 6109	2020 Net Rate Impact Rep. Hunter
Auburn	3.97	\$604,038	(0.91)	1.43
Bellevue	1.25	\$2,274,342	1.53	1.24
Kent	3.75	\$620,116	(0.72)	0.91
Lake Wash.	1.55	\$1,516,544	1.25	1.43
Mercer Island	1.41	\$2,124,668	1.37	1.15
Seattle	1.31	\$2,695,215	1.44	1.12
Shoreline	2.71	\$980,620	0.03	1.25
Tukwila	3.50	\$966,096	(0.78)	0.69
State	2.64	\$801,643	0.19	1.30

Rate impact estimates: House Office of Program Research. Valuation data: OSPI.



State and Local Levy Proposals -- Impacts



Selected Districts	2015 M&O Levy Rate	2014 Levy Valuation Per Student	2020 Net Rate Impact SB 6109	2020 Net Rate Impact Rep. Hunter
Aberdeen	4.16	\$400,658	(1.49)	1.38
Grandview	1.72	\$205,599	1.02	1.46
Mossyrock	2.12	\$841,680	0.57	1.46
Oak Harbor	2.18	\$637,585	0.00	0.47
Puyallup	4.01	\$527,581	(0.91)	1.49
Spokane	4.20	\$550,049	(1.15)	1.41
Wenatchee	2.79	\$447,218	(1.74)	1.55
Yakima	2.91	\$289,219	(1.32)	1.46
State	2.64	\$801,643	0.19	1.30

Rate impact estimates: House Office of Program Research. Valuation data: OSPI.



Resources



- Website: www.SBE.wa.gov
- Blog: washingtonSBE.wordpress.com
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