



Comparison of Levy Cliff Proposals 6183 (McAuliffe D-1), 6353 (Rivers R-18) and 2698 (Lytton D-40):

	SB 6183	SB 6353	HB 2698
Levy Lid Extension	<ul style="list-style-type: none"> • Extends the lid of 28% until 2020 • 1 percentage point draw down every year until reach 24% in 2024 	<ul style="list-style-type: none"> • Extends lid of 28% until 2018 	<ul style="list-style-type: none"> • Extends lid of 28% until 2018
Levy Base Calculation	<ul style="list-style-type: none"> • Continues the current levy base calculation through 2020 	<ul style="list-style-type: none"> • Continues the levy base calculation through 2018 	<ul style="list-style-type: none"> • Continues the levy base calculation through 2018
LEA Formula Extension	<ul style="list-style-type: none"> • Extends LEA calculation at 14% until 2020 • .5 percentage point draw down every year until reach 12% in 2024 	<ul style="list-style-type: none"> • Proposed substitute: Extends LEA calculation at 14% until 2018 	<ul style="list-style-type: none"> • Extends LEA calculation at 14% until 2018

Glossary:

Levy Lid: The cap on local levies. Local districts may only ask their voters for up to an additional 28% of their state allocation. For example, if a district received \$1,000,000 from the state, the district can only ask voters for an additional \$280,000 in local levies. Some districts have higher levy lid rates that were preserved in law when the 28% cap was set, or “grandfathered in” at higher rates. After calendar year 2017 the 28% levy lid is set to expire and districts will be capped at 24%. This is what’s known as the “levy cliff.” The grandfathered districts will maintain higher rates.

Levy Base: The amount of state funding a district receives, used to calculate how much money districts can ask voters for. Currently, districts may include additional funds in their levy base calculation that they would have received if the state funded programs to reduce class size and provide cost of living increases to school staff. For example, if a district received \$950,000 from the state in real dollars, but would have received \$1,000,000 if the Legislature had funded the programs, the district’s levy base is \$1,000,000. These additional dollars are sometimes called “ghost funds.”

LEA (Local Effort Assistance): Additional state dollars that are provided to districts that have low property values and so face a higher tax burden to raise funds through local levies than districts with high property values. Sometimes also referred to as Levy Equalization. The current formula to qualify for LEA funds is based off of what the tax rate in a district would be if they asked voters for an additional 14%. In 2017, that formula is scheduled to drop down to 12%. This will also impact the maximum amount of LEA that a district can get.