Levy structure going into 2019 session

• 2017 HB 2242 (McCleary legislation) created new levy cap system
  – Districts capped at $2,500 per student OR $1.50/$1,000 assessed property value, whichever resulted in lower tax rate
  – Districts that receive Local Effort Assistance from the state capped at $1,500 per student
What happened in 2019?

• Issues to be addressed:
  – Districts projected layoffs due to budget shortfalls
  – Levy system created disparity in access to levies based on property wealth (two-tiered cap)
What happened in 2019?

• SB 5313
  – Increases cap to $2.50/$1,000 AV OR $2,500
  – Increases LEA cap to $1,550 per student
  – Seattle cap $3,000 per student
  – Vancouver and Evergreen get additional LEA in 2019 biennium
  – New reporting requirements on use of local and state dollars
Impact of changes in 2019

• Still disparity in access to enrichment funds based on property wealth (LEA districts have access to fewer dollars)

• Districts that were not already at $2,500 per pupil levying $1.50/$1,000 can raise more money under new $2.50/$1,000 cap (e.g. Tacoma)
  – Burden for additional enrichment is placed on local tax payer

• Remains to be seen if will prevent budget crises predicted by districts
Levy Resources Per Student

- Map
- Not much has changed in distribution from previous structure
Levy and LEA Accessibility

• Map
• For every dollar levied, how much can be raised per pupil
• Look at majority of districts that are above the state average for low-income enrollment also have lower levy and LEA accessibility
Percent of Levy Capacity Used

- Map
- Districts taxing themselves at full capacity, even when high-poverty
2019-2020 Expected Funding

• Map
• Still not distributed based on student need:
  – E.g. Stanwood-Camano and Marysville, similar amounts per pupil. Marysville nearly double the low-income population
    • Marysville 1671 local, Stanwood 2387—even though state provides more money to Marysville, local money creates similar amounts
    • Both over special education cap
Remaining Work

• Funding system still does not target additional funding based on student and community need
  – State funding does not account for full cost of serving students, such as those receiving special education services
  – Access to enrichment funds unequal, districts have varying capacity to fill gaps

• Monitor new data to determine how money being spent, where there are still gaps
QUESTIONS?

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