

# The Current State of K-12 Funding

Post-2019 Session

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## 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?

