

K-12 Finance: Grandfathered Salary Allocations and Levy Lids

Presented to the House Subcommittee on
Education Finance Structures

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Interim House K-12 Finance Workgroup

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- **Conclusions included:**
 - Ensure rational basis for differences in state salary allocations
 - Grandfathered Levy Lids
 - Re-examine the policy of allowing 91 districts to have a higher levy lid percentage than all other districts.
 - Stay aware of key role played by levy equalization in maintaining equitable funding system.



Grandfathering

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- Grandfathered levy lid and salary allocations are remnants of the funding system in place prior to the Doran School Funding decisions.
- During the 1980s, began equalizing salary allocations and levy lid percentages.



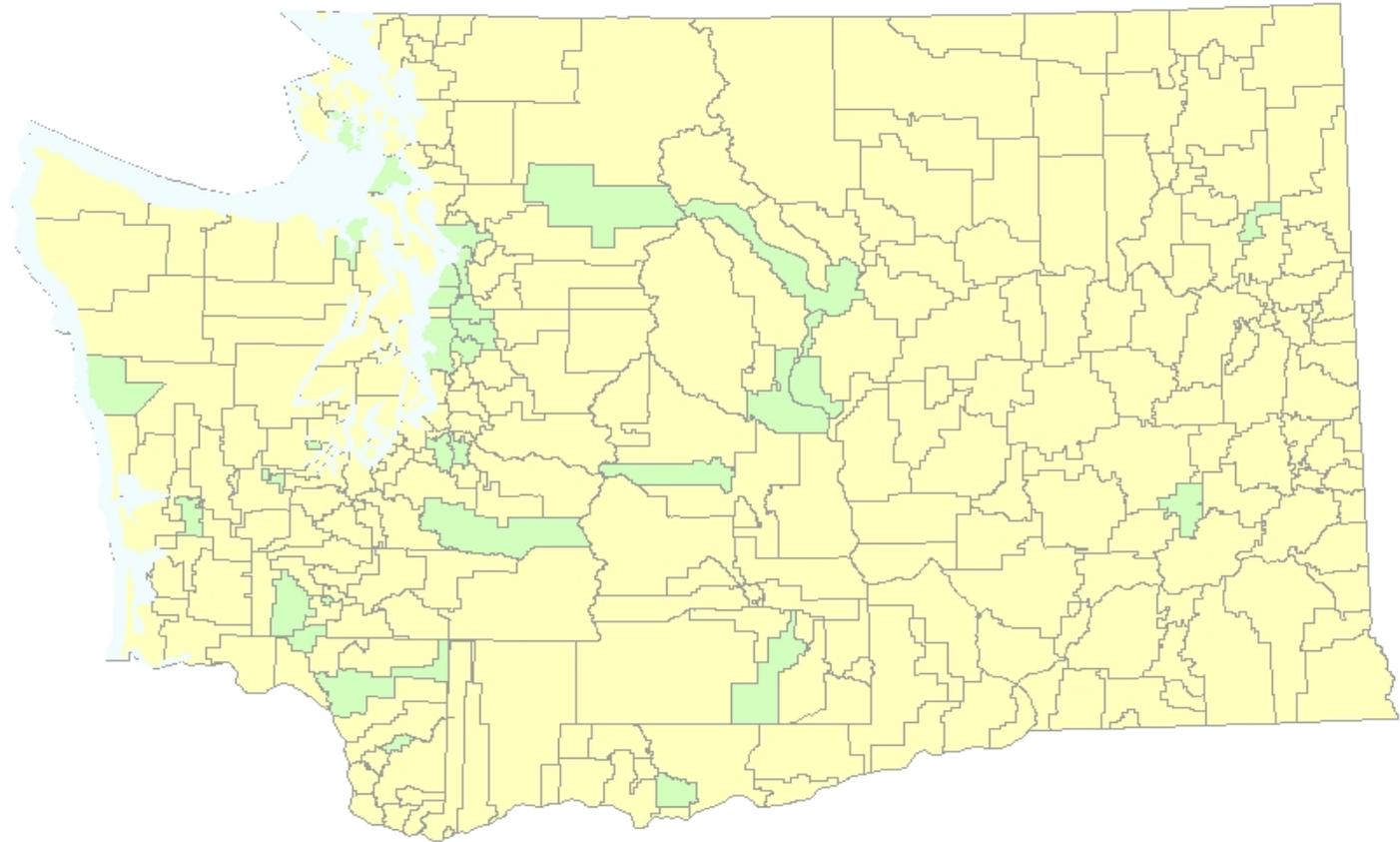
Grandfathered Salary Districts

2004-05 School Year

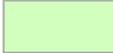
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| <u>District</u> | <u>Base Salaries</u> | <u>% Higher Than "All Others"</u> | <u>District</u> | <u>Base Salaries</u> | <u>% Higher Than "All Others"</u> |
|-----------------------------|----------------------|-----------------------------------|---------------------|----------------------|-----------------------------------|
| 1. Everett | 31,927 | 6.3% | 18. Eatonville | 30,260 | 0.8% |
| 2. Orondo | 31,865 | 6.1% | 19. Taholah | 30,238 | 0.7% |
| 3. Northshore | 31,682 | 5.5% | 20. Green Mountain | 30,230 | 0.7% |
| 4. Marysville | 31,588 | 5.2% | 21. Benge | 30,229 | 0.7% |
| 5. Puyallup | 31,031 | 3.4% | 22. Darrington | 30,229 | 0.7% |
| 6. Vader | 31,020 | 3.3% | 23. Evaline | 30,222 | 0.7% |
| 7. Shaw Island | 30,998 | 3.2% | 24. Loon Lake | 30,222 | 0.7% |
| 8. Southside | 30,877 | 2.8% | 25. Thorp | 30,198 | 0.6% |
| 9. Lake Chelan | 30,865 | 2.8% | 26. Wenatchee | 30,191 | 0.6% |
| 10. Mukilteo | 30,780 | 2.5% | 27. Lake Washington | 30,173 | 0.5% |
| 11. Lopez Island | 30,747 | 2.4% | 28. Bellevue | 30,104 | 0.3% |
| 12. Seattle | 30,623 | 2.0% | 29. Centerville | 30,096 | 0.2% |
| 13. Oak Harbor | 30,615 | 2.0% | 30. Port Townsend | 30,095 | 0.2% |
| 14. Edmonds | 30,386 | 1.2% | 31. Sumner | 30,079 | 0.2% |
| 15. McCleary | 30,371 | 1.2% | 32. Kelso | 30,069 | 0.2% |
| 16. Eastmont | 30,342 | 1.1% | 33. Toppenish | 30,048 | 0.1% |
| 17. Boistfort | 30,296 | 0.9% | 34. Cosmopolis | 30,047 | 0.1% |
| All others: \$30,023 | | | | | |

Thirty-four districts receive state apportionment allocations based on higher salaries than the other districts.



Salary Grandfathered Districts

-  Non-Grandfathered Districts
-  Grandfathered Districts

Map created by LEAP Committee staff.



K-12 State Salary Allocation Schedule For Certificated Instructional Staff

2004-05 School Year

| Subcommittee on Education Finance Structures | Years of Service | BA | BA+15 | BA+30 | BA+45 | BA+90 | BA+135 | MA | MA+45 | MA+90 or PHD |
|---|---------------------|--------|--------|--------|--------|--------|--------|--------|--------|-----------------|
| | 0 | 30,023 | 30,834 | 31,674 | 32,516 | 35,218 | 36,958 | 35,995 | 38,697 | 40,439 |
| 1 | 30,427 | 31,249 | 32,100 | 32,979 | 35,709 | 37,440 | 36,395 | 39,125 | 40,855 | |
| 2 | 30,812 | 31,642 | 32,502 | 33,449 | 36,171 | 37,920 | 36,798 | 39,520 | 41,269 | |
| 3 | 31,209 | 32,047 | 32,916 | 33,893 | 36,610 | 38,401 | 37,180 | 39,895 | 41,687 | |
| 4 | 31,598 | 32,473 | 33,347 | 34,358 | 37,091 | 38,895 | 37,580 | 40,313 | 42,118 | |
| 5 | 32,000 | 32,879 | 33,762 | 34,829 | 37,552 | 39,392 | 37,987 | 40,711 | 42,551 | |
| 6 | 32,413 | 33,273 | 34,186 | 35,306 | 38,016 | 39,866 | 38,404 | 41,114 | 42,963 | |
| 7 | 33,139 | 34,012 | 34,937 | 36,118 | 38,868 | 40,769 | 39,185 | 41,934 | 43,836 | |
| 8 | 34,202 | 35,122 | 36,069 | 37,348 | 40,135 | 42,106 | 40,414 | 43,202 | 45,172 | |
| 9 | | 36,272 | 37,266 | 38,591 | 41,443 | 43,481 | 41,656 | 44,510 | 46,548 | |
| 10 | | | 38,477 | 39,898 | 42,788 | 44,894 | 42,964 | 45,855 | 47,960 | |
| 11 | | | | 41,243 | 44,196 | 46,344 | 44,309 | 47,263 | 49,410 | |
| 12 | | | | 42,545 | 45,642 | 47,854 | 45,707 | 48,708 | 50,921 | |
| 13 | | | | | 47,123 | 49,401 | 47,154 | 50,189 | 52,467 | |
| 14 | | | | | 48,611 | 51,006 | 48,644 | 51,775 | 54,073 | |
| 15 | | | | | 49,876 | 52,333 | 49,908 | 53,121 | 55,479 | |
| 16 or more | | | | | 50,873 | 53,379 | 50,906 | 54,183 | 56,588 | |



Additional State Costs for Grandfathered Salary Districts

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- \$14 million per year



Grandfathered Levy Lids

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- Levy Lid: M&O levy revenues limited to a percentage of a district's state and federal revenues.
 - For most districts: 24 percent of state and federal revenues
 - For 91 grandfathered districts: Up to almost 34 percent

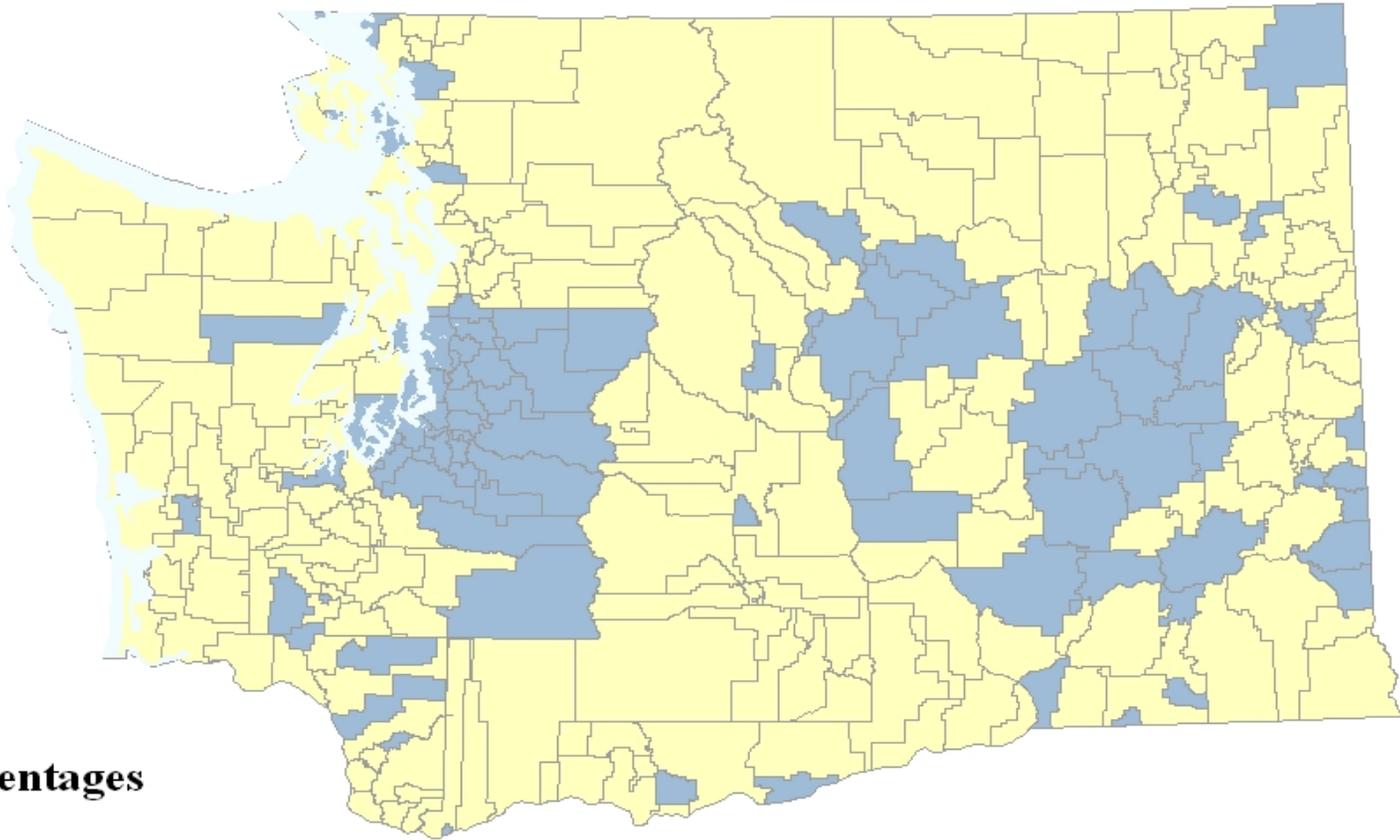


91 districts are grandfathered above 24% levy lid.

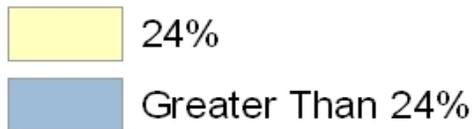
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| Rank | | | | Rank | | | | Rank | | | |
|---------|--------------|-----------------|--------|---------|--------------|-------------------|--------|---------|-------------|-------------------|--------|
| Highest | | School | Max | Highest | | School | Max | Highest | | School | Max |
| =1 | County | District | Levy % | =1 | County | District | Levy % | =1 | County | District | Levy % |
| 59 | Adams | Lind | 25.20% | 68 | King | Auburn | 24.90% | 33 | Pierce | Dieringer | 28.85% |
| 40 | Adams | Ritzville | 28.12% | 71 | King | Tahoma | 24.89% | 83 | Pierce | Orting | 24.78% |
| 82 | Chelan | Cashmere | 24.79% | 80 | King | Snoqualmie Valley | 24.83% | 52 | Pierce | Clover Park | 26.76% |
| 12 | Clark | Green Mountain | 33.58% | 61 | King | Issaquah | 24.97% | 67 | Pierce | Peninsula | 24.91% |
| 11 | Columbia | Starbuck | 33.61% | 42 | King | Shoreline | 27.93% | 61 | Pierce | Franklin Pierce | 24.97% |
| 27 | Cowlitz | Toutle Lake | 31.19% | 71 | King | Lake Washington | 24.89% | 71 | Pierce | Bethel | 24.89% |
| 87 | Cowlitz | Kalama | 24.24% | 71 | King | Kent | 24.89% | 61 | Pierce | Eatonville | 24.97% |
| 15 | Douglas | Orondo | 33.51% | 68 | King | Northshore | 24.90% | 84 | Pierce | White River | 24.77% |
| 91 | Douglas | Bridgeport | 24.01% | 60 | Kitsap | Bainbridge | 24.98% | 81 | Pierce | Fife | 24.82% |
| 5 | Douglas | Palisades | 33.73% | 17 | Kittitas | Damman | 33.44% | 2 | San Juan | Shaw | 33.82% |
| 41 | Douglas | Mansfield | 28.00% | 6 | Klickitat | Centerville | 33.71% | 29 | Skagit | Anacortes | 30.54% |
| 24 | Douglas | Waterville | 32.00% | 89 | Klickitat | Roosevelt | 24.14% | 32 | Skagit | Conway | 29.15% |
| 25 | Franklin | North Franklin | 31.70% | 46 | Lewis | Vader | 27.29% | 16 | Skamania | Mount Pleasant | 33.46% |
| 1 | Franklin | Kahlotus | 33.90% | 20 | Lewis | Evaline | 33.36% | 88 | Spokane | Spokane | 24.18% |
| 8 | Grant | Wahluke | 33.69% | 58 | Lewis | Boistfort | 25.32% | 39 | Spokane | West Valley (Spo) | 28.20% |
| 53 | Grant | Quincy | 26.67% | 31 | Lewis | White Pass | 29.43% | 50 | Stevens | Valley | 26.91% |
| 51 | Grant | Coulee/Hartline | 26.79% | 3 | Lincoln | Sprague | 33.77% | 49 | Stevens | Loon Lake | 27.01% |
| 19 | Grays Harbor | Cosmopolis | 33.40% | 55 | Lincoln | Reardan | 26.02% | 86 | Thurston | Olympia | 24.34% |
| 43 | Jefferson | Brinnon | 27.50% | 30 | Lincoln | Creston | 30.42% | 7 | Walla Walla | Dixie | 33.70% |
| 22 | King | Seattle | 32.97% | 9 | Lincoln | Odessa | 33.67% | 18 | Walla Walla | College Place | 33.43% |
| 68 | King | Federal Way | 24.90% | 21 | Lincoln | Harrington | 33.01% | 48 | Walla Walla | Columbia (Walla) | 27.07% |
| 75 | King | Enumclaw | 24.88% | 38 | Lincoln | Davenport | 28.21% | 54 | Whatcom | Bellingham | 26.35% |
| 9 | King | Mercer Island | 33.67% | 43 | Okanogan | Pateros | 27.50% | 35 | Whatcom | Blaine | 28.51% |
| 64 | King | Highline | 24.95% | 56 | Pend Oreille | Selkirk | 25.47% | 34 | Whitman | Lacrosse Joint | 28.75% |
| 75 | King | Vashon Island | 24.88% | 65 | Pierce | Steilacoom Hist. | 24.93% | 75 | Whitman | Lamont | 24.88% |
| 65 | King | Renton | 24.93% | 78 | Pierce | Puyallup | 24.87% | 89 | Whitman | Tekoa | 24.14% |
| 57 | King | Skykomish | 25.43% | 26 | Pierce | Tacoma | 31.47% | 47 | Whitman | Pullman | 27.27% |
| 28 | King | Bellevue | 30.66% | 14 | Pierce | Carbonado | 33.52% | 37 | Whitman | Palouse | 28.27% |
| 13 | King | Tukwila | 33.54% | 36 | Pierce | University Place | 28.29% | 4 | Whitman | Garfield | 33.76% |
| 85 | King | Riverview | 24.72% | 79 | Pierce | Sumner | 24.86% | 23 | Whitman | Steptoe | 32.42% |
| | | | | | | | | 45 | Whitman | Colton | 27.35% |

Grandfathered Levy Lid Districts



Levy Lid Percentages



Map created by LEAP Committee staff.



Not all grandfathered levy lid districts use their additional capacity

- In 2005, of the 91 grandfathered districts
 - 47 levy less than 24% of their state and local revenues
 - Of these, 5 have no levy at all
 - 11 are at more than 24% of their state and federal revenues but less than maximum levy authority.
 - 33 use maximum levy authority
- Additional levy capacity resulting from grandfathering: \$86 million.
- Additional levy dollars collected due to grandfathering: \$71 million.
 - Ranges from \$640 per student in Seattle to less than \$50 per student in 12 districts.



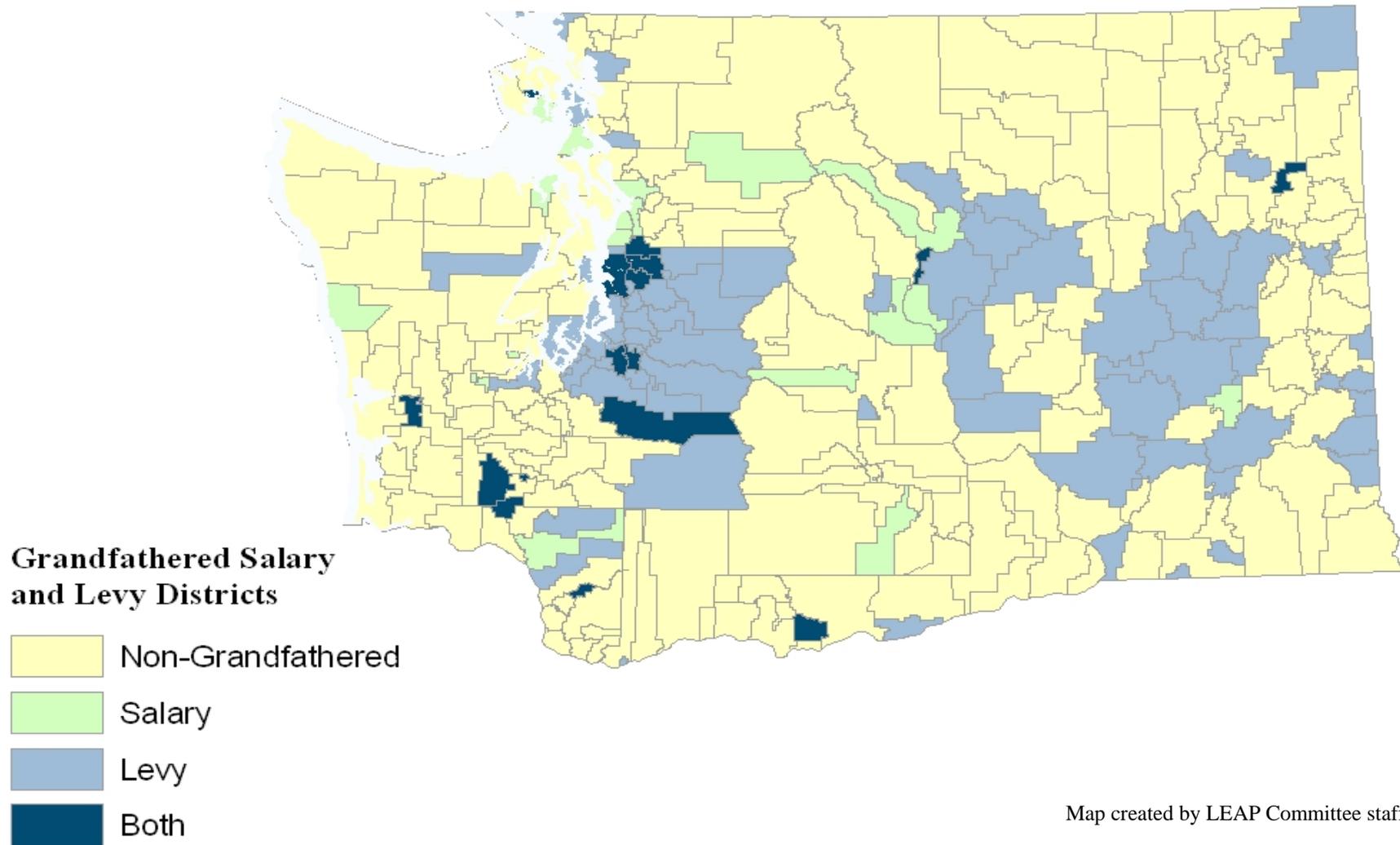
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- 16 districts have both grandfathered levy lids and salary allocations.
- Of those, these 7 districts actually use their additional levy capacity:

| <u>County</u> | <u>District</u> | <u>Per Student Additional Levy Revenue</u> | <u>Grandfathered Salary % Additional</u> |
|---------------|-----------------|--|--|
| King | Seattle | \$641 | 2.0% |
| King | Bellevue | \$388 | 0.3% |
| King | Northshore | \$55 | 5.5% |
| Pierce | Puyallup | \$52 | 3.4% |
| King | Lake Washington | \$52 | 0.5% |
| Pierce | Sumner | \$51 | 0.2% |
| Pierce | Eatonville | \$39 | 0.8% |

Grandfathered Levy Lid and Salary Districts

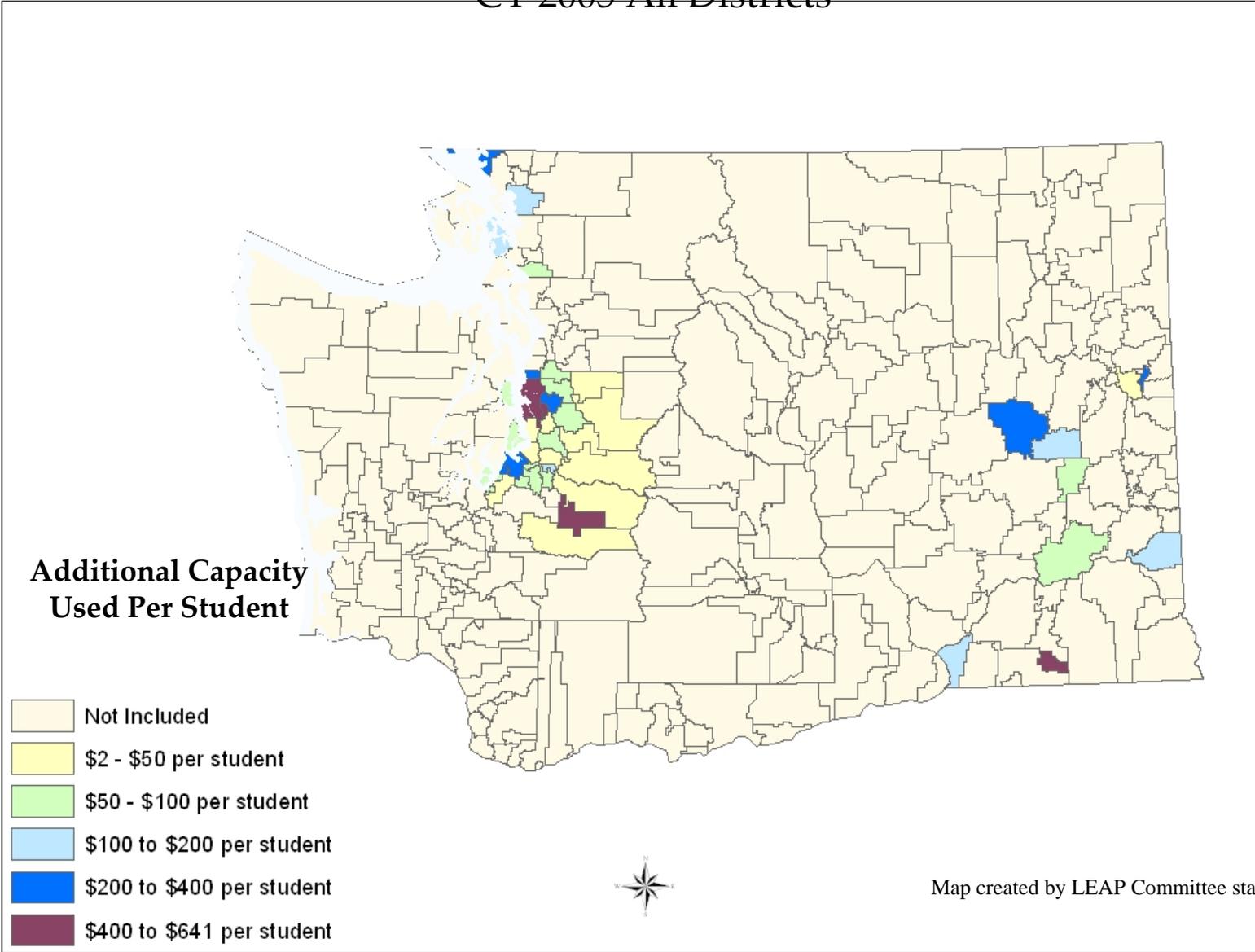


Map created by LEAP Committee staff.

Grandfathered Levy Lid Districts

Use of Additional Levy Capacity Per Student

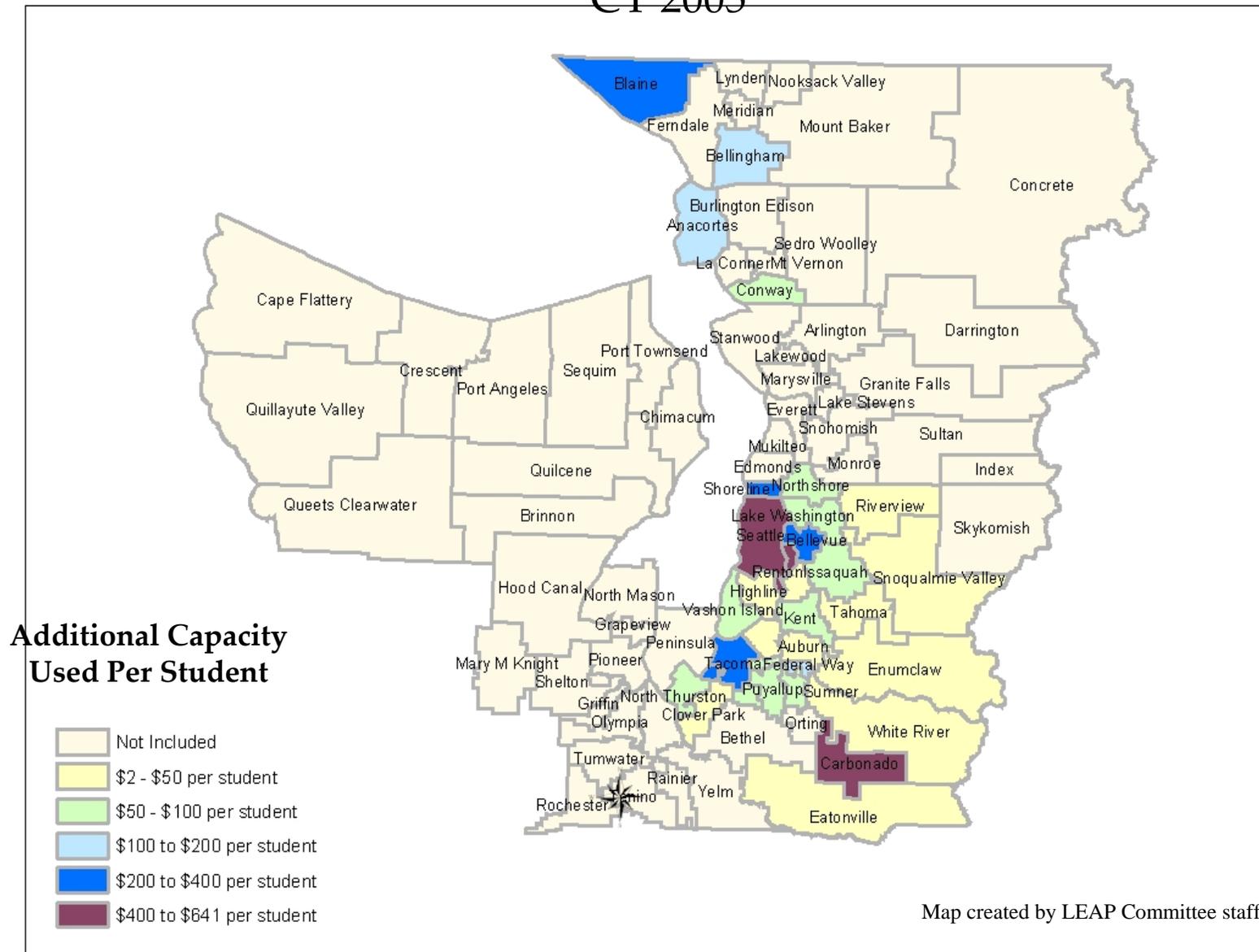
CY 2005 All Districts



Grandfathered Levy Lid Districts

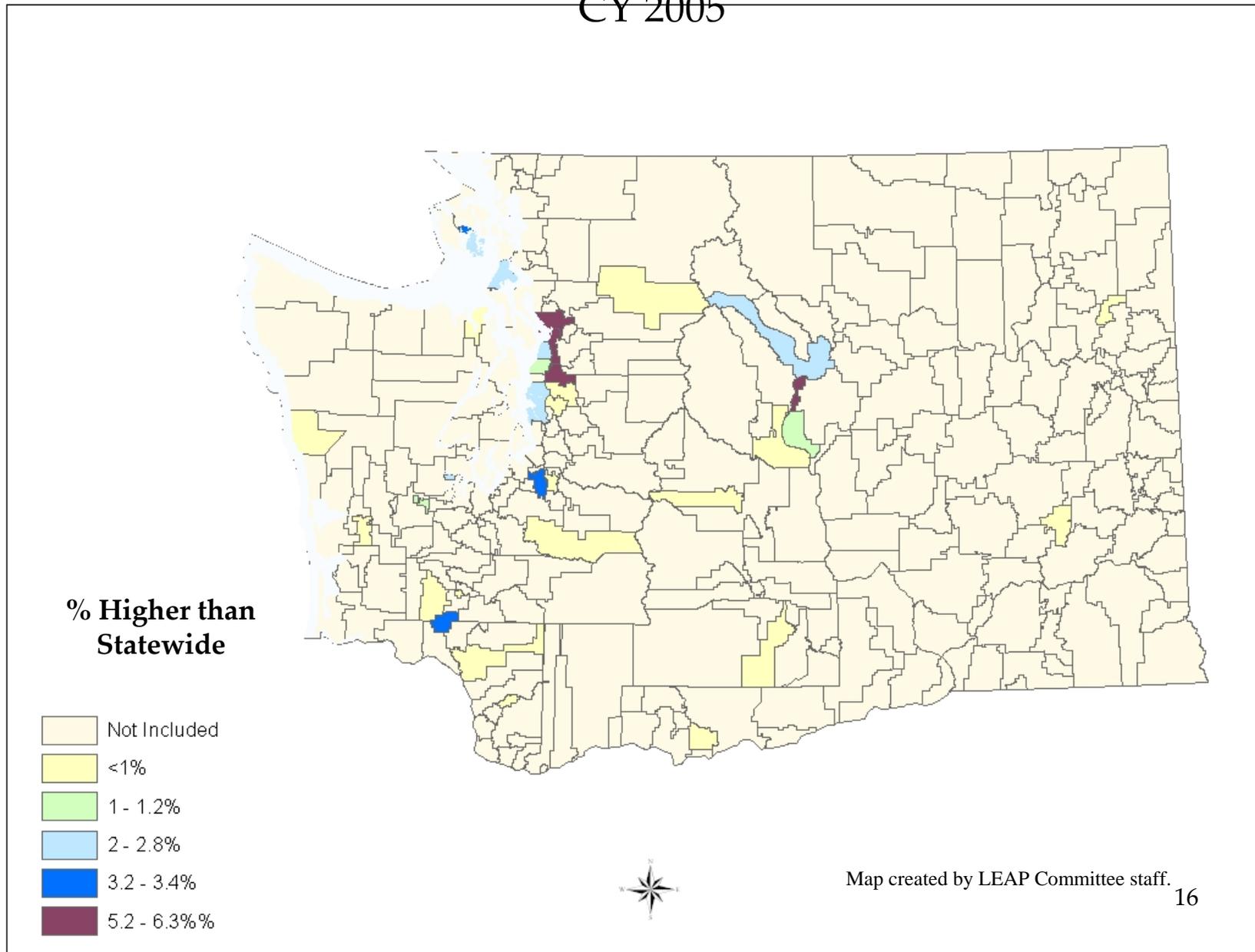
Use of Additional Levy Capacity Per Student

CY 2005



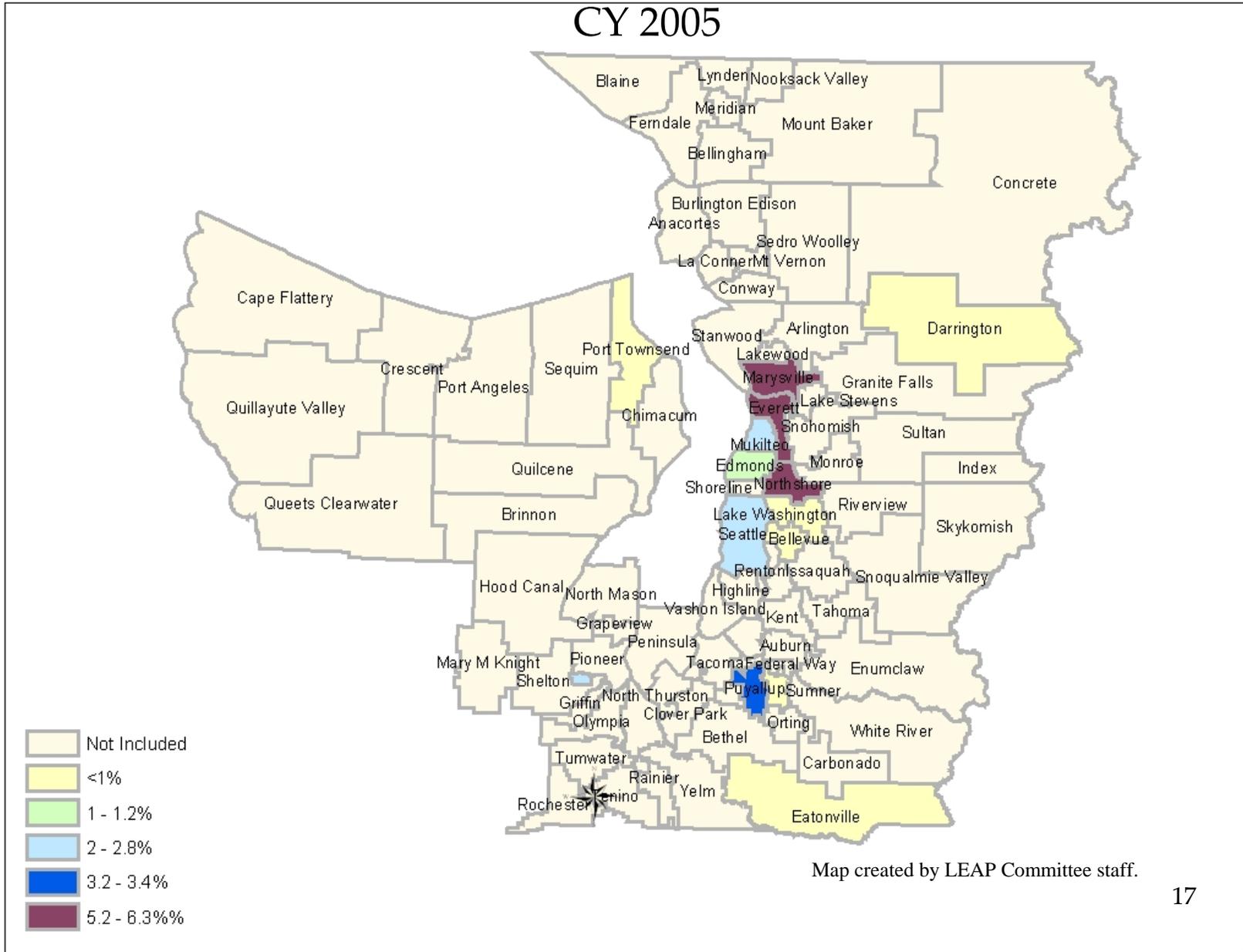
Grandfathered Salary Districts Percent Higher than Statewide Allocations

CY 2005



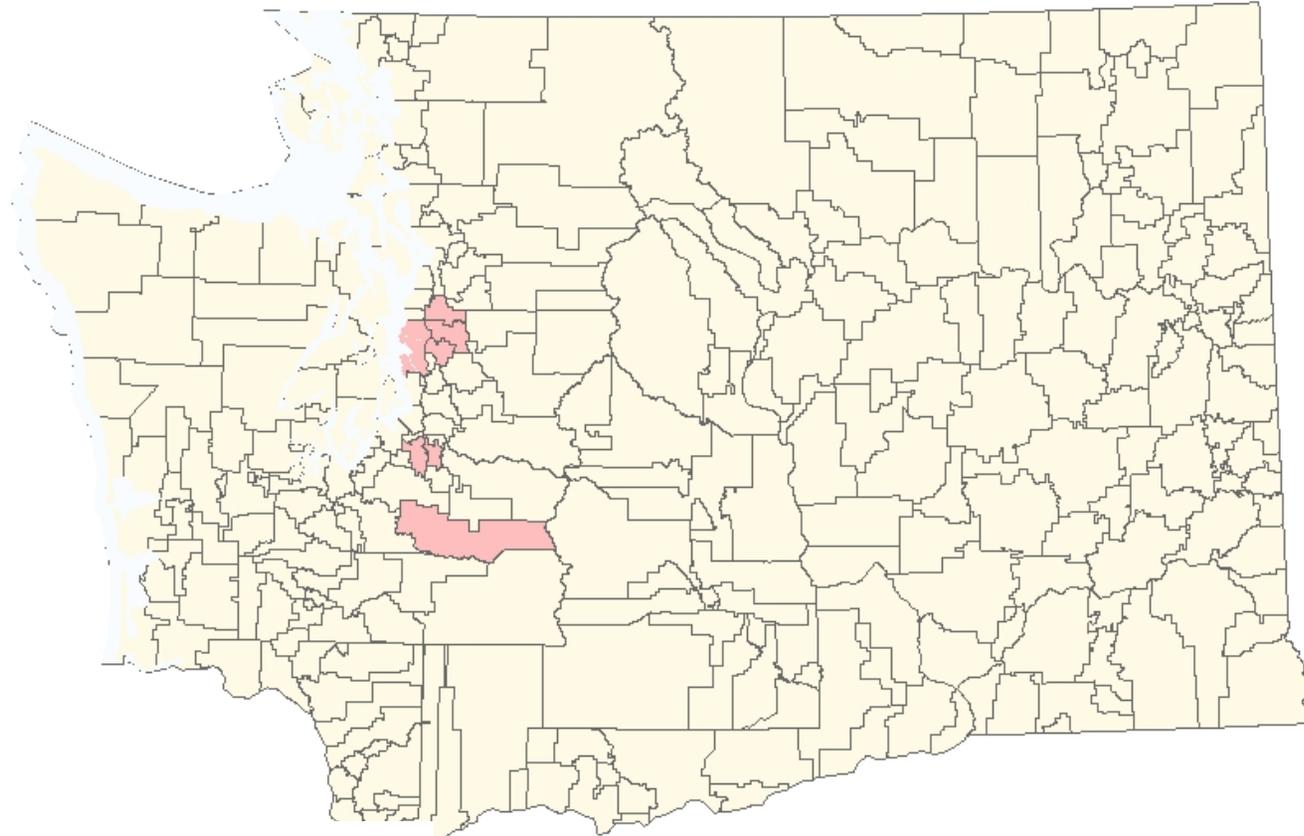
Grandfathered Salary Districts Percent Higher than Statewide Allocations

CY 2005



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Grandfathered Salary Districts that Also Use Additional Grandfathered Levy Authority CY 2005



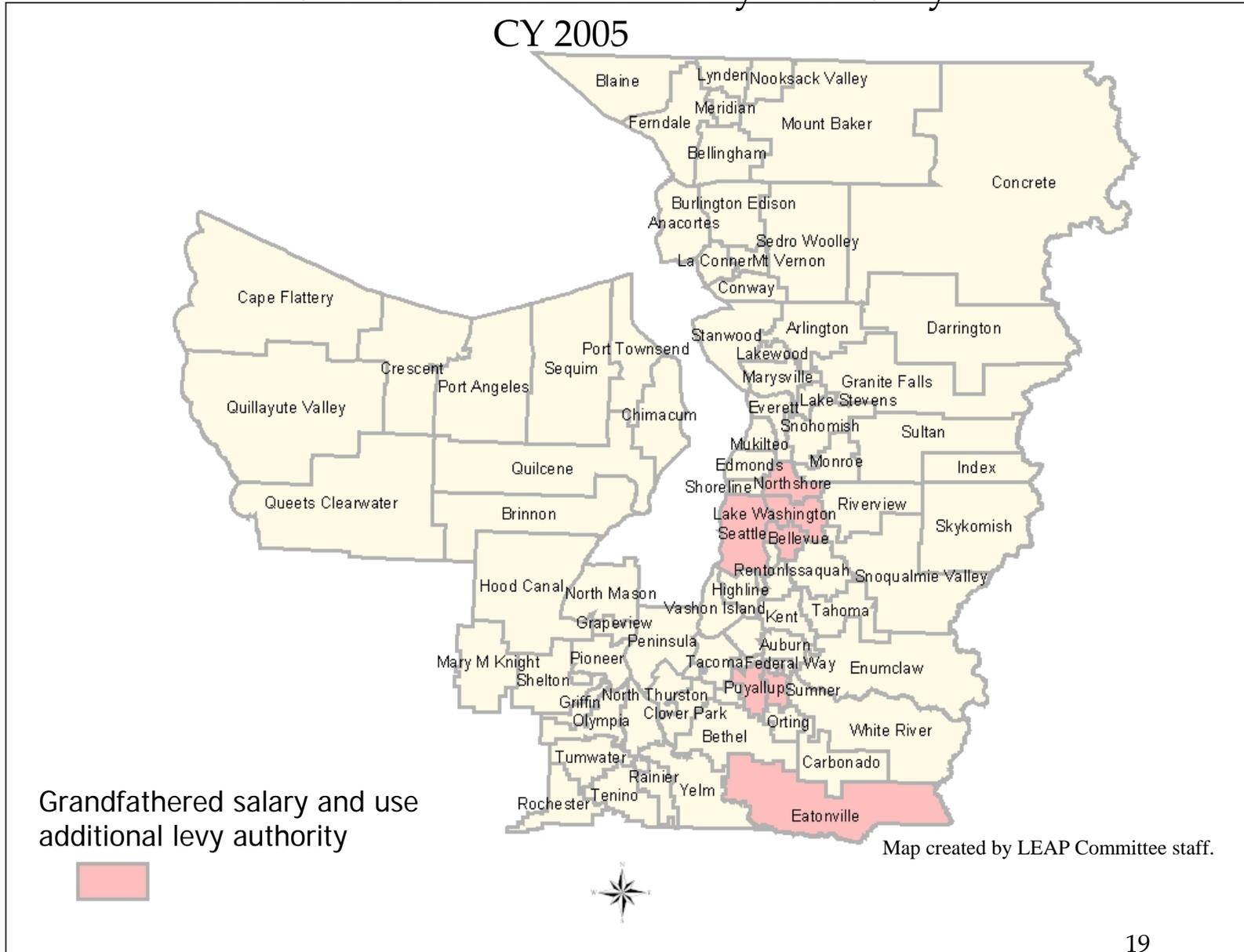
Grandfathered salary and use additional
levy authority



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Grandfathered Salary Districts that Also Use Additional Grandfathered Levy Authority

CY 2005



Grandfathered salary and use
additional levy authority

