

ESB 6499, SHB 2792 (Sec. 7), and ESSB 6002 (Sec. 924, as passed House) - Creating the Joint Task Force on Local Education Financing Reform

Current Law	ESB 6499 (As Passed Senate)	SHB 2792 (Sec. 7) & ESSB 6002 (Sec. 924, as passed House)
<p><u>Local Levies.</u> School districts are authorized to raise funds locally through the levy of local property taxes, when approved by the voters of the district. These local funds must be spent only on enhancements and not for basic education. School districts may raise revenue through four types of levies: maintenance and operations (M&O), debt service, transportation vehicles and equipment, and capital projects. Since 1977, the Legislature has limited the amount school districts may collect through M&O levies. The maximum amount that may be raised, typically referred to as the levy lid, is primarily based on a district's prior year state and federal funding. For the majority of districts (205), the levy lid is 28 percent of the levy base. The levy lid ranges from 28.01 percent to 37.90 percent for the remaining 90 districts. These higher lids are based on what the district's levy was in 1977. For the 2013-14 school year, 283 districts are collecting M&O levy revenue.</p> <p><u>Local Effort Assistance (LEA) Program.</u> The LEA Program, also known as levy equalization, was created in 1987 to mitigate the effect that above-average property tax rates might have on the ability of a school district to raise local revenues through voter-approved levies. Districts are eligible for levy equalization if they have passed a local M&O levy and their 14 percent levy rate is higher than the statewide average. The LEA Program is expressly not part of basic education.</p> <p><u>Technical Working Groups.</u> A Levy and LEA Technical Working Group (LLTWG) was created in ESHB 2261 to develop options for a new system of K-12 supplemental funding through local levies and state local levy equalization and to consider the impact of the new basic education funding system on overall district revenues and local funds. The LLTWG submitted its report to the Legislature in July 2011. The LLTWG recommended not reducing levy authority based on enhanced state allocations; continuing current levy equalization policy and formula; having a goal of providing more levy equalization over time; and reducing grandfathered districts by increasing levy authority of non-grandfathered districts over time. ESHB 2261 also established a Compensation Technical Working Group that submitted its report to the Legislature in June 2012, which included recommendations regarding state salary allocations and results from comparative labor market analyses.</p>	<p>The Joint Task Force on Local Education Financing Reform is created with the following members:</p> <ul style="list-style-type: none"> • Two members from each major caucus in the House of Representatives, appointed by the Speaker of the House; • Two members from each major caucus of the Senate, appointed by the majority leader and minority leader of the major caucuses of the Senate; • The Governor, ex officio member; and • The Superintendent of Public Instruction, ex officio member. <p>The voting members must select co-chairs, who must be voting members of the Task Force.</p> <p>The Task Force must:</p> <ul style="list-style-type: none"> • Review the work of the Levy and Local Effort Assistance Technical Working Group, the Compensation Technical Working Group, and other relevant studies; • Review the use of local levies by school districts; and • Review equity issues related to various aspects of the local levy process. <p>By December 1, 2014, the Task Force must recommend to the Governor and the Legislature approaches and draft legislation to address identified equity issues and provide a system for state and local funds that are distributed in an equitable manner so that all children have the opportunity to meet state standards.</p> <p>Any recommendation included in the report must be supported by at least six voting members of the Task Force.</p> <p>Staff for the task force is provided by the Senate and House, with OFM and OSPI providing data and models as needed.</p>	<p>The Joint Task Force on Local Education Financing Reform is created with the following members:</p> <ul style="list-style-type: none"> • Two members from each major caucus in the House of Representatives, appointed by the Speaker of the House; • Two members from each major caucus of the Senate, appointed by the majority leader and minority leader of the major caucuses of the Senate; • The Governor or designee; and • The Superintendent of Public Instruction or designee. <p>The members must select co-chairs, with one House member and one Senate member as co-chair.</p> <p>The Task Force must:</p> <ul style="list-style-type: none"> • Review the work of the Levy and Local Effort Assistance Technical Working Group and other relevant studies; • Review the use of local levies by school districts; • Review issues related to various aspects of the local levy process; • Review issues related to small school funding factors; • Review the work of the Compensation Technical Working Group, as well as issues related to grandfathered salary allocations for certificated instructional staff and options for addressing regional labor markets in salary allocations. <p>By December 20, 2014, the Task Force must recommend to the Governor and the Legislature approaches to address a system for state and local funds that are distributed in a manner that provides all children with the opportunity to meet state standards and compensation allocations to hire and retain competent teachers .</p> <p>Staff for the task force is provided by the Senate and House, with OFM and OSPI providing assistance as needed.</p>