

Just Fix It – School Funding

Rep. Ross Hunter

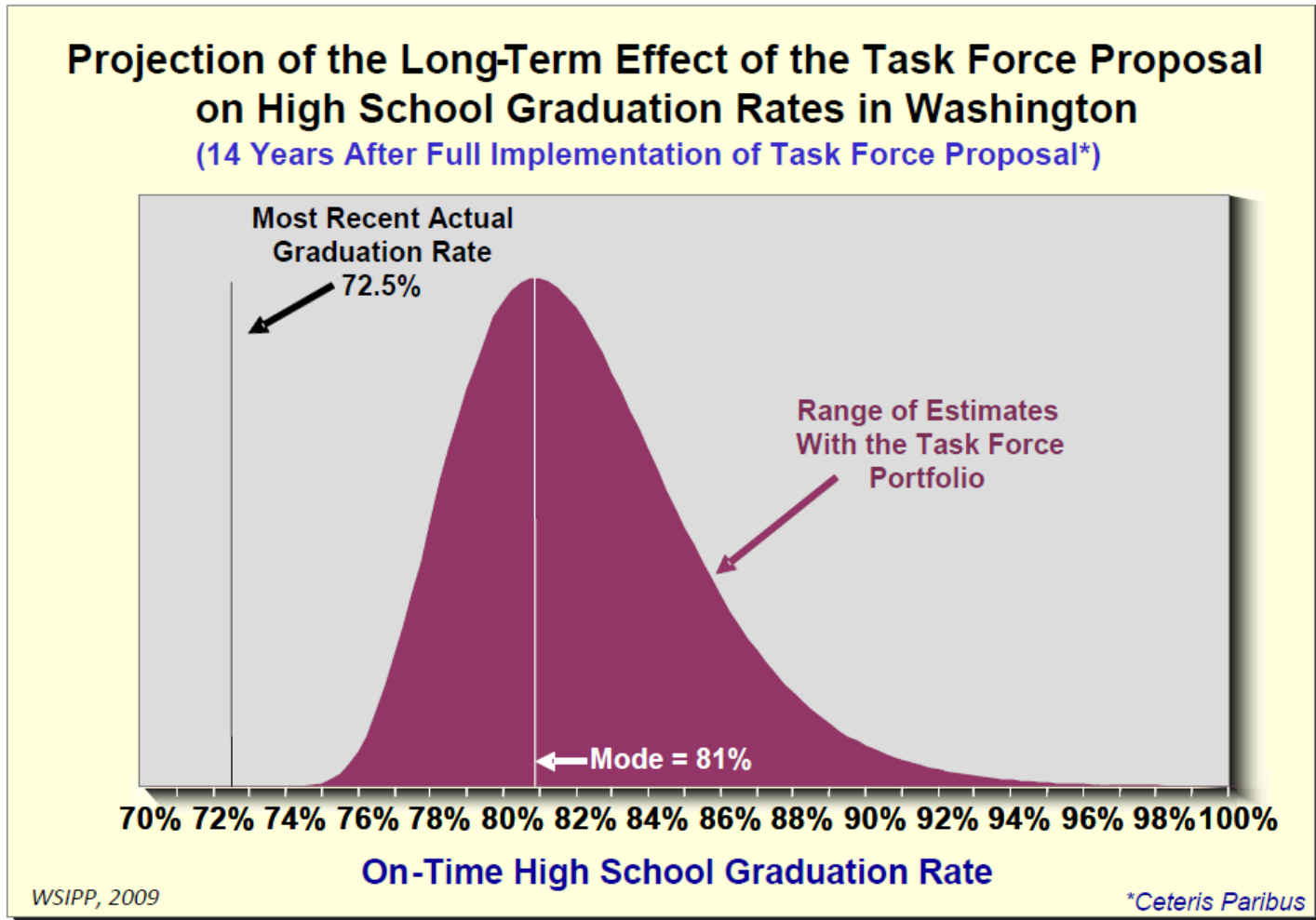
Ways and Means Committee, Chair

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FY 2011-13 Budget Problems

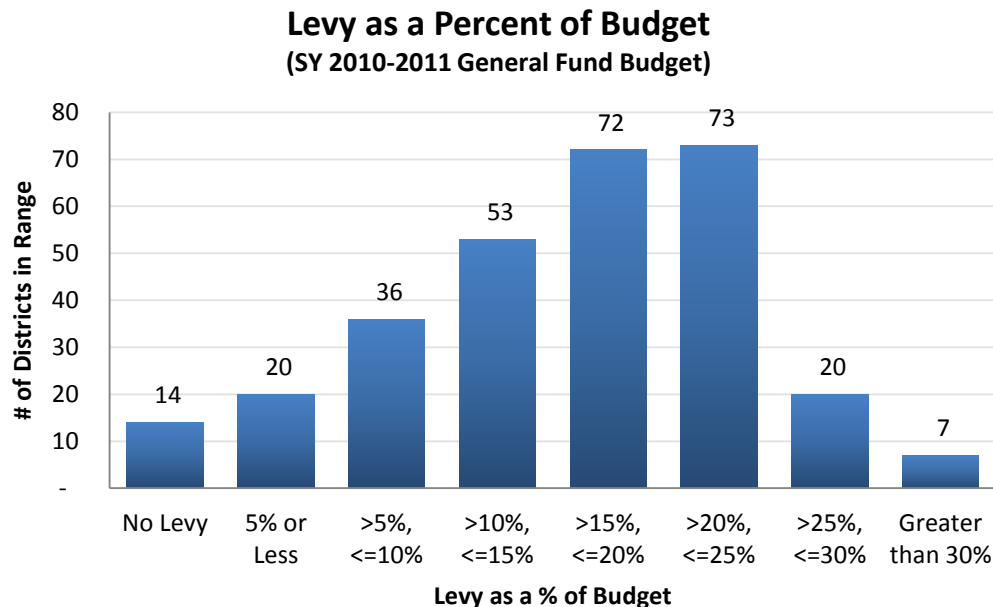
- State faces deep reductions in spending as a result of historic revenue declines
- Constitutional limits (no “basic ed” cuts)
- Of \$724 million not basic ed, \$457 is Local Effort Assistance. \$82m is all-day kindergarten.
LEA is the only non-basic ed cut available.
- Cutting LEA would have a large impact on the equity of the system.

Don't Be Confused: Funding Matters



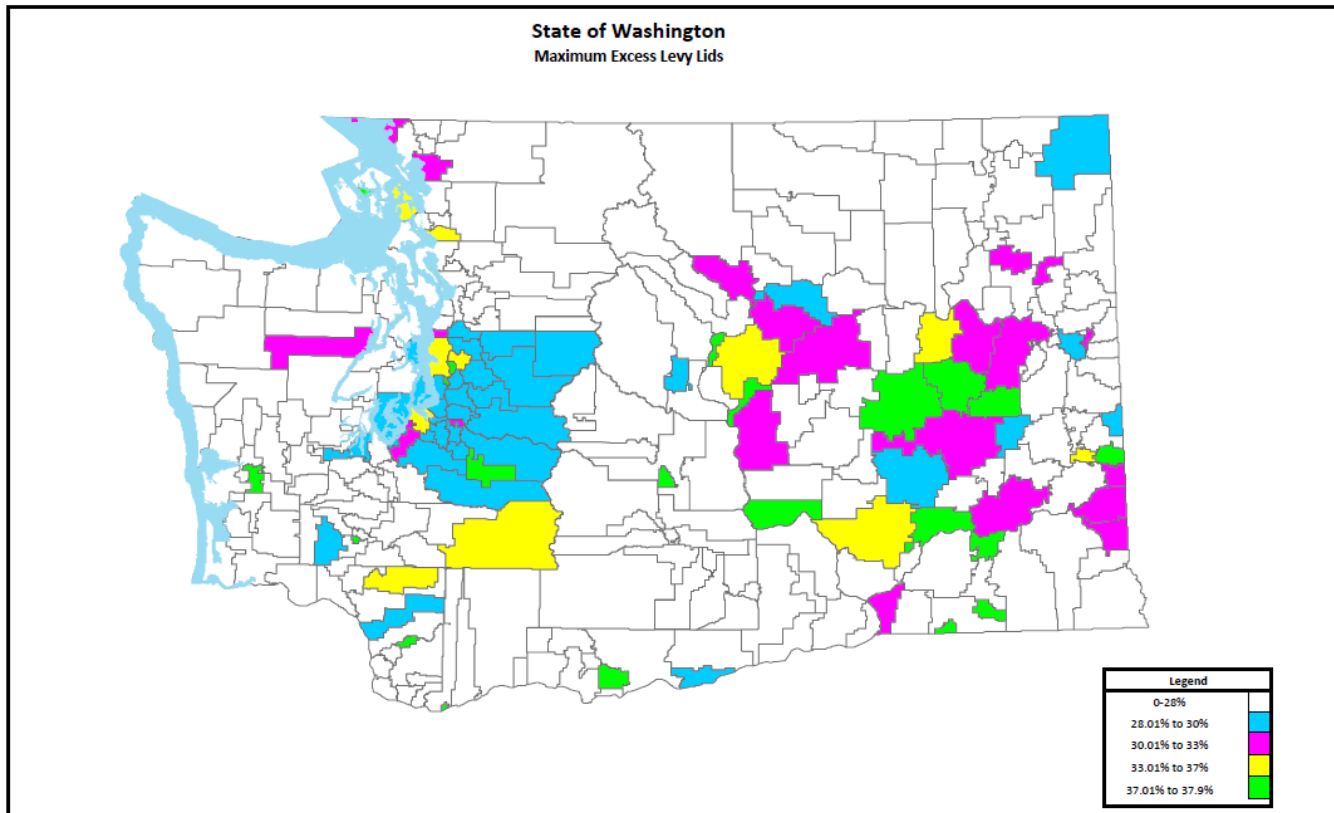
Increasing Inequity

Rising local levies are almost back to the late seventies, the levels that prompted the original school funding suits

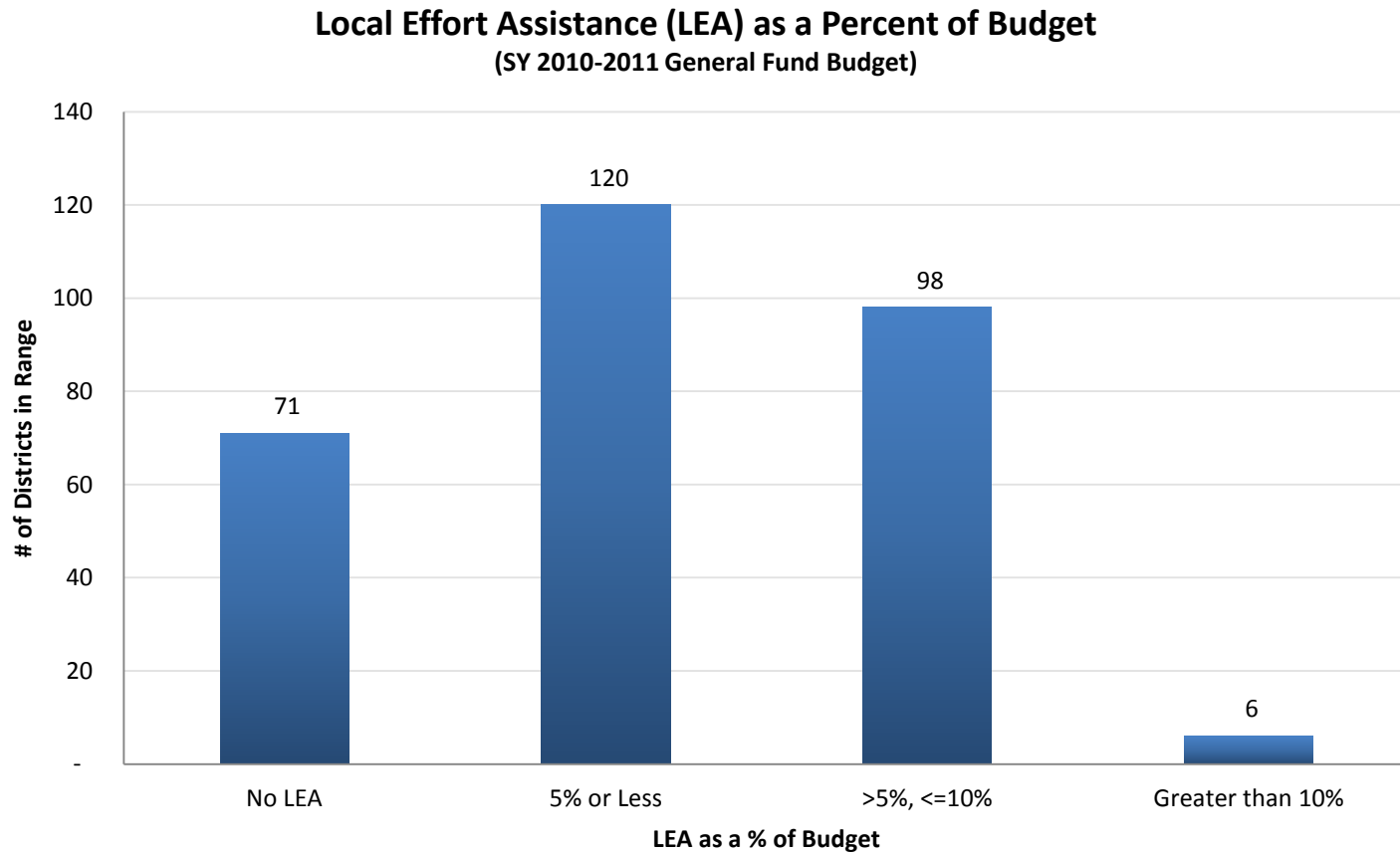


Increasing Inequity

Levy capacity varies widely between districts, often for arbitrary reasons.



LEA affects some districts a LOT



What to Do?

Just Fix It

- New system should be
 - **Fair.**
 - Basic ed funded by state, not locals.
 - Larger % of taxes collected statewide, not locally
 - **Adequate.**
 - Meet basic ed responsibility.
 - If not today, then ensure a growth path that does.
 - **Reliable and Stable**
 - More money “protected” as basic ed.
 - Levies not subject to elections every 4 years

Proposal: Local Levy Swap

1. Revenue-Neutral swap of local levies for common school levy
 - Use new basic ed distribution model to drive out new money
2. Allow growth greater than 1% of the common school levy as we recover from the recession
3. Reset levy caps at \$2500 per student
4. Make levies reliable by making them permanent

Why?

- Common School Levy works better than LEA.
- More money is basic ed, and protected.
- Growth starts to pay for constitutional requirement of ample funding
- Eliminates all grandfathering, a huge problem in Puget Sound districts.

School Impact : Yakima

Before:	
Resident School Population	14,908
CY 2012 Levy	\$13,058,087
Levy per student	\$876

After:	
New State basic ed money	\$16,492,774
Reduced Levy	\$0
Reduced levy per student	\$0
Reduced levy as a percentage of current	0.0%
Change in funds	\$3,434,687

Taxpayer Impact: Yakima

State Taxes Paid	
New State Tax share paid in District	\$5,687,401
Difference (New – Reduced Levy)	\$-7,370,686

Possible Local Levies	
New Local Levy Cap	\$2,500
Possible Additional Local Levy Per Student	\$2,500
Possible Additional Local Levy	\$37,270,497
CY12 Levy Tax Rate	\$2.79 per thousand
Reduced Levy Tax Rate	\$0.00 per thousand
New Rate at \$2500 Per student	\$7.97 per thousand

School Impact : Goldendale

Before:	
Resident School Population	973
CY 2012 Levy	\$2,179,000
Levy per student	\$2,240

After:	
New State basic ed money	\$1,078,089
Reduced Levy	\$1,100,911
Reduced levy per student	\$1,132
Reduced levy as a percentage of current	50.5%
Change in funds	\$2,179,000

Taxpayer Impact: Goldendale

State Taxes Paid	
New State Tax share paid in District	\$1,306,685
Difference (New – Reduced Levy)	\$228,596

Possible Local Levies	
New Local Levy Cap	\$2,500
Possible Additional Local Levy Per Student	\$1,368
Possible Additional Local Levy	\$1,331,083
CY12 Levy Tax Rate	\$2.03 per thousand
Reduced Levy Tax Rate	\$1.02 per thousand
New Rate at \$2500 Per student	\$2.26 per thousand

School Impact: Seattle

Before:	
Resident School Population	45,078
CY 2012 Levy	\$154,938,359
Levy per student	\$3,437

After:	
New State basic ed money	\$49,420,037
Reduced Levy	\$105,518,322
Reduced levy per student	\$2,341
Reduced levy as a percentage of current	68.1%
Change in funds	\$0

Taxpayer Impact: Seattle

State Taxes Paid	
New State Tax share paid in District	\$160,632,988
Difference (New – Reduced Levy)	\$111,212,951

Possible Local Levies	
New Local Levy Cap	\$2,500
Possible Additional Local Levy Per Student	\$159
Possible Additional Local Levy	\$7,177,701
CY12 Levy Tax Rate	\$1.17 per thousand
Reduced Levy Tax Rate	\$0.80 per thousand
New Rate at \$2500 Per student	\$0.85 per thousand

School Impact : Bellevue

Before:	
Resident School Population	17,305
CY 2012 Levy	\$47,315,624
Levy per student	\$2,734

After:	
New State basic ed money	\$18,381,058
Reduced Levy	\$28,934,566
Reduced levy per student	\$1,672
Reduced levy as a percentage of current	61.1%
Change in funds	\$0

Taxpayer Impact: Bellevue

State Taxes Paid	
New State Tax share paid in District	\$49,944,578
Difference (New – Reduced Levy)	\$31,563,520

Possible Local Levies	
New Local Levy Cap	\$2,500
Possible Additional Local Levy Per Student	\$828
Possible Additional Local Levy	\$14,327,772
CY12 Levy Tax Rate	\$1.15 per thousand
Reduced Levy Tax Rate	\$0.70 per thousand
New Rate at \$2500 Per student	\$1.05 per thousand

Long-Term Growth

Common School Levy Current Law v. Fixed Rate Levy (\$3.20) at 3% and 3.9% Growth

