



Local Levies - Frequently Asked Questions

1. What is a local levy?

- a. A local property tax passed by voters of a school district that generates tax revenue for local school districts. All money generated by school district levies goes directly to the school district to pay for enhancements to the state funded basic education. By voting for a local levy, voters are voting for an additional property tax in their district.

2. How many school districts have a local school levy?

- a. 286 of the 295 school districts currently have a local levy

3. What is basic education?

- a. Basic education is the educational program that the state is responsible for funding. The state Legislature defines the program of basic education and is required by the constitution to amply fund it. The state defined program of basic education is the minimum that districts are required to provide students—districts may offer additional programming and services with local funds. Currently, the program of basic education includes the number of hours and days of school that districts must offer, academic standards, and specialized instruction for students qualifying for special education, English Language support, and below or above standard academically.

4. What restrictions are placed on the use of levy money?

- a. Levy money can't be used to pay for basic education, but districts are otherwise free to spend the money as they wish. For example, by law, levy funds aren't allowed to be used to enhance state-funded base teacher salary for teachers performing basic education duties, but levy money may be used for hiring additional staff or paying teachers for after-school programming.
 - i. Currently, a majority of levy dollars are spent on staff compensation. Many districts provide higher salaries for teachers through local contracts for additional time, responsibility, or incentives (TRI). However, many of the responsibilities within these contracts could be considered basic education duties and often all teachers within a district receive this additional pay. This practice is common across the state because the state is not paying enough for districts to attract and retain teachers, but may conflict with current law.

5. What is a levy rate?

- a. A levy rate is the amount of property tax that voters approved to be assessed for every \$1,000 of property value. A levy rate of \$1.00 means that for every \$1,000 of property value, the owner of the property will have to pay \$1.00 in taxes.

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- i. E.g., If a homeowner has a house valued at \$200,000 and the voters passed a levy at a \$1.00 levy rate, that will cost the homeowner \$200 annually in property taxes.
- 6. Why do districts generate different amounts of levy dollars for passing the same levy rates?**
 - a. A levy rate of \$1.00 in a district with an average property value of \$200,000 will generate \$200 per household in levy funding, but a district with a \$1.00 levy rate and an average property value of \$600,000 will generate \$600 per household for the same level of property tax. Districts can have the same levy rate, but raise very different amounts of money because the average property value of a district varies widely across Washington.
- 7. What is a levy lid (cap)?**
 - a. The amount of money that can be raised through local levies is capped by the state at 28% of the combined state and federal education funding received by a district.
 - i. E.g., if a district receives a combined \$1,000,000 in funding from state and federal sources, the maximum amount their local levy can raise is \$280,000.
- 8. Do all districts have the same levy lid?**
 - a. 90 of the 295 school districts in Washington have levy lids above the 28% state levy lid ranging from 28.01% to 37.9%. Some districts have a higher levy lid because of a temporary solution to an education funding shortfall by the state in 1977. This higher cap was supposed to be phased out, but was made permanent for some districts in the 1980s.
 - i. At a 28% levy rate a district that receives \$1,000,000 in state and federal funding can raise up to \$280,000 with their local levy, while a district with a 37.9% levy lid getting the same level of state and federal funding would be able to raise \$379,000. That's 35% more through levies than a district with a 28% levy rate
- 9. How many school districts collect a local levy that is greater than or equal to the state levy lid of 28%?**
 - a. 118 districts have passed a levy that is 28% or more of their combined state and federal revenues
 - b. These 118 districts account for over 71% of the statewide student enrollment
- 10. What is the levy cliff?**
 - a. In 2010, the Legislature raised the state levy lid from 24% to 28% to allow local school districts to raise additional funds during the economic recession. This

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increase is set to expire in 2018, which will decrease the amount of money that districts will be allowed to raise through local levies. This reduction in ability to raise funds is called the “levy cliff.”

11. How will districts be impacted by the levy cliff?

- a. In most districts the levy cliff would reduce a district's combined federal, state, and local revenues by 1%-4%, but several districts would see a reduction in funding of up to 9 percent. The levy cliff will not have any impact on 27 districts. See how your district revenues are impacted [here](#). (If the link does not work, go to <http://www.k12.wa.us/SAFS/default.asp>, and click on the 2017 Levy Cliff Impact Analysis halfway down the page)

12. How will students be impacted by the levy cliff?

- a. The impact to students will be felt differently from district to district depending on what local decisions are made to cope with the reduced funding. Low-income students may be disproportionately impacted if the levy cliff goes into effect, as a result of cuts to programming and supports or the reduction of staff in high-poverty schools. When districts reduce staff, districts and unions often have collective bargaining agreements that specify the most junior staff are reduced first—these junior staff are typically concentrated in high-poverty schools.

13. How much will extending the levy cliff one year cost the state?

- a. Extending the levy cliff one year will cost the state of Washington \$100 million. This is due to an increase in Local Effort Assistance (LEA) funding provided by the state to districts. The higher levy rate results in larger amounts of LEA.

14. What is Local Effort Assistance (LEA)?

- a. Because of differences in property values, some districts can pass a levy with a levy tax rate of \$1.28 and raise \$3,000 per student while other districts can pass a levy rate of \$4.21 and raise only \$500 per student. To compensate for the difference in ability to raise money through local levies, the state supplements districts with higher than average levy tax rates by providing additional funding called Local Effort Assistance (LEA). LEA is intended to ease the property tax burden of districts with low property values, it is not intended to make equitable resources available to districts.

15. How much LEA support do districts receive?

- a. Districts with low property values have higher amounts of LEA for which they are eligible, while districts with property values closer to, but still below, the state average are eligible for smaller amounts of LEA. In order to receive LEA funds from

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the state, districts must pass a local levy.

16. How many districts are eligible to receive LEA?

- a. 215 of the 295 school districts are eligible to receive LEA funds if they pass a local levy
- b. 80 of the 295 school districts are not eligible to receive LEA

17. How many districts receive LEA?

- a. 207 of the 215 LEA eligible districts receive LEA funds because they passed a local levy.

18. How many districts receive the maximum LEA support for which their district is eligible?

- a. 191 of the 207 districts receiving LEA receive the maximum level of LEA possible

19. Of the districts that receive LEA how many districts have combined levy and LEA revenues that are equal to or higher than the state levy lid of 28%?

- a. 97 districts that receive LEA have combined LEA and levy revenues that are equal to or greater than the 28% state levy lid
 - i. These 97 districts account for 53% or 563,000 of the students enrolled in Washington.

20. Is the Supreme Court requiring Washington to reform the school levy system?

- a. The Court said that the state must meet its paramount duty to fund basic education so districts aren't put in a position to have to spend levy dollars to provide a basic education for their students. The Court did not require the state to make any changes or reforms to the current levy system, only that the state must pay for the full cost of basic education.

21. What is the 'levy swap'?

- a. The levy swap is a proposal to increase the amount of state funding directed at education. It would increase the state property tax rate, while reducing local levy property taxes by the same amount. For districts with a minimal to no local levy tax this would be a property tax increase, but for most districts it would not change the amount of money paid in property taxes.
- b. The levy swap would increase the amount of state property tax collected for education and decrease the amount of property tax collected by local school districts, but it would not put new money into the education system. This proposal would change who collects the property taxes and who gets credit for providing the funding to schools.

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Look for information on your school district below!

More information on levy authority, effective levy rates, and Local Effort Assistance (LEA) can be found here: <http://k12.wa.us/safs/PUB/LEV/1617/2030r.pdf>

More information on levy rates and per-student levy revenues by district can be found here:
<http://k12.wa.us/safs/PUB/LEV/1516/1061r.pdf>

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