

Understanding Levies & Local Effort Assistance

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Agenda

- Legislative Definition of Terms
- Calculating Levy
 - Per Pupil
 - By Assessed Valuation
- Calculating Local Effort Assistance (LEA)
- High / Non-high Calculation
- Estimated Impact to total local dollars: CY 2018 to CY 2019
- Questions



Legislative Definition of Terms

- ▶ “Inflation” – for purposes of levy collection, inflation is the rate of the yearly increase of the previous calendar year’s annual average consumer price index for all urban consumers, Seattle area (CPI).
 - Source: For CY 2017, there are actuals: BLS CPI Historical Table – Seattle-Tacoma-Bellevue, WA
 - <https://www.bls.gov/regions/west/subjects.htm#tab-1>; Any version published Feb 2018 or later; Annual average column, 2017 Row
- ▶ “Prior School Year” – the most recent school year completed prior to the year in which the levies are to be collected.
- ▶ “Student Enrollment” – the average annual full-time equivalent student enrollment.
 - For districts in a high / non-high relationship, the enrollments of the non-high students attending the high school shall only be counted by the non-high school districts for purposes of funding.
- ▶ “Maximum Per Pupil Limit” – \$2,500, multiplied by the average annual student enrollment. This shall be increased by inflation beginning in calendar year 2020.
- ▶ “State Local Effort Assistance Threshold” - \$1,500 per student, increased by inflation beginning in calendar year 2020.



Calculating Enrichment Levy

RCW 84.52.0531 amended to read beginning in calendar year 2019:

“The maximum dollar amount which may be levied for any school district for enrichment levies is equal to the lesser of \$1.50 per \$1,000 of the assessed value of the property in the school district or the maximum per pupil limit.”



Calculating Enrichment Levy: Tax Rate

Formula:

$\$1.50 \times \text{District Assessed Valuation} / \$1,000 = \text{Max levy per Tax Rate}$

Examples:

District A: Assessed Value = \$1,258,169,641;
 $\$1.50 \times 1,258,169,641 / \$1,000 = \underline{\$1,887,254}$

District B: Assessed Value = \$2,301,365,392;
 $\$1.50 \times \$2,301,365,383 / \$1,000 = \underline{\$3,452,048}$



Calculating Enrichment Levy: Per Pupil

Formula:

$$\$2,500 \times \text{Student Enrollment} = \text{Max levy Per Pupil}$$

Examples:

District A: Student Enrollment = 3,248;
 $3,248 \times \$2,500 = \underline{\$8,120,000}$

District B: Student Enrollment = 990;
 $990 \times \$2,500 = \underline{\$2,475,000}$



Calculating Enrichment Levy: Max Levy – Lesser of Pupil or Rate

District A:

- Per tax rate max levy = \$1,887,254
- Per pupil max levy = \$8,120,000
- Voter approved levy = \$5,200,000

- Max Levy for CY 2019 is: \$1,887,254

Levy is estimated: \$1,887,254

Note: District A has a rollback of: \$3,312,746

- (VAL – Levy = Rollback)

District B:

- Per tax rate max levy = \$3,452,048
- Per pupil max levy = \$2,475,000
- Voter approved levy = \$2,440,000

- Max Levy for CY 2019 is: \$2,475,000

Levy is estimated: \$2,475,000

Note: District B has a unused levy authority of: \$35,000

- (Max Levy – VAL = Unused Levy Authority)



Calculating Local Effort Assistance: Per Pupil at Max Levy

Formula for Per Pupil at Max Levy:

Max Levy / Estimated Enrollment = Max levy per Pupil

Examples:

District A: Max Levy for CY 2019 is: \$1,887,254 & estimated enrollment is 3,248;
 $\$1,887,254 / 3,248 = \underline{\$581}$

District B: Max Levy for CY 2019 is: \$2,475,000 & estimated enrollment is 990;
 $\$2,475,000 / 990 = \underline{\$3,487}$



Calculating Local Effort Assistance: Voter Approved Levy Rate

Formula for Voter Approved Levy Rate:

Voter Approved Levy / Assessed Valuation * \$1,000 = VAL Rate

Examples:

District A: VAL is: \$5,200,000 & AV is \$1,258,169,641;
 $\$5,200,000 / \$1,258,169,641 * \$1,000 = \underline{\$4.13}$

District B: VAL is \$2,440,000 & AV is: \$2,301,365,392;
 $\$2,440,000 / \$2,301,365,392 * \$1,000 = \underline{\$1.06}$



Calculating Local Effort Assistance: Qualifying for LEA

Formula for LEA Per Pupil:

If (Per Pupil at Max Levy < \$1,500, \$1,500 – Per Pupil at Max Levy) * Min(\$1.50, VAL Rate) / \$1.50

➤ District A:

- Per Pupil at Max Levy: \$581
- Rate at VAL: \$4.13
- Student Enrollment: 3,248

➤ $\$1,500 - \$581 = \$919$

➤ $\$919 * (\$1.50 / \$1.50) = \underline{\$919}$

District A Total LEA:

➤ $\$919 * 3,248 = \boxed{\$2,984,912}$

➤ District B:

- Per Pupil @ Max Levy: \$3,487
- Rate at VAL: \$1.06
- Student Enrollment: 990

➤ $\$0 * (\$1.06 / \$1.50) = \underline{\$0}$

District B Total LEA:

$\boxed{\$0}$

➤ District C:

- Per Pupil at Max Levy: \$250
- Rate at VAL: \$1.45
- Student Enrollment: 2,950

➤ $\$1,500 - \$250 = \$1,250$

➤ $\$1,250 * (\$1.45 / \$1.50) = \underline{\$1,210}$

District C Total LEA:

➤ $\$1,210 * 2,950 = \boxed{\$3,569,500}$



High / Non-high Language

E2SSB 6362 Section 303 (5): RCW 28A.500.015 and 2017 3rd sp.s. c 13 s 206 are amended to read:

“For districts in a high/nonhigh relationship, the enrollments of the nonhigh students attending the high school shall only be counted by the nonhigh school districts for the purposes of funding under this section.”

E2SSB 6362 Section 305: New section added to chapter **84.52 RCW** to read:

“For districts in a high/nonhigh relationship, if the high school district is subject to the maximum per pupil limit under RCW 84.52.0531, the high school district’s maximum levy amount must be reduced by an amount equal to the estimated amount of the nonhigh payment due to the high school district under RCW 28A.545.030 (3) and 28A.545.050 for the school year commencing the year of the levy.”



Calculating High / Non-High

District A:

- Estimated SY 2017-18 Enroll = 3,356
- Serving high students FTE = 108
- Student Enrollment for 2019 Levy = 3,248
 - $(3,356 - 108 = 3,248)$
- Per tax rate max levy = \$1,887,254
- Per pupil max levy = \$8,120,000

Levy is estimated: \$1,887,254

Note: District A's enrichment levy is a per tax rate levy and therefore has no further deductions

District D:

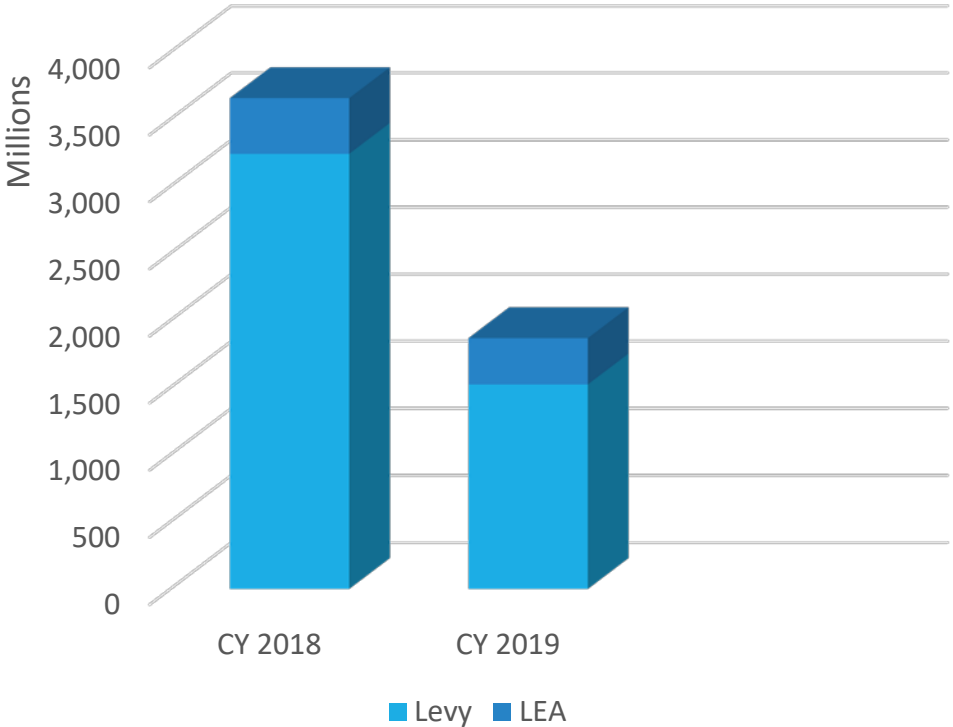
- Estimated SY 2017-18 Enroll = 1,046
- Serving high students FTE = 6
- Student Enrollment for 2019 Levy = 1,040
 - $(1,046 - 6 = 1,040)$
- Per tax rate max levy = \$3,116,134
- Per pupil max levy = \$2,600,000

Levy is estimated: \$2,581,989

Note: District D's enrichment levy is per pupil and therefore has a deduction of an estimated \$18,011; equal to their estimated Non-high payment revenue received.



Year over Year Statewide Impact



CY 2018 F780:

Levy Authority \$3,242,074,891
LEA \$415,500,110

CY 2019 Estimate:

Levy Authority \$1,522,652,271
LEA \$345,666,871



Questions

Some questions from the FAQ posted on SAFS website:

- When will OSPI have an F-780 available that shows the new levy limits available?
- Does the \$2,500 per pupil levy limit also get increased by CPI for 2020 and beyond?

Additional questions?

