

Appendix G

Alternative Levy Equalization Formula

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Alternative Formula Assumptions

- Spend the same amount in the 1st year of implementation as the current formula.
- Equalize to a flat dollar amount per student equivalent to 16.9% of the prior year basic education apportionment. Annual state apportionment increases will increase the \$ per student amount.
- Hold harmless districts that would lose funds under the new formula so that no district loses more than 3% of its levy base and small schools do not lose more than 1%. Phase out hold harmless amount over 5 years.
- Separate levy equalization from the levy calculation by eliminating the current requirement that levy equalization be deducted from a district's levy authority.

Purpose Of Alternative Formula

- Greater equity. All districts would receive levy equalization based on the same dollar per student amount.
- Attenuate the increasing costs of the program by reducing the influence of increases in assessed values in King County versus the rest of the state.
- Allow school districts that lose levy equalization funds to make up the difference from additional voter approved levies by eliminating the deduction of levy equalization from levy authority.

Effect Of Alternative Formula

- In the first year the new formula is implemented, the same amount is spent as under the current formula.
- 211 districts have additional levy authority due to elimination of levy equalization deductibility.
- 146 districts receive less levy equalization under the alternate formula and 70 districts would receive more.
- In the first year, no district loses more in levy equalization than 3% of their levy base, and small school districts lose no more than 1% of their levy base. The loss is more than made up in additional levy authority.