

**Meeting Notes**  
**LOCAL EFFORT ASSISTANCE TASK FORCE**

Tuesday, July 16, 2002  
9:00 a.m.

**Members Present**

Glenn Anderson  
Brian Benzel  
Terry Bergeson  
Don Cox  
Mary Jo Durborow  
Bill Fromhold  
Kathy Haigh  
Jerry Harding  
Stephen Johnson  
Jim Kastama  
Karen Keiser  
Rosemary McAuliffe  
Jim McIntire  
Toby Nixon  
Larry Sheahan  
Benjamin Soria

**Alternates Present**

Barry Blaine (representing Keith Lowry)  
Sam Hunt  
Mike Merlino (representing Richard Melching)

**Staff Present**

Denise Graham, House Appropriations  
Ken Kanikeberg, OSPI  
Byron Moore, Senate Ways & Means  
Bill Freund, Task Force Consultant

Others Present: Michael Mann, Kelly Simpson, Bill Robinson, Barbara Mertens, Doug Nelson, Jack Daray, Mabel Edmonds, Susan Mielke, Leslie Goldstein, Suzi Morrissey, Kathleen Lawrence, Randy Parr, Mike Bigelow, Allen Jones, Cindy Sands, Laura Fuhrman.

**Call to Order.** The meeting was called to order by Ken Kanikeberg at 9:20 a.m. Mr. Kanikeberg provided an overview of the day's agenda and briefly reiterated the responsibilities assigned to the task force in EHB 3011.

**Meeting Notes.** With minor revisions, the June 13 meeting notes were approved.

**Operating Rules.** Mr. Kanikeberg noted that several revisions, agreed to at the last meeting, had been incorporated into the proposed operating rules. There was discussion concerning the role of alternates. Senator McAuliffe said that Senate staff would be notified prior to a meeting if an alternate would represent a member. Mr. Kanikeberg verified that Representatives Hunt and Alexander would continue to represent absent House members. It was the consensus that task force members cannot represent or vote on behalf of another member, and that no member or designee may cast more than one vote on any issue. It was moved by Representative Haigh, seconded by Senator McAuliffe that the rules be adopted as amended.

**Designation of Legislative Co-Chairs.** Mr. Kanikeberg said that at the June meeting, the task force agreed to postpone election of co-chairs until additional members were in attendance or were represented by alternates. The task force reopened nominations; each of those nominated spoke briefly about the incidence and impact of levies in their districts.

The vote resulted in the election of Representative Fromhold and Senator Sheahan as co-chairs. The task force considered a suggestion to appoint an executive committee, in addition to the co-chairs. After discussion, it was agreed that the legislation expressly called for co-chairs to manage task force matters.

**Staff Presentation.** Mr. Kanikeberg said the staff presentation had been developed to address many of the questions raised during the last meeting. He introduced Bill Freund, who thanked Mr. Kanikeberg, Denise Graham, Bryon Moore, and Michael Mann, for their help in preparing the presentation materials.

Mr. Freund's provided an in-depth analysis of Washington's K-12 finance system, the origin of the levy lid and levy equalization, and levy lid and levy equalization "mechanics." He also described the number and size of districts receiving levy equalization (1990-2002); state average levy rates for a 12% levy (1995-2003); the cost of levy equalization (1995-2005); the reasons for cost increases in levy equalization; and the findings and recommendations of the 1997 joint legislative levy equalization study. *(All materials are included in the permanent record and on the OSPI website.)*

**Issues for Future Discussion.** Following the consultant presentation, task force members suggested questions for further discussion:

- Keep focus on LEA, but also examine other K-12 funding formulas
- Look at what students need to meet standards; develop a greater level of trust between state and school districts
- LEA will grow dramatically due to state and federal funding growth; task force needs a plan rather than leave it to conference committee
- What portion of students are in levy grandfathered districts?
- List of districts with double levy failures
- How much do salary grandfathered districts cost the state?
- Which of the 34 salary grandfathered districts receive levy equalization?
- Doran decision language on "paramount duty" and "basic education"
- What portion of students are in districts with more than 1,000 FTEs?
- Which are the outlier districts?
- Fiscal agent issue—impacts other districts through skills center dollars and transportation co-ops
- Federal funds—budget extensions
- Federal forest dollars
- Federal funding—how captured in the base
- Need DOR explanation of differences among districts—assessed value practices
- Voter approved levies, 1995 and present—are districts asking for more money now? -- Unused levy capacity
- Is there a correlation between low property values and levy failures?
- Is this program doing any good? Look at student achievement, test data
- Small school formula—what do other states do?
- Overlay with poverty data
- How to LEA funds impact districts?
- What would happen if LEA is taken away?
- Take federal funds out of base, but increase levy lid?
- LEA as equalization of assessed value/student—expenditure neutral?

**Next Meeting Date.** After brief discussion, it was agreed that the next meeting would be held on Tuesday, August 20, from 8:30 a.m. to Noon.

**Adjournment.** The meeting was adjourned at approximately 2:20 p.m.