

**HB 2044** - H AMD TO H AMD (H-4321.1/04)

By Representative DeBolt

1 Strike everything after line 2 of the striking amendment and  
2 insert the following:

3 "Sec. 1. RCW 28A.500.020 and 1999 c 317 s 2 are each amended  
4 to read as follows:

5 (1) Unless the context clearly requires otherwise, the  
6 definitions in this section apply throughout this chapter.

7 (a) "Prior tax collection year" means the year immediately  
8 preceding the year in which the local effort assistance shall be  
9 allocated.

10 (b) "Statewide average twelve percent levy rate" means twelve  
11 percent of the total levy bases as defined in RCW 84.52.0531(3) and  
12 (4) summed for all school districts, and divided by the total  
13 assessed valuation for excess levy purposes in the prior tax  
14 collection year for all districts as adjusted to one hundred  
15 percent by the county indicated ratio established in RCW 84.48.075.

16 (c) The "district's twelve percent levy amount" means the  
17 school district's maximum levy authority after transfers determined  
18 under RCW 84.52.0531(2) (a) through (c) divided by the district's  
19 maximum levy percentage determined under RCW 84.52.0531(~~(+4)~~) (5)  
20 multiplied by twelve percent.

21 (d) The "district's twelve percent levy rate" means the  
22 district's twelve percent levy amount divided by the district's  
23 assessed valuation for excess levy purposes for the prior tax  
24 collection year as adjusted to one hundred percent by the county  
25 indicated ratio.

26 (e) "Districts eligible for local effort assistance" means  
27 those districts with a twelve percent levy rate that exceeds the  
28 statewide average twelve percent levy rate.

1 (2) Unless otherwise stated all rates, percents, and amounts  
2 are for the calendar year for which local effort assistance is  
3 being calculated under this chapter.

4 **Sec. 2.** RCW 84.52.0531 and 1997 c 259 s 2 are each amended to  
5 read as follows:

6 The maximum dollar amount which may be levied by or for any  
7 school district for maintenance and operation support under the  
8 provisions of RCW 84.52.053 shall be determined as follows:

9 (1) For excess levies for collection in calendar year 1997, the  
10 maximum dollar amount shall be calculated pursuant to the laws and  
11 rules in effect in November 1996.

12 (2) For excess levies for collection in calendar year 1998 and  
13 thereafter, the maximum dollar amount shall be the sum of (a) plus  
14 or minus (b) and (c) of this subsection minus (d) of this  
15 subsection:

16 (a) The district's levy base as defined in subsections (3) and  
17 (4) of this section multiplied by the district's maximum levy  
18 percentage as defined in subsection ((+4)) (5) of this section;

19 (b) For districts in a high/nonhigh relationship, the high  
20 school district's maximum levy amount shall be reduced and the  
21 nonhigh school district's maximum levy amount shall be increased by  
22 an amount equal to the estimated amount of the nonhigh payment due  
23 to the high school district under RCW 28A.545.030(3) and  
24 28A.545.050 for the school year commencing the year of the levy;

25 (c) For districts in an interdistrict cooperative agreement,  
26 the nonresident school district's maximum levy amount shall be  
27 reduced and the resident school district's maximum levy amount  
28 shall be increased by an amount equal to the per pupil basic  
29 education allocation included in the nonresident district's levy  
30 base under subsection (3) of this section multiplied by:

31 (i) The number of full-time equivalent students served from the  
32 resident district in the prior school year; multiplied by:

33 (ii) The serving district's maximum levy percentage determined  
34 under subsection ((+4)) (5) of this section; increased by:

35 (iii) The percent increase per full-time equivalent student as  
36 stated in the state basic education appropriation section of the  
37 biennial budget between the prior school year and the current  
38 school year divided by fifty-five percent;

1 (d) The district's maximum levy amount shall be reduced by the  
2 maximum amount of state matching funds for which the district is  
3 eligible under RCW 28A.500.010.

4 (3) For excess levies for collection in calendar year 1998 and  
5 thereafter, a district's levy base shall be the sum of allocations  
6 in (a) through (c) of this subsection received by the district for  
7 the prior school year, including allocations for compensation  
8 increases, plus the sum of such allocations multiplied by the  
9 percent increase per full time equivalent student as stated in the  
10 state basic education appropriation section of the biennial budget  
11 between the prior school year and the current school year and  
12 divided by fifty-five percent. A district's levy base shall not  
13 include local school district property tax levies or other local  
14 revenues, or state and federal allocations not identified in (a)  
15 through (c) of this subsection.

16 (a) The district's basic education allocation as determined  
17 pursuant to RCW 28A.150.250, 28A.150.260, and 28A.150.350;

18 (b) State and federal categorical allocations for the following  
19 programs:

20 (i) Pupil transportation;

21 (ii) Special education;

22 (iii) Education of highly capable students;

23 (iv) Compensatory education, including but not limited to  
24 learning assistance, migrant education, Indian education, refugee  
25 programs, and bilingual education;

26 (v) Food services; and

27 (vi) Statewide block grant programs; and

28 (c) Any other federal allocations for elementary and secondary  
29 school programs, including direct grants, other than federal impact  
30 aid funds and allocations in lieu of taxes.

31 (4) For excess levies for collection in calendar years 2005  
32 through 2008, in addition to the allocations included under  
33 subsection (3)(a) through (c) of this section, a district's levy  
34 base shall also include the difference between the state  
35 allocations under subsection (3)(a) and (b) of this section and the  
36 allocations the district would have received if (a) the district's  
37 base salary for certificated instructional staff for purposes of  
38 determining state basic education allocations had been the same as  
39 the highest base salary for that school year on the supporting LEAP

1 salary document referenced in the omnibus appropriations act; and  
2 (b) the district's salaries for certificated administrators and  
3 classified staff for purposes of determining state basic education  
4 allocations had been the same as the highest certificated  
5 administrator and classified staff salaries for that school year on  
6 the supporting LEAP salary document referenced in the omnibus  
7 appropriations act.

8 (5) A district's maximum levy percentage shall be twenty-two  
9 percent in 1998 and twenty-four percent in 1999 and every year  
10 thereafter; plus, for qualifying districts, the grandfathered  
11 percentage determined as follows:

12 (a) For 1997, the difference between the district's 1993  
13 maximum levy percentage and twenty percent; and

14 (b) For 1998 and thereafter, the percentage calculated as  
15 follows:

16 (i) Multiply the grandfathered percentage for the prior year  
17 times the district's levy base determined under subsection (3) of  
18 this section;

19 (ii) Reduce the result of (b)(i) of this subsection by any levy  
20 reduction funds as defined in subsection ~~((+5))~~ (6) of this  
21 section that are to be allocated to the district for the current  
22 school year;

23 (iii) Divide the result of (b)(ii) of this subsection by the  
24 district's levy base; and

25 (iv) Take the greater of zero or the percentage calculated in  
26 (b)(iii) of this subsection.

27 ~~((+5))~~ (6) "Levy reduction funds" shall mean increases in  
28 state funds from the prior school year for programs included under  
29 subsections (3) and (4) of this section: (a) That are not  
30 attributable to enrollment changes, compensation increases, or  
31 inflationary adjustments; and (b) that are or were specifically  
32 identified as levy reduction funds in the appropriations act. If  
33 levy reduction funds are dependent on formula factors which would  
34 not be finalized until after the start of the current school year,  
35 the superintendent of public instruction shall estimate the total  
36 amount of levy reduction funds by using prior school year data in  
37 place of current school year data. Levy reduction funds shall not  
38 include moneys received by school districts from cities or  
39 counties.

1           (~~(+6)~~) (7) For the purposes of this section, "prior school  
2 year" means the most recent school year completed prior to the year  
3 in which the levies are to be collected.

4           (~~(+7)~~) (8) For the purposes of this section, "current school  
5 year" means the year immediately following the prior school year.

6           (~~(+8)~~) (9) Funds collected from transportation vehicle fund  
7 tax levies shall not be subject to the levy limitations in this  
8 section.

9           (~~(+9)~~) (10) The superintendent of public instruction shall  
10 develop rules and regulations and inform school districts of the  
11 pertinent data necessary to carry out the provisions of this  
12 section."

13           Correct the title.

**EFFECT:** Increases the levy base for purposes of calculating local school district levy lids and for calculating levy equalization allocations, from calendar year 2005 through 2008. Increases the levy base using the highest grandfathered salary amounts. Increases the state's cost for levy equalization by \$6 million in fiscal year 2005 (\$22 million in the 2005-07 biennium). Increase in local levies is estimated to be \$24 million a calendar year.