

2 SHB 2069 - H AMD 594 WITHDRAWN 4-18-97

3 By Representative Wensman

4

5 Strike everything after the enacting clause and insert the  
6 following:

7 "NEW SECTION. **Sec. 1.** Funding resulting from this act is for  
8 school district activities which supplement or are not related to the  
9 state's basic program of education obligation as set forth under  
10 Article IX of the state Constitution.

11 **Sec. 2.** RCW 84.52.0531 and 1995 1st sp.s. c 11 s 1 are each  
12 amended to read as follows:

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

16 (1) For excess levies for collection in calendar year ~~((1992))~~  
17 1997, the maximum dollar amount shall be calculated pursuant to the  
18 laws and rules in effect in November ~~((1991))~~ 1996.

19 ~~((For the purpose of this section, the basic education  
20 allocation shall be determined pursuant to RCW 28A.150.250,  
21 28A.150.260, and 28A.150.350: PROVIDED, That when determining the  
22 basic education allocation under subsection (4) of this section,  
23 nonresident full time equivalent pupils who are participating in a  
24 program provided for in chapter 28A.545 RCW or in any other program  
25 pursuant to an interdistrict agreement shall be included in the  
26 enrollment of the resident district and excluded from the enrollment of  
27 the serving district.~~

28 ~~(3))~~ For excess levies for collection in calendar year 1993 and  
29 thereafter, the maximum dollar amount shall be the sum of (a) ~~((and))~~  
30 plus or minus (b) and (c) of this subsection minus ~~((+e))~~ (d) of this  
31 subsection:

32 (a) The district's levy base as defined in subsection ~~((+4))~~ (3)  
33 of this section multiplied by the district's maximum levy percentage as  
34 defined in subsection ~~((+5))~~ (4) of this section;

1       (b) (~~In the case of nonhigh school districts only, an amount equal~~  
2 ~~to the total estimated amount due by the nonhigh school district to~~  
3 ~~high school districts pursuant to chapter 28A.545 RCW for the school~~  
4 ~~year during which collection of the levy is to commence, less the~~  
5 ~~increase in the nonhigh school district's basic education allocation as~~  
6 ~~computed pursuant to subsection (1) of this section due to the~~  
7 ~~inclusion of pupils participating in a program provided for in chapter~~  
8 ~~28A.545 RCW in such computation)) For districts in a high/nonhigh  
9 relationship, the high school district's maximum levy amount shall be  
10 reduced and the nonhigh school district's maximum levy amount shall be  
11 increased by an amount equal to the estimated amount of the nonhigh  
12 payment due to the high school district under RCW 28A.545.030(3) and  
13 28A.545.050 for the school year commencing the year of the levy;~~

14       (c) For school districts in an interdistrict cooperative agreement,  
15 the nonresident school district's maximum levy amount shall be reduced  
16 and the resident school district's maximum levy amount shall be  
17 increased by an amount equal to the per pupil basic education  
18 allocation included in the nonresident school district's levy base  
19 under subsection (3) of this section multiplied by:

20       (i) The number of full-time equivalent students served from the  
21 resident school district in the prior school year multiplied by

22       (ii) The serving district's maximum levy percentage determined  
23 under subsection (4) of this section multiplied by

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

28       (d) The maximum amount of state matching funds for which the school  
29 district is eligible under RCW 28A.500.010 (~~for which the district is~~  
30 eligible in that tax collection year)).

31       (~~(4)~~) (3) For excess levies for collection in calendar year 1993  
32 and thereafter, a district's levy base shall be the sum of allocations  
33 in (a) through (c) of this subsection received by the district for the  
34 prior school year, including allocations for compensation increases,  
35 plus the sum of such allocations multiplied by the percent increase per  
36 full time equivalent student as stated in the state basic education  
37 appropriation section of the biennial budget between the prior school  
38 year and the current school year and divided by fifty-five percent. A  
39 district's levy base shall not include local school district property

1 tax levies or other local revenues, or state and federal allocations  
2 not identified in (a) through (c) of this subsection.

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

5 (b) State and federal categorical allocations for the following  
6 programs:

7 (i) Pupil transportation;

8 (ii) Handicapped education;

9 (iii) Education of highly capable students;

10 (iv) Compensatory education, including but not limited to learning  
11 assistance, migrant education, Indian education, refugee programs, and  
12 bilingual education;

13 (v) Food services; and

14 (vi) State-wide block grant programs; and

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

18 ~~((+5+))~~ (4) For excess levies for collection in calendar year 1993  
19 ~~((and thereafter))~~ through 1999, a district's maximum levy percentage  
20 shall be determined as follows:

21 (a) Multiply the district's maximum levy percentage for the prior  
22 year by the district's levy base as determined in subsection ~~((+4))~~  
23 (3) of this section;

24 (b) Reduce the amount in (a) of this subsection by the total  
25 estimated amount of any levy reduction funds as defined in subsection  
26 (6) of this section which are to be allocated to the district for the  
27 current school year;

28 (c) Divide the amount in (b) of this subsection by the district's  
29 levy base to compute a new percentage;

30 (d) The percentage in (c) of this subsection or twenty percent,  
31 whichever is greater, shall be the district's maximum levy percentage  
32 for levies collected in that calendar year; and

33 (e) For levies to be collected in calendar years 1994 through 1997,  
34 the maximum levy rate shall be the district's maximum levy percentage  
35 for 1993 plus four percent reduced by any levy reduction funds. For  
36 levies collected in 1998, the prior year shall ~~((mean 1993))~~ be the  
37 district's maximum levy percentage for 1993 plus two percentage points.  
38 For levies collected in 1999, the prior year shall mean 1997.

1 (5) For excess levies for collection in calendar year 2000 and  
2 thereafter, a district's maximum levy percentage shall be determined as  
3 follows:

4 (a) Multiply the district's maximum levy percentage for the prior  
5 year by the district's levy base as determined in subsection (3) of  
6 this section;

7 (b) Reduce the amount in (a) of this subsection by the total  
8 estimated amount of any levy reduction funds as defined in subsection  
9 (6) of this section that are to be allocated to the district for the  
10 current school year;

11 (c) Divide the amount in (b) of this subsection by the district's  
12 levy base to compute a new percentage; and

13 (d) The percentage in (c) of this subsection or twenty-four  
14 percent, whichever is greater, shall be the district's maximum levy  
15 percentage for levies collected in that calendar year.

16 (6) "Levy reduction funds" shall mean increases in state funds from  
17 the prior school year for programs included under subsection ~~((+4))~~  
18 (3) of this section: (a) That are not attributable to enrollment  
19 changes, compensation increases, or inflationary adjustments; and (b)  
20 that are or were specifically identified as levy reduction funds in the  
21 appropriations act. If levy reduction funds are dependent on formula  
22 factors which would not be finalized until after the start of the  
23 current school year, the superintendent of public instruction shall  
24 estimate the total amount of levy reduction funds by using prior school  
25 year data in place of current school year data. Levy reduction funds  
26 shall not include moneys received by school districts from cities or  
27 counties.

28 (7) For the purposes of this section, "prior school year" shall  
29 mean the most recent school year completed prior to the year in which  
30 the levies are to be collected.

31 (8) For the purposes of this section, "current school year" shall  
32 mean the year immediately following the prior school year.

33 (9) Funds collected from transportation vehicle fund tax levies  
34 shall not be subject to the levy limitations in this section.

35 (10) The superintendent of public instruction shall develop rules  
36 and regulations and inform school districts of the pertinent data  
37 necessary to carry out the provisions of this section.

1        NEW SECTION.    **Sec. 3.**    The house of representatives and senate  
2 fiscal committees shall study data and issues relevant to the state  
3 funded local effort assistance program known as "levy equalization" and  
4 prepare a report of findings and recommendations to the legislature by  
5 December 1, 1997.

6        **Sec. 4.**    RCW 28A.500.010 and 1993 c 410 s 1 are each amended to  
7 read as follows:

8        (1) Commencing with taxes assessed in 1988 to be collected in  
9 calendar year 1989 and thereafter, in addition to a school district's  
10 other general fund allocations, each eligible district shall be  
11 provided local effort assistance funds as provided in this section.  
12 Such funds are not part of the district's basic education allocation.  
13 ~~((For the first distribution of local effort assistance funds provided  
14 under this section in calendar year 1989, state funds may be prorated  
15 according to the formula in this section.))~~

16        (2)(a) "Prior tax collection year" ~~((shall))~~ means the year  
17 immediately preceding the year in which the local effort assistance  
18 shall be allocated.

19        (b) The "state-wide average ten percent levy rate" ~~((shall))~~ means  
20 ten percent of the total levy bases as defined in RCW 84.52.0531~~((+4))~~  
21 (3) summed for all school districts, and divided by the total assessed  
22 valuation for excess levy purposes in the prior tax collection year for  
23 all districts as adjusted to one hundred percent by the county  
24 indicated ratio established in RCW 84.48.075.

25        (c) The "district's ten percent levy rate" ~~((of a district shall))~~  
26 means~~((÷~~

27        ~~((i) Ten percent of the district's levy base as defined in RCW  
28 84.52.0531(4), plus one half of any amount computed under RCW  
29 84.52.0531(3)(b) in the case of nonhigh school districts; divided by~~

30        ~~((ii)))~~ the district's assessed valuation for excess levy purposes  
31 for the prior tax collection year as adjusted to one hundred percent by  
32 the county indicated ratio.

33        (d) The "district's ten percent levy amount" means the school  
34 district's maximum levy authority after transfers determined under RCW  
35 84.52.0531(2)(a) through (c) divided by the district's maximum levy  
36 percentage determined under RCW 84.52.0531(4) multiplied by ten  
37 percent.

1       (e) The "district's twelve percent levy amount" means the school  
2 district's maximum levy authority after transfers determined under RCW  
3 84.52.0531(1)(a) through (c) divided by the district's maximum levy  
4 percentage determined under RCW 84.52.0531(4) multiplied by twelve  
5 percent.

6       (f) "Districts eligible" ((districts—shall)) for ten percent  
7 equalization means:

8       (i) Before the 1999 calendar year, those districts with a ten  
9 percent levy rate which exceeds the state-wide average ten percent levy  
10 rate; and

11       (ii) In the 1999 calendar year and thereafter, those districts with  
12 a ten percent levy rate that exceeds the state-wide average ten percent  
13 levy rate but that is not in the top quartile of all district rates  
14 ranked from highest to lowest.

15       (g) "Districts eligible for twelve percent equalization" means in  
16 the 1999 calendar year and thereafter, those districts with a ten  
17 percent levy rate in the top quartile of all district rates ranked from  
18 highest to lowest.

19       (h) Unless otherwise stated all rates, percents, and amounts are  
20 for the calendar year for which local effort assistance is being  
21 calculated under this section.

22       (3) Allocation of state matching funds to eligible districts for  
23 local effort assistance shall be determined as follows:

24       (a) Funds raised by the district through maintenance and operation  
25 levies (~~during that tax collection year~~) shall be matched with state  
26 funds using the following ratio of state funds to levy funds: (i) The  
27 difference between the district's ten percent levy rate and the state-  
28 wide average ten percent levy rate; to (ii) the state-wide average ten  
29 percent levy rate.

30       (b) The maximum amount of state matching funds for (~~which a~~  
31 ~~district may be eligible in any tax collection year shall be ten~~  
32 ~~percent of the district's levy base as defined in RCW 84.52.0531(4))~~  
33 districts eligible for ten percent equalization shall be the district's  
34 ten percent levy amount, multiplied by the following percentage: (i)  
35 The difference between the district's ten percent levy rate and the  
36 state-wide average ten percent levy rate; divided by (ii) the  
37 district's ten percent levy rate.

38       (c) In the 1999 calendar year and thereafter, the maximum amount of  
39 state matching funds for districts eligible for twelve percent

1 equalization shall be the district's twelve percent levy amount  
2 multiplied by the following percentage: (i) The difference between the  
3 district's ten percent levy rate and the state-wide average ten percent  
4 levy rate; divided by (ii) the district's ten percent levy rate.

5 ~~(4)((a) Through tax collection year 1992, fifty five percent of~~  
6 ~~local effort assistance funds shall be distributed to qualifying~~  
7 ~~districts during the applicable tax collection year on or before June~~  
8 ~~30 and forty five percent shall be distributed on or before December 31~~  
9 ~~of any year.~~

10 ~~(b) In tax collection year 1993 and thereafter,~~) Local effort  
11 assistance funds shall be distributed to qualifying districts as  
12 follows:

- 13 ~~((i))~~ (a) Thirty percent in April;  
14 ~~((ii))~~ (b) Twenty-three percent in May;  
15 ~~((iii))~~ (c) Two percent in June;  
16 ~~((iv))~~ (d) Seventeen percent in August;  
17 ~~((v))~~ (e) Nine percent in October;  
18 ~~((vi))~~ (f) Seventeen percent in November; and  
19 ~~((vii))~~ (g) Two percent in December."

20 Correct the title.

21 EFFECT: Provides for an increase of the maintenance and operations  
22 levy limit by two percent over the current statutory limit for 1988 (22  
23 percent total for nongrandfathered districts). Includes the policies  
24 of the original bill: The statutory limit is increased four percent  
25 for 1999. Levy equalization for qualifying districts with a tax rate  
26 in the highest quartile for raising a levy equivalent to a ten percent  
27 average state-wide levy are provided levy equalization matching funds  
28 to the equivalent of a twelve percent levy. Other districts qualifying  
29 for levy equalization will continue to be provided matching funds at  
30 the ten percent level.

31 FISCAL IMPACT: Based on 1996-97 data, increases local levy funds  
32 by \$52,374,000 in calendar year 1998, \$90,843,000 in calendar year  
33 1999. State funds for levy equalization would be increased \$2,407,000  
34 in the 1997-99 biennium.

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