2 **SSB 5734** – S AMD – 220
3   By Senator West

4   ADOPTED; BILL FAILED; 3/19/97

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

7   "<u>NEW SECTION.</u> **Sec. 1.** The house of representatives and senate
8 fiscal committees shall study data and issues relevant to the state
9 funded local effort assistance program known as "levy equalization" and
10 prepare a report of findings and recommendations to the legislature by
11 December 1, 1997. To the maximum extent possible, the education
12 community shall be included in discussions concerning the study in this
13 section.

14   **Sec. 2.** RCW 84.52.0531 and 1995 1st sp.s. c 11 s 1 are each
15 amended to read as follows:
16   The maximum dollar amount which may be levied by or for any school
17 district for maintenance and operation support under the provisions of
18 RCW 84.52.053 shall be determined as follows:
19   (1) For excess levies for collection in calendar year ((~~1992~~))
20 <u>1997</u>, the maximum dollar amount shall be calculated pursuant to the
21 laws and rules in effect in November ((~~1991~~)) <u>1996</u>.
22   (2) ((~~For the purpose of this section, the basic education~~
23 ~~allocation   shall   be   determined   pursuant   to   RCW   28A.150.250,~~
24 ~~28A.150.260, and 28A.150.350:   PROVIDED, That when determining the~~
25 ~~basic education allocation under subsection (4) of this section,~~
26 ~~nonresident full time equivalent pupils who are participating in a~~
27 ~~program provided for in chapter 28A.545 RCW or in any other program~~
28 ~~pursuant to an interdistrict agreement shall be included in the~~
29 ~~enrollment of the resident district and excluded from the enrollment of~~
30 ~~the serving district.~~
31   ~~(3)~~)) For excess levies for collection in calendar year ((~~1993~~))
32 <u>1998</u> and thereafter, the maximum dollar amount shall be the sum of (a)
33 ((~~and~~)) <u>plus or minus</u> (b) <u>and (c)</u> of this subsection minus ((~~(c)~~)) <u>(d)</u>
34 of this subsection:

(a) The district's levy base as defined in subsection ((~~(4)~~)) <u>(3)</u>
of this section multiplied by the district's maximum levy percentage as
defined in subsection ((~~(5)~~)) <u>(4)</u> of this section;

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

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

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

     <u>(ii) The serving district's maximum levy percentage determined</u>
<u>under subsection (4) of this section; multiplied by:</u>

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

     <u>(d) The district's maximum levy amount shall be reduced by the</u>
maximum amount of state matching funds <u>for which the district is</u>
<u>eligible</u> under RCW 28A.500.010 ((~~for which the district is eligible in~~
~~that tax collection year~~)).

     ((~~(4)~~)) <u>(3)</u> For excess levies for collection in calendar year
((~~1993~~)) <u>1998</u> and thereafter, a district's levy base shall be the sum
of allocations in (a) through (c) of this subsection received by the
district for the prior school year, including allocations for
compensation increases, plus the sum of such allocations multiplied by

1 the percent increase per full time equivalent student as stated in the
2 state basic education appropriation section of the biennial budget
3 between the prior school year and the current school year and divided
4 by fifty-five percent. A district's levy base shall not include local
5 school district property tax levies or other local revenues, or state
6 and federal allocations not identified in (a) through (c) of this
7 subsection.
8   (a) The district's basic education allocation as determined
9 pursuant to RCW 28A.150.250, 28A.150.260, and 28A.150.350;
10   (b) State and federal categorical allocations for the following
11 programs:
12   (i) Pupil transportation;
13   (ii) ((Handicapped)) Special education;
14   (iii) Education of highly capable students;
15   (iv) Compensatory education, including but not limited to learning
16 assistance, migrant education, Indian education, refugee programs, and
17 bilingual education;
18   (v) Food services; and
19   (vi) State-wide block grant programs; and
20   (c) Any other federal allocations for elementary and secondary
21 school programs, including direct grants, other than federal impact aid
22 funds and allocations in lieu of taxes.
23   (((5) For excess levies for collection in calendar year 1993 and
24 thereafter, a district's maximum levy percentage shall be determined as
25 follows:
26   (a) Multiply the district's maximum levy percentage for the prior
27 year by the district's levy base as determined in subsection (4) of
28 this section;
29   (b) Reduce the amount in (a) of this subsection by the total
30 estimated amount of any levy reduction funds as defined in subsection
31 (6) of this section which are to be allocated to the district for the
32 current school year;
33   (c) Divide the amount in (b) of this subsection by the district's
34 levy base to compute a new percentage;
35   (d) The percentage in (c) of this subsection or twenty percent,
36 whichever is greater, shall be the district's maximum levy percentage
37 for levies collected in that calendar year; and

1　(e) For levies to be collected in calendar years 1994 through 1997,
2　the maximum levy rate shall be the district's maximum levy percentage
3　for 1993 plus four percent reduced by any levy reduction funds.
4　For levies collected in 1998, the prior year shall mean 1993.
5　((6))) (4) A district's maximum levy percentage shall be twenty-two
6　percent in 1998 and twenty-four percent in 1999 and every year
7　thereafter; plus, for qualifying districts, the grandfathered
8　percentage determined as follows:
9　(a) For 1997, the difference between the district's 1993 maximum
10　levy percentage and twenty percent; and
11　(b) For 1998 and thereafter, the percentage calculated as follows:
12　(i) Multiply the grandfathered percentage for the prior year times
13　the district's levy base determined under subsection (3) of this
14　section;
15　(ii) Reduce the result of (b)(i) of this subsection by any levy
16　reduction funds as defined in subsection (5) of this section that are
17　to be allocated to the district for the current school year;
18　(iii) Divide the result of (b)(ii) of this subsection by the
19　district's levy base; and
20　(iv) Take the greater of zero or the percentage calculated in
21　(b)(iii) of this subsection.
22　(5) "Levy reduction funds" shall mean increases in state funds from
23　the prior school year for programs included under subsection (((4)))
24　(3) of this section:　(a) That are not attributable to enrollment
25　changes, compensation increases, or inflationary adjustments; and (b)
26　that are or were specifically identified as levy reduction funds in the
27　appropriations act.　If levy reduction funds are dependent on formula
28　factors which would not be finalized until after the start of the
29　current school year, the superintendent of public instruction shall
30　estimate the total amount of levy reduction funds by using prior school
31　year data in place of current school year data.　Levy reduction funds
32　shall not include moneys received by school districts from cities or
33　counties.
34　(((7))) (6) For the purposes of this section, "prior school year"
35　((shall)) means the most recent school year completed prior to the year
36　in which the levies are to be collected.
37　(((8))) (7) For the purposes of this section, "current school year"
38　((shall)) means the year immediately following the prior school year.

4

1   ((~~(9)~~)) <u>(8)</u> Funds collected from transportation vehicle fund tax
2 levies shall not be subject to the levy limitations in this section.
3   ((~~(10)~~)) <u>(9)</u> The superintendent of public instruction shall develop
4 rules and regulations and inform school districts of the pertinent data
5 necessary to carry out the provisions of this section.

6   <u>NEW SECTION.</u> **Sec. 3.** RCW 28A.320.150 and 1995 1st sp.s. c 11 s 2
7 are each repealed."

8 **SSB 5734** - S AMD - 220
9   By Senator West

10   ADOPTED; BILL FAILED; 3/19/97

11   On page 1, line 1 of the title, after "levies;" strike the
12 remainder of the title and insert "amending RCW 84.52.0531; creating a
13 new section; and repealing RCW 28A.320.150."

--- END ---