
SENATE BILL 5001

State of Washington 55th Legislature 1997 Regular Session

By Senators Bauer, McAuliffe, Haugen, Goings and Patterson

Read first time 01/13/97. Referred to Committee on Education.

1 AN ACT Relating to replacement of school levy funding; amending RCW
2 84.52.0531 and 43.135.025; adding a new section to chapter 28A.500 RCW;
3 adding a new section to chapter 84.52 RCW; and creating new sections.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** It is the intent of the legislature to
6 reduce the uncertainties and disparities inherent in substantial
7 reliance on local levy funding for support of public education. It is
8 further the intent of the legislature to reduce the burden on local
9 property taxes caused by excessive reliance on local school levy
10 funding. The purposes of this act are to reduce local property taxes,
11 to limit the authorization for local school levy support of the common
12 schools, and to provide for additional state funding equivalent to ten
13 percent of local levy authority.

14 NEW SECTION. **Sec. 2.** A new section is added to chapter 28A.500
15 RCW to read as follows:

16 The legislature shall provide to each school district levy
17 authority replacement moneys in an amount equal to the levy authority
18 percentage reductions under RCW 84.52.0531(5).

1 NEW SECTION. **Sec. 3.** A new section is added to chapter 84.52 RCW
2 to read as follows:

3 School levies authorized by this chapter shall be used for program
4 enrichment purposes and may not be considered any part of the state's
5 basic education obligation. Levy funds may be expended for basic
6 education programs and such expenditures constitute enrichment of such
7 programs.

8 **Sec. 4.** RCW 84.52.0531 and 1995 1st sp.s. c 11 s 1 are each
9 amended to read as follows:

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

13 (1) For excess levies for collection in calendar year 1992, the
14 maximum dollar amount shall be calculated pursuant to the laws and
15 rules in effect in November 1991.

16 (2) For the purpose of this section, the basic education allocation
17 shall be determined pursuant to RCW 28A.150.250, 28A.150.260, and
18 28A.150.350: PROVIDED, That when determining the basic education
19 allocation under subsection (4) of this section, nonresident full time
20 equivalent pupils who are participating in a program provided for in
21 chapter 28A.545 RCW or in any other program pursuant to an
22 interdistrict agreement shall be included in the enrollment of the
23 resident district and excluded from the enrollment of the serving
24 district.

25 (3) For excess levies for collection in calendar year 1993 and
26 thereafter, the maximum dollar amount shall be the sum of (a) and (b)
27 of this subsection minus (c) of this subsection:

28 (a) The district's levy base as defined in subsection (4) of this
29 section multiplied by the district's maximum levy percentage as defined
30 in subsection (5) of this section;

31 (b) In the case of nonhigh school districts only, an amount equal
32 to the total estimated amount due by the nonhigh school district to
33 high school districts pursuant to chapter 28A.545 RCW for the school
34 year during which collection of the levy is to commence, less the
35 increase in the nonhigh school district's basic education allocation as
36 computed pursuant to subsection (1) of this section due to the
37 inclusion of pupils participating in a program provided for in chapter
38 28A.545 RCW in such computation;

1 (c) The maximum amount of state matching funds under RCW
2 28A.500.010 for which the district is eligible in that tax collection
3 year.

4 (4) For excess levies for collection in calendar year 1993 and
5 thereafter, a district's levy base shall be the sum of allocations in
6 (a) through (c) of this subsection received by the district for the
7 prior school year, including allocations for compensation increases,
8 plus the sum of such allocations multiplied by the percent increase per
9 full time equivalent student as stated in the state basic education
10 appropriation section of the biennial budget between the prior school
11 year and the current school year and divided by fifty-five percent. A
12 district's levy base shall not include local school district property
13 tax levies or other local revenues, or state and federal allocations
14 not identified in (a) through (c) of this subsection.

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

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

19 (i) Pupil transportation;

20 (ii) Handicapped education;

21 (iii) Education of highly capable students;

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

25 (v) Food services; and

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

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

30 (5) For excess levies for collection in calendar year (~~(1993)~~) 1998
31 and thereafter, a district's maximum levy percentage shall be
32 determined as follows:

33 (a) Multiply the district's maximum levy percentage for the prior
34 year by the district's levy base as determined in subsection (4) of
35 this section, less:

36 (i) For levies collected in 1998, five percent; and

37 (ii) For levies collected in 1999, ten percent;

38 (b) Reduce the amount in (a) of this subsection by the total
39 estimated amount of any levy reduction funds as defined in subsection

1 (6) of this section which are to be allocated to the district for the
2 current school year;

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

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

8 (e) For levies to be collected in calendar years 1994 (~~through~~
9 ~~1997~~) and thereafter, the maximum levy rate shall be the district's
10 maximum levy percentage for 1993 plus four percent reduced by any levy
11 reduction funds. (~~For levies collected in 1998, the prior year shall~~
12 ~~mean 1993.~~)

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

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

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

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

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

35 **Sec. 5.** RCW 43.135.025 and 1994 c 2 s 2 are each amended to read
36 as follows:

1 (1) The state shall not expend from the general fund during any
2 fiscal year state moneys in excess of the state expenditure limit
3 established under this chapter.

4 (2) Except pursuant to a declaration of emergency under RCW
5 43.135.035 or pursuant to an appropriation under RCW 43.135.045(4)(b),
6 the state treasurer shall not issue or redeem any check, warrant, or
7 voucher that will result in a state general fund expenditure for any
8 fiscal year in excess of the state expenditure limit established under
9 this chapter. A violation of this subsection constitutes a violation
10 of RCW 43.88.290 and shall subject the state treasurer to the penalties
11 provided in RCW 43.88.300.

12 (3) The state expenditure limit for any fiscal year shall be the
13 previous fiscal year's state expenditure limit increased by a
14 percentage rate that equals the fiscal growth factor.

15 (4) For purposes of computing the state expenditure limit for the
16 fiscal year beginning July 1, 1995, the phrase "the previous fiscal
17 year's state expenditure limit" means the total state expenditures from
18 the state general fund, not including federal funds, for the fiscal
19 year beginning July 1, 1989, plus the fiscal growth factor. This
20 calculation is then computed for the state expenditure limit for fiscal
21 years 1992, 1993, 1994, and 1995, and as required under RCW
22 43.135.035(4).

23 (5) Each November, the office of financial management shall adjust
24 the expenditure limit for the preceding fiscal year based on actual
25 expenditures and known changes in the fiscal growth factor and then
26 project an expenditure limit for the next two fiscal years. The office
27 of financial management shall notify the legislative fiscal committees
28 of all adjustments to the state expenditure limit and projections of
29 future expenditure limits.

30 (6) This section does not apply to expenditures for levy authority
31 replacement moneys under section 2 of this act.

32 (7) "Fiscal growth factor" means the average of the sum of
33 inflation and population change for each of the prior three fiscal
34 years.

35 ((+7)) (8) "Inflation" means the percentage change in the implicit
36 price deflator for the United States for each fiscal year as published
37 by the federal bureau of labor statistics.

1 (~~(8)~~) (9) "Population change" means the percentage change in
2 state population for each fiscal year as reported by the office of
3 financial management.

4 NEW SECTION. **Sec. 6.** This act applies to special levies collected
5 in calendar year 1998 and thereafter.

--- END ---