
SENATE BILL 6146

State of Washington

55th Legislature

1998 Regular Session

By Senators McAuliffe, Bauer, Goings, Franklin, Fairley, Kline, Snyder, Patterson, Rasmussen and Prentice

Read first time 01/12/98. 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 four
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 four percent of the

1 levy authority under RCW 84.52.0531 for calendar year 1999 and
2 thereafter.

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

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

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

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

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

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

21 (a) The district's levy base as defined in subsection (3) of this
22 section multiplied by the district's maximum levy percentage as defined
23 in subsection (4) of this section;

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

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

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

1 (ii) The serving district's maximum levy percentage determined
2 under subsection (4) of this section; increased by:

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

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

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

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

23 (b) State and federal categorical allocations for the following
24 programs:

25 (i) Pupil transportation;

26 (ii) Special education;

27 (iii) Education of highly capable students;

28 (iv) Compensatory education, including but not limited to learning
29 assistance, migrant education, Indian education, refugee programs, and
30 bilingual education;

31 (v) Food services; and

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

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

36 (4) A district's maximum levy percentage shall be twenty-two
37 percent in 1998 and (~~twenty-four~~) twenty percent in 1999 and every
38 year thereafter; plus, for qualifying districts, the grandfathered
39 percentage determined as follows:

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

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

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

7 (ii) Reduce the result of (b)(i) of this subsection by any levy
8 reduction funds as defined in subsection (5) of this section that are
9 to be allocated to the district for the current school year;

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

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

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

26 (6) For the purposes of this section, "prior school year" means the
27 most recent school year completed prior to the year in which the levies
28 are to be collected.

29 (7) For the purposes of this section, "current school year" means
30 the year immediately following the prior school year.

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

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

36 **Sec. 5.** RCW 43.135.025 and 1994 c 2 s 2 are each amended to read
37 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 1999 and thereafter.

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