



1 thereafter, the maximum dollar amount shall be the sum of (a) plus or  
2 minus (b) and (c) of this subsection minus (d) of this subsection:

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

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

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

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

20 (ii) The serving district's maximum levy percentage determined  
21 under subsection (5) of this section; increased by:

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

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

29 (3) For excess levies for collection in calendar year 2005 and  
30 thereafter, a district's levy base shall be the sum of allocations in  
31 (a) through (c) of this subsection received by the district for the  
32 prior school year and the amounts determined under subsection (4) of  
33 this section, including allocations for compensation increases, plus  
34 the sum of such allocations multiplied by the percent increase per full  
35 time equivalent student as stated in the state basic education  
36 appropriation section of the biennial budget between the prior school  
37 year and the current school year and divided by fifty-five percent. A

1 district's levy base shall not include local school district property  
2 tax levies or other local revenues, or state and federal allocations  
3 not identified in (a) through (c) of this subsection.

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

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

8 (i) Pupil transportation;

9 (ii) Special education;

10 (iii) Education of highly capable students;

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

14 (v) Food services; and

15 (vi) Statewide block grant programs; and

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

19 (4) For levy collections in calendar years 2005 through 2007, in  
20 addition to the allocations included under subsection (3)(a) through  
21 (c) of this section, a district's levy base shall also include the  
22 following:

23 (a) The difference between the allocation the district would have  
24 received in the current school year had RCW 84.52.068 not been amended  
25 by chapter 19, Laws of 2003 1st sp. sess. and the allocation the  
26 district received in the current school year pursuant to RCW 84.52.068.  
27 The office of the superintendent of public instruction shall offset the  
28 amount added to a district's levy base pursuant to this subsection  
29 (4)(a) by any additional per student allocations included in a  
30 district's levy base pursuant to the enactment of an initiative to the  
31 people subsequent to June 10, 2004; and

32 (b) The difference between the allocations the district would have  
33 received the prior school year had RCW 28A.400.205 not been amended by  
34 chapter 20, Laws of 2003 1st sp. sess. and the allocations the district  
35 actually received the prior school year pursuant to RCW 28A.400.205.  
36 The office of the superintendent of public instruction shall offset the  
37 amount added to a district's levy base pursuant to this subsection

1 (4)(b) by any additional salary increase allocations included in a  
2 district's levy base pursuant to the enactment of an initiative to the  
3 people subsequent to June 10, 2004.

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

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

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

11 ~~(i) Multiply the grandfathered percentage for the prior year times~~  
12 ~~the district's levy base determined under subsection (3) of this~~  
13 ~~section;~~

14 ~~(ii) Reduce the result of (b)(i) of this subsection by any levy~~  
15 ~~reduction funds as defined in subsection (6) of this section that are~~  
16 ~~to be allocated to the district for the current school year;~~

17 ~~(iii) Divide the result of (b)(ii) of this subsection by the~~  
18 ~~district's levy base; and~~

19 ~~(iv) Take the greater of zero or the percentage calculated in~~  
20 ~~(b)(iii) of this subsection).~~

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

33 (7) For the purposes of this section, "prior school year" means the  
34 most recent school year completed prior to the year in which the levies  
35 are to be collected.

36 (8) For the purposes of this section, "current school year" means  
37 the year immediately following the prior school year.

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

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

6 **Sec. 102.** RCW 84.52.0531 and 1997 c 259 s 2 are each amended to  
7 read as follows:

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

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

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

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

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

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

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

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

36 (iii) The percent increase per full-time equivalent student as

1 stated in the state basic education appropriation section of the  
2 biennial budget between the prior school year and the current school  
3 year divided by fifty-five percent;

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

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

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

20 (b) State and federal categorical allocations for the following  
21 programs:

- 22 (i) Pupil transportation;
- 23 (ii) Special education;
- 24 (iii) Education of highly capable students;
- 25 (iv) Compensatory education, including but not limited to learning  
26 assistance, migrant education, Indian education, refugee programs, and  
27 bilingual education;

28 (v) Food services; and

29 (vi) Statewide block grant programs; and  
30 (c) Any other federal allocations for elementary and secondary  
31 school programs, including direct grants, other than federal impact aid  
32 funds and allocations in lieu of taxes.

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

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

1 ~~(b) For 1998 and thereafter, the percentage calculated as follows:~~  
2 ~~(i) Multiply the grandfathered percentage for the prior year times~~  
3 ~~the district's levy base determined under subsection (3) of this~~  
4 ~~section;~~

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

8 ~~(iii) Divide the result of (b)(ii) of this subsection by the~~  
9 ~~district's levy base; and~~

10 ~~(iv) Take the greater of zero or the percentage calculated in~~  
11 ~~(b)(iii) of this subsection)).~~

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

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

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

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

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

34 **PART II**  
35 **LEVY EQUALIZATION**

1           **Sec. 201.** RCW 28A.150.250 and 1990 c 33 s 107 are each amended to  
2 read as follows:

3           (1) From those funds made available by the legislature for the  
4 current use of the common schools, the superintendent of public  
5 instruction shall distribute annually as provided in RCW 28A.510.250 to  
6 each school district of the state operating a program approved by the  
7 state board of education an amount which, when combined with an  
8 appropriate portion of such locally available revenues, other than  
9 receipts from federal forest revenues distributed to school districts  
10 pursuant to RCW 28A.520.010 and 28A.520.020, as the superintendent of  
11 public instruction may deem appropriate for consideration in computing  
12 state equalization support, excluding excess property tax levies, will  
13 constitute a basic education allocation in dollars for each annual  
14 average full time equivalent student enrolled, based upon one full  
15 school year of one hundred eighty days, except that for kindergartens  
16 one full school year shall be one hundred eighty half days of  
17 instruction, or the equivalent as provided in RCW 28A.150.220.

18           (2) Basic education shall be considered to be fully funded by those  
19 amounts of dollars appropriated by the legislature pursuant to:

20           (a) RCW 28A.150.250 and 28A.150.260 to fund those program  
21 requirements identified in RCW 28A.150.220 in accordance with the  
22 formula and ratios provided in RCW 28A.150.260 (~~and~~);

23           (b) Those amounts of dollars appropriated by the legislature to  
24 fund the salary requirements of RCW 28A.150.100 and 28A.150.410; and

25           (c) RCW 28A.500.030.

26           (3) Operation of a program approved by the state board of  
27 education, for the purposes of this section, shall include a finding  
28 that the ratio of students per classroom teacher in grades kindergarten  
29 through three is not greater than the ratio of students per classroom  
30 teacher in grades four and above for such district: PROVIDED, That for  
31 the purposes of this section, "classroom teacher" shall be defined as  
32 an instructional employee possessing at least a provisional  
33 certificate, but not necessarily employed as a certificated employee,  
34 whose primary duty is the daily educational instruction of students:  
35 PROVIDED FURTHER, That the state board of education shall adopt rules  
36 and regulations to insure compliance with the student/teacher ratio  
37 provisions of this section, and such rules and regulations shall allow



1 for exemptions for those special programs and/or school districts which  
2 may be deemed unable to practicably meet the student/teacher ratio  
3 requirements of this section by virtue of a small number of students.

4 (4) If a school district's basic education program fails to meet  
5 the basic education requirements enumerated in RCW 28A.150.250,  
6 28A.150.260, and 28A.150.220, the state board of education shall  
7 require the superintendent of public instruction to withhold state  
8 funds in whole or in part for the basic education allocation until  
9 program compliance is assured: PROVIDED, That the state board of  
10 education may waive this requirement in the event of substantial lack  
11 of classroom space.

12 **Sec. 202.** RCW 28A.500.010 and 1999 c 317 s 1 are each amended to  
13 read as follows:

14 Commencing with calendar year 2000, in addition to a school  
15 district's other general fund allocations, each eligible district shall  
16 be provided local effort assistance funds. The purpose of these funds  
17 is to mitigate the effect that above average property tax rates might  
18 have on the ability of a school district to raise local revenues to  
19 supplement the state's basic program of education. These funds serve  
20 to equalize the property tax rates that individual taxpayers would pay  
21 for such levies and to provide tax relief to taxpayers in high tax rate  
22 school districts. (~~Such funds are not part of the district's basic~~  
23 ~~education allocation.~~)

24 **Sec. 203.** RCW 28A.500.030 and 2003 1st sp.s. c 25 s 912 are each  
25 amended to read as follows:

26 (~~Allocation of state matching funds to eligible districts for~~  
27 ~~local effort assistance shall be determined as follows:~~

28 ~~(1) Funds raised by the district through maintenance and operation~~  
29 ~~levies shall be matched with state funds using the following ratio of~~  
30 ~~state funds to levy funds:~~

31 ~~(a) The difference between the district's twelve percent levy rate~~  
32 ~~and the statewide average twelve percent levy rate; to~~

33 ~~(b) The statewide average twelve percent levy rate.~~

34 ~~(2) The maximum amount of state matching funds for districts~~  
35 ~~eligible for local effort assistance shall be the district's twelve~~  
36 ~~percent levy amount, multiplied by the following percentage:~~

1 ~~(a) The difference between the district's twelve percent levy rate~~  
2 ~~and the statewide average twelve percent levy rate; divided by~~

3 ~~(b) The district's twelve percent levy rate.~~

4 ~~(3) Calendar year 2003 allocations and maximum eligibility under~~  
5 ~~this chapter shall be multiplied by 0.99.~~

6 ~~(4) From January 1, 2004, to June 30, 2005, allocations and maximum~~  
7 ~~eligibility under this chapter shall be multiplied by 0.937.)) (1)~~  
8 Beginning with calendar year 2006, and thereafter, total statewide  
9 local effort assistance allocations shall be 14.5 percent of total  
10 statewide excess levy collections under RCW 84.52.0531.

11 (2) Levy equalization allocations to districts shall be determined  
12 by rule adopted by the office of the superintendent of public  
13 instruction.

14 NEW SECTION. Sec. 204. RCW 28A.500.020 (Definitions) and 2004 c  
15 21 s 1 & 1999 c 317 s 2 are each repealed.

16 **PART III**  
17 **MISCELLANEOUS**

18 NEW SECTION. Sec. 301. Part headings used in this act are not any  
19 part of the law.

20 NEW SECTION. Sec. 302. Sections 101, 201 through 204, and 301 of  
21 this act take effect January 1, 2006.

22 NEW SECTION. Sec. 303. Section 102 of this act takes effect  
23 January 1, 2008.

24 NEW SECTION. Sec. 304. Section 101 of this act expires January 1,  
25 2008.

26 NEW SECTION. Sec. 305. This act takes effect if the proposed  
27 amendment to Article VII, section 2 of the state Constitution providing  
28 for a simple majority of voters voting to authorize a school levy,  
29 House Joint Resolution No. 4205 is validly submitted to and is approved  
30 and ratified by the voters at the next general election. If the

1 proposed amendment is not approved and ratified, this act is void in  
2 its entirety.

--- END ---