

2SHB 2759 - S COMM AMD

By Committee on Ways & Means

ADOPTED AND ENGROSSED 3/10/10

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** While the legislature supports online
4 learning, the legislature finds that there are unintended financial
5 consequences for taxpayers, both locally and statewide, when
6 significant numbers of nonresident students enroll in a school district
7 for purposes of enrolling in an online school program. Therefore, the
8 legislature intends to adjust finance policy related to voter-approved
9 excess levies and a district's qualification for local effort
10 enhancement funds to eliminate these unintended consequences.

11 **Sec. 2.** RCW 84.52.0531 and 2009 c 4 s 908 are each amended to read
12 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 1997, the
17 maximum dollar amount shall be calculated pursuant to the laws and
18 rules in effect in November 1996.

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

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

25 (b) For districts in a high/nonhigh relationship, the high school
26 district's maximum levy amount shall be reduced and the nonhigh school
27 district's maximum levy amount shall be increased by an amount equal to
28 the estimated amount of the nonhigh payment due to the high school

1 district under RCW 28A.545.030(3) and 28A.545.050 for the school year
2 commencing the year of the levy;

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

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

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

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

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

20 (3) For excess levies for collection in calendar year 2005 and
21 thereafter, a district's levy base shall be the sum of allocations in
22 (a) through (c) of this subsection received by the district for the
23 prior school year and the amounts determined under subsection (4) of
24 this section, including allocations for compensation increases, plus
25 the sum of such allocations multiplied by the percent increase per full
26 time equivalent student as stated in the state basic education
27 appropriation section of the biennial budget between the prior school
28 year and the current school year and divided by fifty-five percent. A
29 district's levy base shall not include local school district property
30 tax levies or other local revenues, or state and federal allocations
31 not identified in (a) through (c) of this subsection. In addition, for
32 excess levies for collection in calendar year 2011 and thereafter, for
33 districts with twenty-five percent or greater full-time equivalent
34 students enrolled in an online school program as specified in this
35 subsection, the district's levy base shall not include state or federal
36 allocations attributable to nonresident students enrolled in the
37 district in an online school program as defined under RCW 28A.250.010

1 based on an interdistrict agreement or under the provisions of RCW
2 28A.225.220 and 28A.225.225.

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) Special 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) Statewide 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 (4) For levy collections in calendar years 2005 through 2011, in
19 addition to the allocations included under subsection (3)(a) through
20 (c) of this section, a district's levy base shall also include the
21 following:

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

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

1 district's levy base pursuant to the enactment of an initiative to the
2 people subsequent to June 10, 2004.

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

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

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

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

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

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

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

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

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

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

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

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

4 (11) For calendar year 2009, the office of the superintendent of
5 public instruction shall recalculate school district levy authority to
6 reflect levy rates certified by school districts for calendar year
7 2009.

8 **Sec. 3.** RCW 84.52.0531 and 1997 c 259 s 2 are each amended to read
9 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 1997, the
14 maximum dollar amount shall be calculated pursuant to the laws and
15 rules in effect in November 1996.

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

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

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

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

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

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

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

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

8 (3) For excess levies for collection in calendar year 1998 and
9 thereafter, a district's levy base shall be the sum of allocations in
10 (a) through (c) of this subsection received by the district for the
11 prior school year, including allocations for compensation increases,
12 plus the sum of such allocations multiplied by the percent increase per
13 full time equivalent student as stated in the state basic education
14 appropriation section of the biennial budget between the prior school
15 year and the current school year and divided by fifty-five percent. A
16 district's levy base shall not include local school district property
17 tax levies or other local revenues, or state and federal allocations
18 not identified in (a) through (c) of this subsection. In addition, for
19 excess levies for collection in calendar year 2011 and thereafter, for
20 districts with twenty-five percent or greater full-time equivalent
21 students enrolled in an online school program as specified in this
22 subsection, the district's levy base shall not include state or federal
23 allocations attributable to nonresident students enrolled in the
24 district in an online school program as defined under RCW 28A.250.010
25 based on an interdistrict agreement or under the provisions of RCW
26 28A.225.220 and 28A.225.225.

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

29 (b) State and federal categorical allocations for the following
30 programs:

31 (i) Pupil transportation;

32 (ii) Special education;

33 (iii) Education of highly capable students;

34 (iv) Compensatory education, including but not limited to learning
35 assistance, migrant education, Indian education, refugee programs, and
36 bilingual education;

37 (v) Food services; and

38 (vi) Statewide block grant programs; and

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

4 (4) A district's maximum levy percentage shall be twenty-two
5 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 (5) 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 (5) "Levy reduction funds" shall mean increases in state funds from
22 the prior school year for programs included under subsection (3) of
23 this section: (a) That are not attributable to enrollment changes,
24 compensation increases, or inflationary adjustments; and (b) that are
25 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 (6) 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 (7) For the purposes of this section, "current school year" means
37 the year immediately following the prior school year.

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

3 (9) 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 NEW SECTION. **Sec. 4.** Section 2 of this act expires January 1,
7 2012.

8 NEW SECTION. **Sec. 5.** Section 3 of this act takes effect January
9 1, 2012."

2SHB 2759 - S COMM AMD
By Committee on Ways & Means

ADOPTED 3/10/10

10 On page 1, line 2 of the title, after "learning;" strike the
11 remainder of the title and insert "amending RCW 84.52.0531 and
12 84.52.0531; creating a new section; providing an effective date; and
13 providing an expiration date."

--- END ---