

2SHB 2759 - S COMM AMD

By Committee on Ways & Means

ADOPTED AS AMENDED 03/10/2010

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, a
33 district's levy base shall not include state or federal allocations
34 attributable to nonresident students enrolled in the district in an
35 online school program as defined under RCW 28A.250.010 based on an
36 interdistrict agreement or under the provisions of RCW 28A.225.220 and
37 28A.225.225.

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

3 (b) State and federal categorical allocations for the following
4 programs:

5 (i) Pupil transportation;

6 (ii) Special education;

7 (iii) Education of highly capable students;

8 (iv) Compensatory education, including but not limited to learning
9 assistance, migrant education, Indian education, refugee programs, and
10 bilingual education;

11 (v) Food services; and

12 (vi) Statewide block grant programs; and

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

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

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

29 (b) The difference between the allocations the district would have
30 received the prior school year had RCW 28A.400.205 not been amended by
31 chapter 20, Laws of 2003 1st sp. sess. and the allocations the district
32 actually received the prior school year pursuant to RCW 28A.400.205.
33 The office of the superintendent of public instruction shall offset the
34 amount added to a district's levy base pursuant to this subsection
35 (4)(b) by any additional salary increase allocations included in a
36 district's levy base pursuant to the enactment of an initiative to the
37 people subsequent to June 10, 2004.

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

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

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

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

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

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

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

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

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

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

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

37 (10) The superintendent of public instruction shall develop rules

1 and regulations and inform school districts of the pertinent data
2 necessary to carry out the provisions of this section.

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

7 **Sec. 3.** RCW 84.52.0531 and 1997 c 259 s 2 are each amended to read
8 as follows:

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

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

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

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

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

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

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

35 (ii) The serving district's maximum levy percentage determined
36 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, a
20 district's levy base shall not include state or federal allocations
21 attributable to nonresident students enrolled in the district in an
22 online school program as defined under RCW 28A.250.010 based on an
23 interdistrict agreement or under the provisions of RCW 28A.225.220 and
24 28A.225.225.

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

27 (b) State and federal categorical allocations for the following
28 programs:

29 (i) Pupil transportation;

30 (ii) Special education;

31 (iii) Education of highly capable students;

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

35 (v) Food services; and

36 (vi) Statewide block grant programs; and

37 (c) Any other federal allocations for elementary and secondary

1 school programs, including direct grants, other than federal impact aid
2 funds and allocations in lieu of taxes.

3 (4) 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 (5) 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 (5) "Levy reduction funds" shall mean increases in state funds from
21 the prior school year for programs included under subsection (3) of
22 this section: (a) That are not attributable to enrollment changes,
23 compensation increases, or inflationary adjustments; and (b) that are
24 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 (6) 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 (7) For the purposes of this section, "current school year" means
36 the year immediately following the prior school year.

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

1 (9) 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 NEW SECTION. **Sec. 4.** Section 2 of this act expires January 1,
5 2012.

6 NEW SECTION. **Sec. 5.** Section 3 of this act takes effect January
7 1, 2012."

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ADOPTED AS AMENDED 03/10/2010

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

EFFECT: Eliminates the phase-in of implementation and initiates
the new policy regarding the exclusion from the levy base of revenues
associated with nonresident online students, beginning with levies
collected on January 1, 2011, and thereafter. Returns the bill to the
original language prior to substitution action.

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