

SHB 2893 - S AMD 396  
By Senator Pflug

NOT ADOPTED 03/11/2010

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

3 "NEW SECTION. **Sec. 1.** The legislature recognizes that since 2004,  
4 school districts have been permitted to restore full funding for  
5 Initiative 728 and Initiative 732 in the levy base. The intent of the  
6 legislature is to extend the expiration date for this provision and  
7 also to restore in the base funding received for staffing enhancements  
8 in grades kindergarten through four.

9 **Sec. 2.** RCW 84.52.0531 and 2009 c 4 s 908 are each amended to read  
10 as follows:

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

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

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

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

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

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

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

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

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

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

18 (3) For excess levies for collection in calendar year 2005 and  
19 thereafter, a district's levy base shall be the sum of allocations in  
20 (a) through (c) of this subsection received by the district for the  
21 prior school year and the amounts determined under subsection (4) of  
22 this section, including allocations for compensation increases, plus  
23 the sum of such allocations multiplied by the percent increase per full  
24 time equivalent student as stated in the state basic education  
25 appropriation section of the biennial budget between the prior school  
26 year and the current school year and divided by fifty-five percent. A  
27 district's levy base shall not include local school district property  
28 tax levies or other local revenues, or state and federal allocations  
29 not identified in (a) through (c) of this subsection.

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

32 (b) State and federal categorical allocations for the following  
33 programs:

34 (i) Pupil transportation;

35 (ii) Special education;

36 (iii) Education of highly capable students;

37 (iv) Compensatory education, including but not limited to learning

1 assistance, migrant education, Indian education, refugee programs, and  
2 bilingual education;

3 (v) Food services; and

4 (vi) Statewide block grant programs; and

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

8 (4)(a) For levy collections in calendar years 2005 through ~~((2011))~~  
9 2017, in addition to the allocations included under subsection (3)(a)  
10 through (c) of this section, a district's levy base shall also include  
11 the following:

12 ~~((+a))~~ (i)(A) For levy collections in calendar year 2010, the  
13 difference between the allocation the district would have received in  
14 the current school year ((had RCW 84.52.068 not been amended by chapter  
15 19, Laws of 2003 1st sp. sess.)) using the Initiative 728 base and the  
16 allocation the district received in the current school year pursuant to  
17 RCW ((84.52.068. The office of the superintendent of public  
18 instruction shall offset the amount added to a district's levy base  
19 pursuant to this subsection (4)(a) by any additional per student  
20 allocations included in a district's levy base pursuant to the  
21 enactment of an initiative to the people subsequent to June 10, 2004))  
22 28A.505.220;

23 (B) For levy collections in calendar years 2011 through 2017, the  
24 difference between the allocation rate the district would have received  
25 in the prior school year using the Initiative 728 base and the  
26 allocation rate the district received in the prior school year pursuant  
27 to RCW 28A.505.220 multiplied by the full-time equivalent student  
28 enrollment used to calculate the Initiative 728 allocation for the  
29 prior school year; and

30 ~~((+b))~~ (ii) The difference between the allocations the district  
31 would have received the prior school year ((had RCW 28A.400.205 not  
32 been amended by chapter 20, Laws of 2003 1st sp. sess.)) using the  
33 Initiative 732 base and the allocations the district actually received  
34 the prior school year pursuant to RCW 28A.400.205((. The office of the  
35 superintendent of public instruction shall offset the amount added to  
36 a district's levy base pursuant to this subsection (4)(b) by any  
37 additional salary increase allocations included in a district's levy

1 ~~base pursuant to the enactment of an initiative to the people~~  
2 ~~subsequent to June 10, 2004)).~~

3 (b) For levy collections in calendar years 2011 through 2017, in  
4 addition to the allocations included under subsections (3)(a) through  
5 (c) and (4)(a) of this section, a district's levy base shall also  
6 include the difference between an allocation of fifty-three and two-  
7 tenths certificated instructional staff units per thousand full-time  
8 equivalent students in grades kindergarten through four enrolled in the  
9 prior school year and the allocation of certificated instructional  
10 staff units per thousand full-time equivalent students in grades  
11 kindergarten through four that the district actually received in the  
12 prior school year, except that the levy base for a school district  
13 whose allocation in the 2009-10 school year was less than fifty-three  
14 and two-tenths certificated instructional staff units per thousand  
15 full-time equivalent students in grades kindergarten through four shall  
16 include the difference between the allocation the district actually  
17 received in the 2009-10 school year and the allocation the district  
18 actually received in the prior school year.

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

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

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

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

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

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

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

36 (6) "Levy reduction funds" shall mean increases in state funds from  
37 the prior school year for programs included under subsections (3) and  
38 (4) of this section: (a) That are not attributable to enrollment

1 changes, compensation increases, or inflationary adjustments; and (b)  
2 that are or were specifically identified as levy reduction funds in the  
3 appropriations act. If levy reduction funds are dependent on formula  
4 factors which would not be finalized until after the start of the  
5 current school year, the superintendent of public instruction shall  
6 estimate the total amount of levy reduction funds by using prior school  
7 year data in place of current school year data. Levy reduction funds  
8 shall not include moneys received by school districts from cities or  
9 counties.

10 ~~((For the purposes of this section,))~~ The definitions in this  
11 subsection apply throughout this section unless the context clearly  
12 requires otherwise.

13 (a) "Prior school year" means the most recent school year completed  
14 prior to the year in which the levies are to be collected.

15 ~~((8) For the purposes of this section,))~~ (b) "Current school year"  
16 means the year immediately following the prior school year.

17 ~~((9))~~ (c) "Initiative 728 base" means the allocation to the  
18 student achievement fund for the prior year that would have been made  
19 under chapter 3, Laws of 2001, if all annual adjustments to the initial  
20 2001 allocation had been made in previous years and in each subsequent  
21 year as provided for under chapter 3, Laws of 2001.

22 (d) "Initiative 732 base" means the prior year's state allocation  
23 for annual salary cost-of-living increases for district employees in  
24 the state-funded salary base as it would have been calculated under  
25 chapter 4, Laws of 2001, if each annual cost-of-living increase  
26 allocation had been provided in previous years and in each subsequent  
27 year.

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

30 ~~((10))~~ (9) The superintendent of public instruction shall develop  
31 rules and regulations and inform school districts of the pertinent data  
32 necessary to carry out the provisions of this section.

33 ~~((11))~~ (10) For calendar year 2009, the office of the  
34 superintendent of public instruction shall recalculate school district  
35 levy authority to reflect levy rates certified by school districts for  
36 calendar year 2009.

37 **Sec. 3.** 2006 c 119 s 3 (uncodified) is amended to read as follows:

1 This act expires January 1, ((2012)) 2018.

2 **Sec. 4.** 2009 c 4 s 909 (uncodified) is amended to read as follows:  
3 Section 908 of this act expires January 1, ((2012)) 2018.

4 NEW SECTION. **Sec. 5.** Section 2 of this act expires January 1,  
5 2018."

SHB 2893 - S AMD  
By Senator Pflug

**NOT ADOPTED 03/11/2010**

6 On page 1, line 1 of the title, after "levies;" strike the  
7 remainder of the title and insert the following: "amending RCW  
8 84.52.0531; amending 2006 c 119 s 3 (uncodified); amending 2009 c 4 s  
9 909 (uncodified); creating a new section; and providing an expiration  
10 date."

EFFECT: Retains the provisions of the bill extending, through 2017, current permission to allow districts' levy bases to include the difference between revenue that would have been received if not reduced and revenue actually received for Initiative 728 (student achievement program) and Initiative 732 (public school employee cost-of-living increases). Provides permission to count, in the levy base, funding for K-4 class size reduction in the event that funding is reduced in the budget. Eliminates four percent levy lid increase as well as increase in local effort assistance percentage from 12 to 14 percent.

Fiscal impact: Current biennium near-general fund-state expenditures reduced from \$25.8 million to \$2.7 million. 2011-13 biennium impact reduced from \$120.5 million to \$31.1 million; 2013-15 impact reduced from \$128.2 million to \$25.2 million.

--- END ---