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HOUSE BILL 2670

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State of Washington

61st Legislature

2010 Regular Session

By Representatives Haigh, Ericks, Quall, Sullivan, Kenney, Maxwell, Simpson, Priest, Dammeier, and Kagi

Read first time 01/12/10. Referred to Committee on Education Appropriations.

1 AN ACT Relating to restoring the school district levy base;  
2 amending RCW 84.52.0531; amending 2006 c 119 s 3 (uncodified); amending  
3 2009 c 4 s 909 (uncodified); creating a new section; and providing an  
4 expiration date.

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

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

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

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

17 (1) For excess levies for collection in calendar year 1997, the

1 maximum dollar amount shall be calculated pursuant to the laws and  
2 rules in effect in November 1996.

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

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

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

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

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

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

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

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

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

1 appropriation section of the biennial budget between the prior school  
2 year and the current school year and divided by fifty-five percent. A  
3 district's levy base shall not include local school district property  
4 tax levies or other local revenues, or state and federal allocations  
5 not identified in (a) through (c) of this subsection.

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

8 (b) State and federal categorical allocations for the following  
9 programs:

10 (i) Pupil transportation;

11 (ii) Special education;

12 (iii) Education of highly capable students;

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

16 (v) Food services; and

17 (vi) Statewide block grant programs; and

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

21 (4)(a) For levy collections in calendar years 2005 through ~~((2011))~~  
22 2017, in addition to the allocations included under subsection (3)(a)  
23 through (c) of this section, a district's levy base shall also include  
24 the following:

25 ~~((a))~~ (i) The difference between the allocation rate the district  
26 would have received in the ~~((current))~~ prior school year ~~((had RCW  
27 84.52.068 not been amended by chapter 19, Laws of 2003 1st sp. sess.))~~  
28 using the Initiative 728 base and the allocation rate the district  
29 received in the ~~((current))~~ prior school year pursuant to RCW  
30 84.52.068~~((The office of the superintendent of public instruction  
31 shall offset the amount added to a district's levy base pursuant to  
32 this subsection (4)(a) by any additional per student allocations  
33 included in a district's levy base pursuant to the enactment of an  
34 initiative to the people subsequent to June 10, 2004))~~ multiplied by  
35 the full-time equivalent student enrollment used to calculate the  
36 Initiative 728 allocation for the prior school year; and

37 ~~((b))~~ (ii) The difference between the allocations the district  
38 would have received the prior school year ~~((had RCW 28A.400.205 not~~

1 ~~been amended by chapter 20, Laws of 2003 1st sp. sess.)) using the~~  
2 Initiative 732 base and the allocations the district actually received  
3 the prior school year pursuant to RCW 28A.400.205(~~(. The office of the~~  
4 ~~superintendent of public instruction shall offset the amount added to~~  
5 ~~a district's levy base pursuant to this subsection (4)(b) by any~~  
6 ~~additional salary increase allocations included in a district's levy~~  
7 ~~base pursuant to the enactment of an initiative to the people~~  
8 ~~subsequent to June 10, 2004)).~~

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

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

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

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

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

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

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

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

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

17 ~~((For the purposes of this section,))~~ The definitions in this  
18 subsection apply throughout this section unless the context clearly  
19 requires otherwise.

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

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

24 ~~((+9))~~ (c) "Initiative 728 base" means the allocation to the  
25 student achievement fund for the prior year that would have been made  
26 under chapter 3, Laws of 2001, if all annual adjustments to the initial  
27 2001 allocation had been made in previous years and in each subsequent  
28 year as provided for under chapter 3, Laws of 2001.

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

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

37 ~~((+10))~~ (9) The superintendent of public instruction shall develop

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

3 ~~((11))~~ (10) For calendar year 2009, the office of the  
4 superintendent of public instruction shall recalculate school district  
5 levy authority to reflect levy rates certified by school districts for  
6 calendar year 2009.

7 **Sec. 3.** 2006 c 119 s 3 (uncodified) is amended to read as follows:  
8 This act expires January 1, ~~((2012))~~ 2018.

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

11 NEW SECTION. **Sec. 5.** Section 2 of this act expires January 1,  
12 2018.

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