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**SUBSTITUTE HOUSE BILL 1815**

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**State of Washington**

**62nd Legislature**

**2011 Regular Session**

**By** House Education Appropriations & Oversight (originally sponsored by Representatives Sullivan, Anderson, Haigh, Dammeier, Parker, Maxwell, Reykdal, and Santos)

READ FIRST TIME 02/23/11.

1 AN ACT Relating to preserving the school district levy base;  
2 reenacting and amending RCW 84.52.0531; creating a new section;  
3 providing an effective date; and providing an expiration date.

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

5 NEW SECTION. **Sec. 1.** When cuts are made to state funding for K-12  
6 education, these cuts reduce a school district's levy base. The intent  
7 of the legislature is to preserve the school district levy base and to  
8 protect the ability of districts to collect voter-approved funds.

9 **Sec. 2.** RCW 84.52.0531 and 2010 c 237 s 1 and 2010 c 99 s 11 are  
10 each reenacted and amended to read 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

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

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

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

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

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

22 (ii) The serving district's maximum levy percentage determined  
23 under subsection (6) of this section; increased by:

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

28 (d) The levy bases of nonhigh districts participating in an  
29 innovation academy cooperative established under RCW 28A.340.080 shall  
30 be adjusted by the office of the superintendent of public instruction  
31 to reflect each district's proportional share of student enrollment in  
32 the cooperative;

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

36 (3) For excess levies for collection in calendar year 2005 and  
37 thereafter, a district's levy base shall be the sum of allocations in  
38 (a) through (c) of this subsection received by the district for the

1 prior school year and the amounts determined under subsection (4) of  
2 this section, including allocations for compensation increases, plus  
3 the sum of such allocations multiplied by the percent increase per full  
4 time equivalent student as stated in the state basic education  
5 appropriation section of the biennial budget between the prior school  
6 year and the current school year and divided by fifty-five percent. A  
7 district's levy base shall not include local school district property  
8 tax levies or other local revenues, or state and federal allocations  
9 not identified in (a) through (c) of this subsection.

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

12 (b) State and federal categorical allocations for the following  
13 programs:

14 (i) Pupil transportation;

15 (ii) Special education;

16 (iii) Education of highly capable students;

17 (iv) Compensatory education, including but not limited to learning  
18 assistance, migrant education, Indian education, refugee programs, and  
19 bilingual education;

20 (v) Food services; and

21 (vi) Statewide block grant programs; and

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

25 (4) For levy collections in calendar years 2005 through 2017, in  
26 addition to the allocations included under subsection (3)(a) through  
27 (c) of this section, a district's levy base shall also include the  
28 following:

29 (a)(i) For levy collections in calendar year 2010, the difference  
30 between the allocation the district would have received in the current  
31 school year had RCW 84.52.068 not been amended by chapter 19, Laws of  
32 2003 1st sp. sess. and the allocation the district received in the  
33 current school year pursuant to RCW 28A.505.220;

34 (ii) For levy collections in calendar years 2011 through 2017, the  
35 difference between the allocation rate the district would have received  
36 in the prior school year using the Initiative 728 rate and the  
37 allocation rate the district received in the prior school year pursuant

1 to RCW 28A.505.220 multiplied by the full-time equivalent student  
2 enrollment used to calculate the Initiative 728 allocation for the  
3 prior school year; and

4 (b) The difference between the allocations the district would have  
5 received the prior school year using the Initiative 732 base and the  
6 allocations the district actually received the prior school year  
7 pursuant to RCW 28A.400.205.

8 (5) For levy collections in calendar years 2011 through 2017, in  
9 addition to the allocations included under subsections (3)(a) through  
10 (c) and (4)(a) and (b) of this section, a district's levy base shall  
11 also (~~include~~) be increased by:

12 (a) 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; and

25 (b) The product of (b)(i) and (ii) of this subsection, if the  
26 amount in (b)(i)(A) of this subsection exceeds the amount in (b)(i)(B)  
27 of this subsection.

28 (i) The difference between:

29 (A) The district's per-pupil state general apportionment for the  
30 2009-10 school year appropriated in sections 502 through 504, chapter  
31 564, Laws of 2009, excluding the per-pupil fringe benefit allocations  
32 in section 502(4), chapter 564, Laws of 2009; and

33 (B) The district's per-pupil state general apportionment for the  
34 prior school year, excluding the per-pupil fringe benefit allocations  
35 for the prior year.

36 (ii) The district's average annual enrollment for the prior school  
37 year.

1        (iii) When calculating the amount to be included under this  
2 subsection (5)(b), the superintendent shall exclude amounts already  
3 included in a district's levy base pursuant to (a) of this subsection.

4        (6)(a) A district's maximum levy percentage shall be twenty-four  
5 percent in 2010 and twenty-eight percent in 2011 through 2017 and  
6 twenty-four percent every year thereafter;

7        (b) For qualifying districts, in addition to the percentage in (a)  
8 of this subsection the grandfathered percentage determined as follows:

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

11        (ii) For 2011 through 2017, the percentage calculated as follows:

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

15        (B) Reduce the result of (b)(ii)(A) of this subsection by any levy  
16 reduction funds as defined in subsection (7) of this section that are  
17 to be allocated to the district for the current school year;

18        (C) Divide the result of (b)(ii)(B) of this subsection by the  
19 district's levy base; and

20        (D) Take the greater of zero or the percentage calculated in  
21 (b)(ii)(C) of this subsection.

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

34        (8) The definitions in this subsection apply throughout this  
35 section unless the context clearly requires otherwise.

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

1 (b) "Current school year" means the year immediately following the  
2 prior school year.

3 (c) "Initiative 728 rate" means the allocation rate at which the  
4 student achievement program would have been funded under chapter 3,  
5 Laws of 2001, if all annual adjustments to the initial 2001 allocation  
6 rate had been made in previous years and in each subsequent year as  
7 provided for under chapter 3, Laws of 2001.

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

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

16 (10) The superintendent of public instruction shall develop rules  
17 and inform school districts of the pertinent data necessary to carry  
18 out the provisions of this section.

19 (11) For calendar year 2009, the office of the superintendent of  
20 public instruction shall recalculate school district levy authority to  
21 reflect levy rates certified by school districts for calendar year  
22 2009.

23 NEW SECTION. **Sec. 3.** Section 2 of this act takes effect January  
24 1, 2012.

25 NEW SECTION. **Sec. 4.** Section 2 of this act expires January 1,  
26 2018.

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