
HOUSE BILL 2813

State of Washington

62nd Legislature

2012 Regular Session

By Representatives Hunter and Sullivan

Read first time 02/27/12. Referred to Committee on Ways & Means.

1 AN ACT Relating to adjusting the implementation schedule for local
2 effort assistance payments, matching ratios, and levy lids; amending
3 RCW 28A.500.040 and 28A.500.020; amending 2010 c 237 s 9 (uncodified);
4 reenacting and amending RCW 28A.500.030, 84.52.0531, and 84.52.0531;
5 providing effective dates; and providing expiration dates.

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

7 **Sec. 1.** RCW 28A.500.040 and 1999 c 317 s 4 are each amended to
8 read as follows:

9 (1) Except as provided in subsection (2) of this section, local
10 effort assistance funds shall be distributed to qualifying districts as
11 follows:

- 12 ((+1)) (a) Thirty percent in April;
13 ((+2)) (b) Twenty-three percent in May;
14 ((+3)) (c) Two percent in June;
15 ((+4)) (d) Seventeen percent in August;
16 ((+5)) (e) Nine percent in October;
17 ((+6)) (f) Seventeen percent in November; and
18 ((+7)) (g) Two percent in December.

1 (2) In calendar year 2013, local effort assistance funds shall be
2 distributed to qualifying districts as follows:

3 (a) Thirty percent in April;

4 (b) Twenty-five percent in July;

5 (c) Seventeen percent in August;

6 (d) Nine percent in October;

7 (e) Seventeen percent in November; and

8 (f) Two percent in December.

9 **Sec. 2.** RCW 28A.500.020 and 2010 c 237 s 5 are each amended to
10 read as follows:

11 (1) Unless the context clearly requires otherwise, the definitions
12 in this section apply throughout this chapter.

13 (a) "Prior tax collection year" means the year immediately
14 preceding the year in which the local effort assistance shall be
15 allocated.

16 (b) "Statewide average (~~(fourteen)~~) twelve percent levy rate" means
17 (~~(fourteen)~~) twelve percent of the total levy bases as defined in RCW
18 84.52.0531 (3) and (4) summed for all school districts, and divided by
19 the total assessed valuation for excess levy purposes in the prior tax
20 collection year for all districts as adjusted to one hundred percent by
21 the county indicated ratio established in RCW 84.48.075.

22 (c) The "district's (~~(fourteen)~~) twelve percent levy amount" means
23 the school district's maximum levy authority after transfers determined
24 under RCW 84.52.0531(2) (a) through (c) divided by the district's
25 maximum levy percentage determined under RCW 84.52.0531(~~(+5)~~) (6)
26 multiplied by (~~(fourteen)~~) twelve percent.

27 (d) The "district's (~~(fourteen)~~) twelve percent levy rate" means
28 the district's (~~(fourteen)~~) twelve percent levy amount divided by the
29 district's assessed valuation for excess levy purposes for the prior
30 tax collection year as adjusted to one hundred percent by the county
31 indicated ratio.

32 (e) "Districts eligible for local effort assistance" means those
33 districts with a (~~(fourteen)~~) twelve percent levy rate that exceeds the
34 statewide average (~~(fourteen)~~) twelve percent levy rate.

35 (2) Unless otherwise stated all rates, percents, and amounts are
36 for the calendar year for which local effort assistance is being
37 calculated under this chapter.

1 **Sec. 3.** RCW 28A.500.030 and 2006 c 372 s 904 and 2006 c 119 s 1
2 are each reenacted and amended to read as follows:

3 Allocation of state matching funds to eligible districts for local
4 effort assistance shall be determined as follows:

5 (1) Funds raised by the district through maintenance and operation
6 levies shall be matched with state funds using the following ratio of
7 state funds to levy funds:

8 (a) The difference between the district's twelve percent levy rate
9 and the statewide average twelve percent levy rate; to

10 (b) The statewide average twelve percent levy rate.

11 (2) The maximum amount of state matching funds for districts
12 eligible for local effort assistance shall be the district's twelve
13 percent levy amount, multiplied by the following percentage:

14 (a) The difference between the district's twelve percent levy rate
15 and the statewide average twelve percent levy rate; divided by

16 (b) The district's twelve percent levy rate.

17 (3) Calendar year 2003 allocations and maximum eligibility under
18 this chapter shall be multiplied by 0.99.

19 (4) ~~((From January 1, 2004, to December 31, 2005, allocations and
20 maximum eligibility under this chapter shall be multiplied by 0.937.~~

21 ~~(5) From January 1, 2006, to December 31, 2006, allocations and
22 maximum eligibility under this chapter shall be multiplied by 0.9563.))~~

23 Beginning with calendar year 2007, allocations and maximum eligibility
24 under this chapter shall be fully funded at one hundred percent and
25 shall not be reduced.

26 **Sec. 4.** RCW 84.52.0531 and 2010 c 237 s 1 and 2010 c 99 s 11 are
27 each reenacted and amended to read as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

11 (i) Pupil transportation;

12 (ii) Special education;

13 (iii) Education of highly capable students;

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

17 (v) Food services; and

18 (vi) Statewide block grant programs; and

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

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

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

31 (ii) For levy collections in calendar years 2011 through 2017, the
32 difference between the allocation rate the district would have received
33 in the prior school year using the Initiative 728 rate and the
34 allocation rate the district received in the prior school year pursuant
35 to RCW 28A.505.220 multiplied by the full-time equivalent student
36 enrollment used to calculate the Initiative 728 allocation for the
37 prior school year; and

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

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

21 (6)(a) A district's maximum levy percentage shall be twenty-four
22 percent in 2010 and twenty-eight percent in 2011 through ~~((2017))~~ 2013
23 and twenty-four percent every year thereafter;

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

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

28 (ii) For 2011 ~~((through—2017))~~ and thereafter, the percentage
29 calculated as follows:

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

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

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

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

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

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

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

19 (b) "Current school year" means the year immediately following the
20 prior school year.

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

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

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

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

37 (11) For calendar year 2009, the office of the superintendent of

1 public instruction shall recalculate school district levy authority to
2 reflect levy rates certified by school districts for calendar year
3 2009.

4 **Sec. 5.** RCW 84.52.0531 and 2010 c 237 s 2 and 2010 c 99 s 11 are
5 each reenacted and amended to read as follows:

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

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

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

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

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

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

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

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

36 (iii) The percent increase per full-time equivalent student as

1 stated in the state basic education appropriation section of the
2 biennial budget between the prior school year and the current school
3 year divided by fifty-five percent;

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

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

12 (3) For excess levies for collection in calendar year 1998 and
13 thereafter, a district's levy base shall be the sum of allocations in
14 (a) through (c) of this subsection received by the district for the
15 prior school year, including allocations for compensation increases,
16 plus the sum of such allocations multiplied by the percent increase per
17 full time equivalent student as stated in the state basic education
18 appropriation section of the biennial budget between the prior school
19 year and the current school year and divided by fifty-five percent. A
20 district's levy base shall not include local school district property
21 tax levies or other local revenues, or state and federal allocations
22 not identified in (a) through (c) of this subsection.

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

25 (b) State and federal categorical allocations for the following
26 programs:

- 27 (i) Pupil transportation;
- 28 (ii) Special education;
- 29 (iii) Education of highly capable students;
- 30 (iv) Compensatory education, including but not limited to learning
31 assistance, migrant education, Indian education, refugee programs, and
32 bilingual education;

- 33 (v) Food services; and
- 34 (vi) Statewide block grant programs; and

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

1 (4)(a) A district's maximum levy percentage shall be twenty-four
2 percent in 2010 and twenty-eight percent in 2011 through ~~((2017))~~ 2013
3 and twenty-four percent every year thereafter;

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

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

8 (ii) For 2011 ~~((through 2017))~~ and thereafter, the percentage
9 calculated as follows:

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

13 (B) Reduce the result of (b)(ii)(A) 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 (C) Divide the result of (b)(ii)(B) of this subsection by the
17 district's levy base; and

18 (D) Take the greater of zero or the percentage calculated in
19 (b)(ii)(C) of this subsection(~~(+~~

20 ~~(iii) For 2018 and thereafter, the percentage shall be calculated~~
21 ~~as follows:~~

22 ~~(A) Multiply the grandfathered percentage for the prior year times~~
23 ~~the district's levy base determined under subsection (3) of this~~
24 ~~section;~~

25 ~~(B) Reduce the result of (b)(iii)(A) of this subsection by any levy~~
26 ~~reduction funds as defined in subsection (5) of this section that are~~
27 ~~to be allocated to the district for the current school year;~~

28 ~~(C) Divide the result of (b)(iii)(B) of this subsection by the~~
29 ~~district's levy base; and~~

30 ~~(D) Take the greater of zero or the percentage calculated in~~
31 ~~(b)(iii)(C) of this subsection)).~~

32 (5) "Levy reduction funds" shall mean increases in state funds from
33 the prior school year for programs included under subsection (3) of
34 this section: (a) That are not attributable to enrollment changes,
35 compensation increases, or inflationary adjustments; and (b) that are
36 or were specifically identified as levy reduction funds in the
37 appropriations act. If levy reduction funds are dependent on formula
38 factors which would not be finalized until after the start of the

1 current school year, the superintendent of public instruction shall
2 estimate the total amount of levy reduction funds by using prior school
3 year data in place of current school year data. Levy reduction funds
4 shall not include moneys received by school districts from cities or
5 counties.

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

9 (7) For the purposes of this section, "current school year" means
10 the year immediately following the prior school year.

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

13 (9) The superintendent of public instruction shall develop rules
14 and regulations and inform school districts of the pertinent data
15 necessary to carry out the provisions of this section.

16 **Sec. 6.** 2010 c 237 s 9 (uncodified) is amended to read as follows:
17 Sections 1(~~(7)~~) and 5(~~(7, and 6)~~) of this act expire January 1,
18 2018.

19 NEW SECTION. **Sec. 7.** 2010 c 237 s 6 expires August 1, 2013.

20 NEW SECTION. **Sec. 8.** Section 3 of this act takes effect August 1,
21 2013.

22 NEW SECTION. **Sec. 9.** Section 2 of this act expires January 1,
23 2018.

24 NEW SECTION. **Sec. 10.** Section 2 of this act takes effect August
25 1, 2013.

26 NEW SECTION. **Sec. 11.** Section 4 of this act expires January 1,
27 2018.

28 NEW SECTION. **Sec. 12.** Section 5 of this act takes effect January
29 1, 2018.

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