SENATE BILL 6084

By Senators Swecker, Schoesler, Haugen, King, Sheldon, Hatfield, Honeyford, and Shin

62nd Legislature

2012 Regular Session

Read first time 01/11/12. Referred to Committee on Ways & Means.

- 1 AN ACT Relating to eliminating nonhigh school district
- 2 reimbursement fees; reenacting and amending RCW 84.52.0531 and
- 3 84.52.0531; repealing RCW 28A.545.020, 28A.545.030, 28A.545.040,
- 4 28A.545.050, 28A.545.060, 28A.545.070, 28A.545.080, 28A.545.090,
- 5 28A.545.100, 28A.545.110, and 28A.545.120; providing effective dates;
- 6 and providing an expiration date.

State of Washington

- 7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 8 <u>NEW SECTION.</u> **Sec. 1.** The following acts or parts of acts are each 9 repealed:
- 10 (1) RCW 28A.545.020 (Reimbursement not a tuition charge) and 1983
- 11 c 3 s 32 & 1969 ex.s. c 223 s 28A.44.095;
- 12 (2) RCW 28A.545.030 (Purposes) and 1990 c 33 s 488 & 1981 c 264 s
- 13 1;
- 14 (3) RCW 28A.545.040 ("Student residing in a nonhigh school
- 15 district defined) and 2010 c 99 s 7, 1995 c 77 s 25, 1990 c 33 s 489,
- 16 & 1981 c 264 s 2;
- 17 (4) RCW 28A.545.050 (Amounts due from nonhigh districts) and 1985
- 18 c 341 s 11 & 1981 c 264 s 3;

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1 (5) RCW 28A.545.060 (Enrollment data for computation of amounts 2 due) and 1990 c 33 s 490 & 1981 c 264 s 4;

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- (6) RCW 28A.545.070 (Superintendent's annual determination of estimated amount due--Process) and 1990 c 33 s 491 & 1981 c 264 s 5;
- (7) RCW 28A.545.080 (Estimated amount due paid in May and November installments) and 1990 c 33 s 492 & 1981 c 264 s 6;
- (8) RCW 28A.545.090 (Assessing nonhigh school lesser amount--Notice of) and 1990 c 33 s 493 & 1981 c 264 s 7;
- 9 (9) RCW 28A.545.100 (Amount due reflects cost of education and 10 transportation of students) and 1995 c 77 s 26, 1990 c 33 s 494, 1983 11 1st ex.s. c 61 s 7, & 1981 c 264 s 8;
- 12 (10) RCW 28A.545.110 (Rules to effect purposes and implement 13 provisions) and 1990 c 33 s 495 & 1981 c 264 s 9; and
- 14 (11) RCW 28A.545.120 (New programs or grades--Approval--Rules) and 2010 c 99 s 8 & 2006 c 263 s 325.
- 16 **Sec. 2.** RCW 84.52.0531 and 2010 c 237 s 1 and 2010 c 99 s 11 are each reenacted and amended to read as follows:
 - The maximum dollar amount which may be levied by or for any school district for maintenance and operation support under the provisions of RCW 84.52.053 shall be determined as follows:
- 21 (1) ((For excess levies for collection in calendar year 1997, the 22 maximum dollar amount shall be calculated pursuant to the laws and 23 rules in effect in November 1996.
 - $\frac{(2)}{(2)}$) For excess levies for collection in calendar year $((\frac{1998}{1998}))$ 2012 and thereafter, the maximum dollar amount shall be the sum of (a) plus or minus (b)(($\frac{1}{7}$)) and (c)(($\frac{1}{7}$)) of this subsection minus (($\frac{1}{7}$)) (d) of this subsection:
 - (a) The district's levy base as defined in subsections (2) and (3) ((and (4))) of this section multiplied by the district's maximum levy percentage as defined in subsection ((6)) of this section;
 - (b) ((For districts in a high/nonhigh relationship, the high school district's maximum levy amount shall be reduced and the nonhigh school district's maximum levy amount shall be increased by an amount equal to the estimated amount of the nonhigh payment due to the high school district under RCW 28A.545.030(3) and 28A.545.050 for the school year commencing the year of the levy;

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

- (i) The number of full-time equivalent students served from the resident district in the prior school year; multiplied by:
 - (ii) The serving district's maximum levy percentage determined under subsection $((\frac{6}{}))$ (5) of this section; increased by:
 - (iii) The percent increase per full-time equivalent student as stated in the state basic education appropriation section of the biennial budget between the prior school year and the current school year divided by fifty-five percent;
 - $((\frac{d}{d}))$ (c) The levy bases of nonhigh districts participating in an innovation academy cooperative established under RCW 28A.340.080 shall be adjusted by the office of the superintendent of public instruction to reflect each district's proportional share of student enrollment in the cooperative;
 - $((\frac{e}{e}))$ (d) The district's maximum levy amount shall be reduced by the maximum amount of state matching funds for which the district is eligible under RCW 28A.500.010.
 - $((\frac{(3)}{)})$ (2) For excess levies for collection in calendar year 2005 and thereafter, a district's levy base shall be the sum of allocations in (a) through (c) of this subsection received by the district for the prior school year and the amounts determined under subsection $((\frac{(4)}{(4)}))$ (3) of this section, including allocations for compensation increases, plus the sum of such allocations multiplied by the percent increase per full time equivalent student as stated in the state basic education appropriation section of the biennial budget between the prior school year and the current school year and divided by fifty-five percent. A district's levy base shall not include local school district property tax levies or other local revenues, or state and federal allocations not identified in (a) through (c) of this subsection.
- 36 (a) The district's basic education allocation as determined pursuant to RCW 28A.150.250, 28A.150.260, and 28A.150.350;

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- 1 (b) State and federal categorical allocations for the following 2 programs:
 - (i) Pupil transportation;
 - (ii) Special education;

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- (iii) Education of highly capable students;
- 6 (iv) Compensatory education, including but not limited to learning 7 assistance, migrant education, Indian education, refugee programs, and 8 bilingual education;
 - (v) Food services; and
 - (vi) Statewide block grant programs; and
- 11 (c) Any other federal allocations for elementary and secondary 12 school programs, including direct grants, other than federal impact aid 13 funds and allocations in lieu of taxes.
- $((\frac{4}{}))$ (3) For levy collections in calendar years 2005 through 2017, in addition to the allocations included under subsection $((\frac{3}{}))$ (2)(a) through (c) of this section, a district's levy base shall also include the following:
 - (a)(i) For levy collections in calendar year 2010, the difference between the allocation the district would have received in the current school year had RCW 84.52.068 not been amended by chapter 19, Laws of 2003 1st sp. sess. and the allocation the district received in the current school year pursuant to RCW 28A.505.220;
 - (ii) For levy collections in calendar years 2011 through 2017, the difference between the allocation rate the district would have received in the prior school year using the Initiative 728 rate and the allocation rate the district received in the prior school year pursuant to RCW 28A.505.220 multiplied by the full-time equivalent student enrollment used to calculate the Initiative 728 allocation for the prior school year; and
 - (b) The difference between the allocations the district would have received the prior school year using the Initiative 732 base and the allocations the district actually received the prior school year pursuant to RCW 28A.400.205.
- $((\frac{(5)}{)})$ (4) For levy collections in calendar years 2011 through 2017, in addition to the allocations included under subsections $((\frac{(3)}{)})$ (2) (a) through (c) and $((\frac{(4)}{)})$ (3) (a) and (b) of this section, a district's levy base shall also include the difference between an allocation of fifty-three and two-tenths certificated instructional

staff units per thousand full-time equivalent students in grades 1 2 kindergarten through four enrolled in the prior school year and the allocation of certificated instructional staff units per thousand full-3 4 time equivalent students in grades kindergarten through four that the district actually received in the prior school year, except that the 5 levy base for a school district whose allocation in the 2009-10 school 6 7 less than fifty-three and two-tenths certificated 8 instructional staff units per thousand full-time equivalent students in grades kindergarten through four shall include the difference between 9 the allocation the district actually received in the 2009-10 school 10 year and the allocation the district actually received in the prior 11 12 school year.

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

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- (b) For qualifying districts, in addition to the percentage in (a) of this subsection the grandfathered percentage determined as follows:
- (i) For 1997, the difference between the district's 1993 maximum levy percentage and twenty percent; and
 - (ii) For 2011 through 2017, the percentage calculated as follows:
- (A) Multiply the grandfathered percentage for the prior year times the district's levy base determined under subsection $((\frac{3}{3}))$ of this section;
- (B) Reduce the result of (b)(ii)(A) of this subsection by any levy reduction funds as defined in subsection ((+7)) of this section that are to be allocated to the district for the current school year;
- (C) Divide the result of (b)(ii)(B) of this subsection by the district's levy base; and
- (D) Take the greater of zero or the percentage calculated in (b)(ii)(C) of this subsection.
 - ((+7)) (6) "Levy reduction funds" shall mean increases in state funds from the prior school year for programs included under subsections ((+3)) (2) and (+4) (3) of this section: (a) That are not attributable to enrollment changes, compensation increases, or inflationary adjustments; and (b) that are or were specifically identified as levy reduction funds in the appropriations act. If levy reduction funds are dependent on formula factors which would not be finalized until after the start of the current school year, the

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

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- $((\frac{8}{}))$ The definitions in this subsection apply throughout this section unless the context clearly requires otherwise.
- (a) "Prior school year" means the most recent school year completed prior to the year in which the levies are to be collected.
- 9 (b) "Current school year" means the year immediately following the 10 prior school year.
 - (c) "Initiative 728 rate" means the allocation rate at which the student achievement program would have been funded under chapter 3, Laws of 2001, if all annual adjustments to the initial 2001 allocation rate had been made in previous years and in each subsequent year as provided for under chapter 3, Laws of 2001.
 - (d) "Initiative 732 base" means the prior year's state allocation for annual salary cost-of-living increases for district employees in the state-funded salary base as it would have been calculated under chapter 4, Laws of 2001, if each annual cost-of-living increase allocation had been provided in previous years and in each subsequent year.
- $((\frac{9}{}))$ (8) Funds collected from transportation vehicle fund tax levies shall not be subject to the levy limitations in this section.
 - $((\frac{10}{10}))$ (9) The superintendent of public instruction shall develop rules and inform school districts of the pertinent data necessary to carry out the provisions of this section.
 - (((11))) <u>(10)</u> For calendar year 2009, the office of the superintendent of public instruction shall recalculate school district levy authority to reflect levy rates certified by school districts for calendar year 2009.
- 31 **Sec. 3.** RCW 84.52.0531 and 2010 c 237 s 2 and 2010 c 99 s 11 are each reenacted and amended to read as follows:
- 33 The maximum dollar amount which may be levied by or for any school 34 district for maintenance and operation support under the provisions of 35 RCW 84.52.053 shall be determined as follows:
- 36 (1) ((For excess levies for collection in calendar year 1997, the

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

- $\frac{(2)}{(2)}$) For excess levies for collection in calendar year $((\frac{1998}{2012}))$ and thereafter, the maximum dollar amount shall be the sum of (a) plus or minus $(b)((\frac{1}{7}))$ and $(c)((\frac{1}{7}))$ of this subsection minus $((\frac{1}{7}))$ of this subsection:
- (a) The district's levy base as defined in subsection $((\frac{3}{1}))$ (2) of this section multiplied by the district's maximum levy percentage as defined in subsection $((\frac{4}{1}))$ (3) of this section;
- (b) ((For districts in a high/nonhigh relationship, the high school district's maximum levy amount shall be reduced and the nonhigh school district's maximum levy amount shall be increased by an amount equal to the estimated amount of the nonhigh payment due to the high school district under RCW 28A.545.030(3) and 28A.545.050 for the school year commencing the year of the levy;
- (c) Except for nonhigh districts under (d) of this subsection,)) For districts in an interdistrict cooperative agreement, the nonresident school district's maximum levy amount shall be reduced and the resident school district's maximum levy amount shall be increased by an amount equal to the per pupil basic education allocation included in the nonresident district's levy base under subsection ((3)) of this section multiplied by:
- (i) The number of full-time equivalent students served from the resident district in the prior school year; multiplied by:
- (ii) The serving district's maximum levy percentage determined under subsection $((\frac{4}{}))$ of this section; increased by:
- (iii) The percent increase per full-time equivalent student as stated in the state basic education appropriation section of the biennial budget between the prior school year and the current school year divided by fifty-five percent;
- $((\frac{d}{d}))$ (c) The levy bases of nonhigh districts participating in an innovation academy cooperative established under RCW 28A.340.080 shall be adjusted by the office of the superintendent of public instruction to reflect each district's proportional share of student enrollment in the cooperative;
- $((\frac{(e)}{(e)}))$ (d) The district's maximum levy amount shall be reduced by the maximum amount of state matching funds for which the district is eligible under RCW 28A.500.010.

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- (((3))) (2) For excess levies for collection in calendar year 1998 1 2 and thereafter, a district's levy base shall be the sum of allocations in (a) ((through (c))) and (b) of this subsection received by the 3 4 district for the prior school year, including allocations for 5 compensation increases, plus the sum of such allocations multiplied by the percent increase per full time equivalent student as stated in the 6 7 state basic education appropriation section of the biennial budget 8 between the prior school year and the current school year and divided by fifty-five percent. A district's levy base shall not include local 9 10 school district property tax levies or other local revenues, or state and federal allocations not identified in (a) ((through (c))) and (b) 11 12 of this subsection.
- 13 (a) The district's basic education allocation as determined 14 pursuant to RCW 28A.150.250, 28A.150.260, and 28A.150.350;
- 15 (b) State and federal categorical allocations for the following 16 programs:
 - (i) Pupil transportation;
 - (ii) Special education;

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- (iii) Education of highly capable students;
- (iv) Compensatory education, including but not limited to learning assistance, migrant education, Indian education, refugee programs, and bilingual education;
 - (v) Food services; and
 - (vi) Statewide block grant programs; and
 - (c) Any other federal allocations for elementary and secondary school programs, including direct grants, other than federal impact aid funds and allocations in lieu of taxes.
 - $((\frac{4}{1}))$ $\underline{(3)}(a)$ A district's maximum levy percentage shall be twenty-four percent in 2010 and twenty-eight percent in 2011 through 2017 and twenty-four percent every year thereafter;
- 31 (b) For qualifying districts, in addition to the percentage in (a) 32 of this subsection the grandfathered percentage determined as follows:
- 33 (i) For 1997, the difference between the district's 1993 maximum levy percentage and twenty percent; ((and))
 - (ii) For 2011 through 2017, the percentage calculated as follows:
- 36 (A) Multiply the grandfathered percentage for the prior year times 37 the district's levy base determined under subsection $((\frac{3}{2}))$ of this section;

(B) Reduce the result of (b)(ii)(A) of this subsection by any levy reduction funds as defined in subsection ((+5))) (4) of this section that are to be allocated to the district for the current school year;

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- (C) Divide the result of (b)(ii)(B) of this subsection by the district's levy base; and
- (D) Take the greater of zero or the percentage calculated in (b)(ii)(C) of this subsection;
- 8 (iii) For 2018 and thereafter, the percentage shall be calculated 9 as follows:
- 10 (A) Multiply the grandfathered percentage for the prior year times 11 the district's levy base determined under subsection $((\frac{3}{2}))$ of 12 this section;
 - (B) Reduce the result of (b)(iii)(A) of this subsection by any levy reduction funds as defined in subsection ((+5))) (4) of this section that are to be allocated to the district for the current school year;
- 16 (C) Divide the result of (b)(iii)(B) of this subsection by the 17 district's levy base; and
 - (D) Take the greater of zero or the percentage calculated in (b)(iii)(C) of this subsection.
 - (((5))) (4) "Levy reduction funds" shall mean increases in state funds from the prior school year for programs included under subsection $((\frac{3}{3}))$ (2) of this section: (a) That are not attributable to increases, or changes, compensation enrollment inflationary adjustments; and (b) that are or were specifically identified as levy reduction funds in the appropriations act. If levy reduction funds are dependent on formula factors which would not be finalized until after the start of the current school year, the superintendent of public instruction shall estimate the total amount of levy reduction funds by using prior school year data in place of current school year data. Levy reduction funds shall not include moneys received by school districts from cities or counties.
 - ((+6))) (5) For the purposes of this section, "prior school year" means the most recent school year completed prior to the year in which the levies are to be collected.
- $((\frac{7}{}))$ (6) For the purposes of this section, "current school year" means the year immediately following the prior school year.
- $((\frac{(8)}{(8)}))$ (7) Funds collected from transportation vehicle fund tax levies shall not be subject to the levy limitations in this section.

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- 1 (((9))) <u>(8)</u> The superintendent of public instruction shall develop 2 rules ((and regulations)) and inform school districts of the pertinent 3 data necessary to carry out the provisions of this section.
- 4 <u>NEW SECTION.</u> **Sec. 4.** Section 1 of this act takes effect August 1, 5 2012.
- 6 <u>NEW SECTION.</u> **Sec. 5.** Section 2 of this act takes effect January 7 1, 2013.
- 8 <u>NEW SECTION.</u> **Sec. 6.** Section 3 of this act takes effect January 9 1, 2018.
- NEW SECTION. Sec. 7. Section 2 of this act expires January 1, 2018.

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