
SENATE BILL 6858

State of Washington

61st Legislature

2010 Regular Session

By Senators Zarelli, Pflug, King, Hewitt, Stevens, Delvin, Schoesler, and Parlette

Read first time 02/17/10. Referred to Committee on Early Learning & K-12 Education.

1 AN ACT Relating to carrying out the state's paramount duty by
2 providing ample, stable, and dependable funding for basic education by
3 shifting a portion of school funding from local levies to the state
4 property tax levy; amending RCW 28A.160.192, 28A.150.260, 84.52.0531,
5 and 84.52.0531; amending 2006 c 119 s 3 (uncodified); amending 2009 c
6 4 s 909 (uncodified); adding a new section to chapter 28A.160 RCW;
7 adding a new section to chapter 84.52 RCW; adding a new section to
8 chapter 28A.150 RCW; creating a new section; repealing 2009 c 548 s 805
9 (uncodified); providing effective dates; and providing expiration
10 dates.

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

12 NEW SECTION. **Sec. 1.** The legislature finds that the system of
13 financing K-12 public schools could be made more equitable by enhancing
14 basic education and making school districts less reliant on local levy
15 funding. The purpose of this act is to remedy the situation by
16 removing transportation and school district maintenance, supplies, and
17 operation costs that have been financed with local levy dollars and
18 replacing them with state dollars. Given the changes in the
19 educational system since the basic education act was enacted, these

1 items should be enhanced to meet the state obligation to amply fund
2 what it determines to be a basic education. By financing these items
3 through predictable state support, the state intends to fulfill its
4 constitutional obligation for a general and uniform system of education
5 and ensure that state basic education is financed by taxpayers across
6 the state on an equitable level, rather than the disparate burden
7 imposed at the local level. This act is the latest effort by the
8 legislature to constantly review and evaluate whether its definition of
9 basic education and the associated finance system is providing the
10 structure for equal educational opportunity for students.

11 **Sec. 2.** RCW 28A.160.192 and 2009 c 548 s 311 are each amended to
12 read as follows:

13 ~~((1))~~ The superintendent of public instruction shall ~~((phase in~~
14 ~~the implementation of))~~ implement the distribution formula under this
15 chapter for allocating state funds to school districts for the
16 transportation of students to and from school ~~((The phase in shall be~~
17 ~~according to the implementation schedule adopted by the legislature and~~
18 ~~shall begin no later than the 2013-14))~~ beginning in the 2011-12 school
19 year.

20 ~~((a))~~ (1) The formula must be developed and revised on an ongoing
21 basis using the major cost factors in student transportation, including
22 basic and special student loads, school district land area, average
23 distance to school, roadway miles, and number of locations served.
24 Factors must include all those site characteristics that are
25 statistically significant after analysis of the data required by the
26 revised reporting process.

27 ~~((b))~~ (2) The formula must allocate funds to school districts
28 based on the average predicted costs of transporting students to and
29 from school, using a regression analysis.

30 ~~((2) During the phase in period, funding provided to school~~
31 ~~districts for student transportation operations shall be distributed on~~
32 ~~the following basis:~~

33 ~~(a) Annually, each school district shall receive the lesser of the~~
34 ~~previous school year's pupil transportation operations allocation, or~~
35 ~~the total of allowable pupil transportation expenditures identified on~~
36 ~~the previous school year's final expenditure report to the state plus~~

1 ~~district indirect expenses using the state recovery rate identified by~~
2 ~~the superintendent; and~~

3 ~~(b) Annually, any funds appropriated by the legislature in excess~~
4 ~~of the maintenance level funding amount for student transportation~~
5 ~~shall be distributed among school districts on a prorated basis using~~
6 ~~the difference between the amount identified in (a) of this subsection~~
7 ~~and the amount determined under the formula in RCW 28A.160.180.~~

8 ~~(3) The superintendent shall develop, implement, and provide a copy~~
9 ~~of the rules specifying the student transportation reporting~~
10 ~~requirements to the legislature and school districts no later than~~
11 ~~December 1, 2009.~~

12 ~~(4) Beginning in December 2009, and continuing until December 2014,~~
13 ~~the superintendent shall provide quarterly updates and progress reports~~
14 ~~to the fiscal committees of the legislature on the implementation and~~
15 ~~testing of the distribution formula.))~~

16 NEW SECTION. **Sec. 3.** A new section is added to chapter 28A.160
17 RCW to read as follows:

18 (1) The superintendent of public instruction shall develop,
19 implement, and provide a copy of the rules specifying the student
20 transportation reporting requirements to the legislature and school
21 districts no later than December 1, 2010.

22 (2) Beginning in December 2010, and continuing until December 2014,
23 the superintendent shall provide quarterly updates and progress reports
24 to the fiscal committees of the legislature on the implementation and
25 testing of the distribution formula.

26 (3) This section expires June 30, 2015.

27 **Sec. 4.** RCW 28A.150.260 and 2009 c 548 s 106 are each amended to
28 read as follows:

29 The purpose of this section is to provide for the allocation of
30 state funding that the legislature deems necessary to support school
31 districts in offering the minimum instructional program of basic
32 education under RCW 28A.150.220. The allocation shall be determined as
33 follows:

34 (1) The governor shall and the superintendent of public instruction
35 may recommend to the legislature a formula for the distribution of a

1 basic education instructional allocation for each common school
2 district.

3 (2) The distribution formula under this section shall be for
4 allocation purposes only. Except as may be required under chapter
5 28A.165, 28A.180, or 28A.155 RCW, or federal laws and regulations,
6 nothing in this section requires school districts to use basic
7 education instructional funds to implement a particular instructional
8 approach or service. Nothing in this section requires school districts
9 to maintain a particular classroom teacher-to-student ratio or other
10 staff-to-student ratio or to use allocated funds to pay for particular
11 types or classifications of staff. Nothing in this section entitles an
12 individual teacher to a particular teacher planning period.

13 (3)(a) To the extent the technical details of the formula have been
14 adopted by the legislature, the distribution formula for the basic
15 education instructional allocation shall be based on minimum staffing
16 and nonstaff costs the legislature deems necessary to support
17 instruction and operations in prototypical schools serving high,
18 middle, and elementary school students as provided in this section.
19 The use of prototypical schools for the distribution formula does not
20 constitute legislative intent that schools should be operated or
21 structured in a similar fashion as the prototypes. Prototypical
22 schools illustrate the level of resources needed to operate a school of
23 a particular size with particular types and grade levels of students
24 using commonly understood terms and inputs, such as class size, hours
25 of instruction, and various categories of school staff. It is the
26 intent that the funding allocations to school districts be adjusted
27 from the school prototypes based on the actual number of annual average
28 full-time equivalent students in each grade level at each school in the
29 district and not based on the grade-level configuration of the school
30 to the extent that data is available. The allocations shall be further
31 adjusted from the school prototypes with minimum allocations for small
32 schools and to reflect other factors identified in the omnibus
33 appropriations act.

34 (b) For the purposes of this section, prototypical schools are
35 defined as follows:

36 (i) A prototypical high school has six hundred average annual full-
37 time equivalent students in grades nine through twelve;

1 (ii) A prototypical middle school has four hundred thirty-two
2 average annual full-time equivalent students in grades seven and eight;
3 and

4 (iii) A prototypical elementary school has four hundred average
5 annual full-time equivalent students in grades kindergarten through
6 six.

7 (c) The minimum allocation for each level of prototypical school
8 shall be based on the number of full-time equivalent classroom teachers
9 needed to provide instruction over the minimum required annual
10 instructional hours under RCW 28A.150.220 and provide at least one
11 teacher planning period per school day, and based on an average class
12 size as specified in the omnibus appropriations act. The omnibus
13 appropriations act shall at a minimum specify:

14 (i) Basic average class size;

15 (ii) Basic average class size in schools where more than fifty
16 percent of the students are eligible for free and reduced-price meals;

17 (iii) Average class size for exploratory and preparatory career and
18 technical education, laboratory science, advanced placement, and
19 international baccalaureate courses; and

20 (iv) Average class size in grades kindergarten through three.

21 (d) The minimum allocation for each level of prototypical school
22 shall include allocations for the following types of staff in addition
23 to classroom teachers:

24 (i) Principals, including assistant principals, and other
25 certificated building-level administrators;

26 (ii) Teacher librarians, performing functions including information
27 literacy, technology, and media to support school library media
28 programs;

29 (iii) Student health services, a function that includes school
30 nurses, whether certificated instructional or classified employee, and
31 social workers;

32 (iv) Guidance counselors, performing functions including parent
33 outreach and graduation advisor;

34 (v) Professional development coaches;

35 (vi) Teaching assistance, which includes any aspect of educational
36 instructional services provided by classified employees;

37 (vii) Office support, technology support, and other
38 noninstructional aides;

1 (viii) Custodians, warehouse, maintenance, laborer, and
2 professional and technical education support employees; and

3 (ix) Classified staff providing student and staff safety.

4 (4)(a) The minimum allocation for each school district shall
5 include allocations per annual average full-time equivalent student for
6 the following materials, supplies, and operating costs(~~(i) Student
7 technology; utilities; curriculum, textbooks, library materials, and
8 instructional supplies; instructional professional development for both
9 certificated and classified staff; other building level costs including
10 maintenance, custodial, and security; and central office
11 administration.~~)), which beginning in the 2011-12 school year shall be
12 as follows:

13 (i) Technology \$113.80

14 (ii) Utilities and insurance \$309.21

15 (iii) Curriculum and textbooks \$122.17

16 (iv) Other supplies and library materials \$259.39

17 (v) Instructional professional development for both
18 certificated and classified staff \$18.89

19 (vi) Facilities maintenance \$153.18

20 (vii) Security and central office administration \$106.12

21 (b) Beginning in the 2012-13 school year, the allocations
22 identified in (a) of this subsection shall be adjusted annually for
23 inflation as specified in the omnibus appropriations act.

24 (c) The annual average full-time equivalent student amounts in (a)
25 of this subsection shall be enhanced based on full-time equivalent
26 student enrollment in exploratory career and technical education
27 courses for students in grades seven through twelve; laboratory science
28 courses for students in grades nine through twelve; preparatory career
29 and technical education courses for students in grades nine through
30 twelve offered in a high school; and preparatory career and technical
31 education courses for students in grades eleven and twelve offered
32 through a skill center.

33 (5) The allocations provided under subsections (3) and (4) of this
34 section shall be enhanced as follows to provide additional allocations
35 for classroom teachers and maintenance, supplies, and operating costs:

36 (a) To provide supplemental instruction and services for
37 underachieving students through the learning assistance program under
38 RCW 28A.165.005 through 28A.165.065, allocations shall be based on the

1 percent of students in each school who are eligible for free and
2 reduced-price meals. The minimum allocation for the learning
3 assistance program shall provide an extended school day and extended
4 school year for each level of prototypical school and a per student
5 allocation for maintenance, supplies, and operating costs.

6 (b) To provide supplemental instruction and services for students
7 whose primary language is other than English, allocations shall be
8 based on the number of students in each school who are eligible for and
9 enrolled in the transitional bilingual instruction program under RCW
10 28A.180.010 through 28A.180.080. The minimum allocation for each level
11 of prototypical school shall provide for supplemental instruction based
12 on percent of the school day a student is assumed to receive
13 supplemental instruction and a per student allocation for maintenance,
14 supplies, and operating costs.

15 (6) The allocations provided under subsections (3) and (4) of this
16 section shall be enhanced to provide additional allocations to support
17 programs for highly capable students under RCW 28A.185.010 through
18 28A.185.030, based on two and three hundred fourteen one-thousandths
19 percent of each school district's full-time equivalent enrollment. The
20 minimum allocation for the programs shall provide an extended school
21 day and extended school year for each level of prototypical school and
22 a per student allocation for maintenance, supplies, and operating
23 costs.

24 (7) The allocations under subsections (3)(b), (c)(i), and (d), (4),
25 and (8) of this section shall be enhanced as provided under RCW
26 28A.150.390 on an excess cost basis to provide supplemental
27 instructional resources for students with disabilities.

28 (8) The distribution formula shall include allocations to school
29 districts to support certificated and classified staffing of central
30 office administration. The minimum allocation shall be calculated as
31 a percentage, identified in the omnibus appropriations act, of the
32 total allocations for staff under subsections (3) and (6) of this
33 section for all schools in the district.

34 (9)(a) For the purposes of allocations for prototypical high
35 schools and middle schools under subsections (3) and (5) of this
36 section that are based on the percent of students in the school who are
37 eligible for free and reduced-price meals, the actual percent of such

1 students in a school shall be adjusted by a factor identified in the
2 omnibus appropriations act to reflect underreporting of free and
3 reduced-price meal eligibility among middle and high school students.

4 (b) Allocations or enhancements provided under subsections (3) and
5 (4) of this section for exploratory and preparatory career and
6 technical education courses shall be provided only for courses approved
7 by the office of the superintendent of public instruction under chapter
8 28A.700 RCW.

9 (10)(a) This formula for distribution of basic education funds
10 shall be reviewed biennially by the superintendent and governor. The
11 recommended formula shall be subject to approval, amendment or
12 rejection by the legislature.

13 (b) In the event the legislature rejects the distribution formula
14 recommended by the governor, without adopting a new distribution
15 formula, the distribution formula for the previous school year shall
16 remain in effect.

17 (c) The enrollment of any district shall be the annual average
18 number of full-time equivalent students and part-time students as
19 provided in RCW 28A.150.350, enrolled on the first school day of each
20 month, including students who are in attendance pursuant to RCW
21 28A.335.160 and 28A.225.250 who do not reside within the servicing
22 school district. The definition of full-time equivalent student shall
23 be determined by rules of the superintendent of public instruction and
24 shall be included as part of the superintendent's biennial budget
25 request. The definition shall be based on the minimum instructional
26 hour offerings required under RCW 28A.150.220. Any revision of the
27 present definition shall not take effect until approved by the house
28 ways and means committee and the senate ways and means committee.

29 (d) The office of financial management shall make a monthly review
30 of the superintendent's reported full-time equivalent students in the
31 common schools in conjunction with RCW 43.62.050.

32 **Sec. 5.** RCW 84.52.0531 and 2009 c 4 s 908 are each amended to read
33 as follows:

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

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

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

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

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

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

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

24 (ii) The serving district's maximum levy percentage determined
25 under subsection (~~(+5)~~) (6) of this section; increased by:

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

30 (d) 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 subsections (4) and
37 (5) of this section, including allocations for compensation increases,
38 plus the sum of such allocations multiplied by the percent increase per

1 full 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 ~~((2011))~~
23 2017, in addition to the allocations included under subsection (3)(a)
24 through (c) of this section, a district's levy base shall also include
25 the following:

26 (a) The difference between the allocation rate the district would
27 have received in the ~~((current))~~ prior school year ~~((had RCW 84.52.068~~
28 ~~not been amended by chapter 19, Laws of 2003 1st sp. sess.))~~ using the
29 Initiative 728 base and the allocation rate the district received in
30 the ~~((current))~~ prior school year pursuant to RCW ~~((84.52.068. The~~
31 ~~office of the superintendent of public instruction shall offset the~~
32 ~~amount added to a district's levy base pursuant to this subsection~~
33 ~~(4)(a) by any additional per student allocations included in a~~
34 ~~district's levy base pursuant to the enactment of an initiative to the~~
35 ~~people subsequent to June 10, 2004))~~ 28A.505.220 multiplied by the
36 full-time equivalent student enrollment used to calculate the
37 Initiative 728 allocation for the prior school year; and

1 (b) The difference between the allocations the district would have
2 received the prior school year (~~(had RCW 28A.400.205 not been amended~~
3 ~~by chapter 20, Laws of 2003 1st sp. sess.)~~) using the Initiative 732
4 base and the allocations the district actually received the prior
5 school year pursuant to RCW 28A.400.205. (~~(The office of the~~
6 ~~superintendent of public instruction shall offset the amount added to~~
7 ~~a district's levy base pursuant to this subsection (4)(b) by any~~
8 ~~additional salary increase allocations included in a district's levy~~
9 ~~base pursuant to the enactment of an initiative to the people~~
10 ~~subsequent to June 10, 2004.)~~)

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

27 (6) A district's maximum levy percentage shall be (~~(twenty-two~~
28 ~~percent in 1998 and twenty-four percent in 1999)~~) twelve percent in
29 2011 and every year thereafter; plus, for qualifying districts, the
30 grandfathered percentage determined as follows:

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

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

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

37 (ii) Reduce the result of (b)(i) of this subsection by any levy

1 reduction funds as defined in subsection ~~((+6+))~~ (7) of this section
2 that are to be allocated to the district for the current school year;

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

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

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

19 ~~((+7) For the purposes of this section,)~~ (8) The definitions in
20 this subsection apply throughout this section unless the context
21 clearly requires otherwise.

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

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

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

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

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

1 (10) The superintendent of public instruction shall develop rules
2 ((and regulations)) and inform school districts of the pertinent data
3 necessary to carry out the provisions of this section.

4 (11) For calendar year 2009, the office of the superintendent of
5 public instruction shall recalculate school district levy authority to
6 reflect levy rates certified by school districts for calendar year
7 2009.

8 **Sec. 6.** RCW 84.52.0531 and 1997 c 259 s 2 are each amended to read
9 as follows:

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

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

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

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

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

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

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

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

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

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

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

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

21 (b) State and federal categorical allocations for the following
22 programs:

23 (i) Pupil transportation;

24 (ii) Special education;

25 (iii) Education of highly capable students;

26 (iv) Compensatory education, including but not limited to learning
27 assistance, migrant education, Indian education, refugee programs, and
28 bilingual education;

29 (v) Food services; and

30 (vi) Statewide block grant programs; and

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

34 (4) A district's maximum levy percentage shall be (~~twenty-two~~
35 ~~percent in 1998 and twenty-four percent in 1999~~) twelve percent in
36 2011 and every year thereafter; plus, for qualifying districts, the
37 grandfathered percentage determined as follows:

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

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

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

7 (ii) Reduce the result of (b)(i) of this subsection by any levy
8 reduction funds as defined in subsection (5) of this section that are
9 to be allocated to the district for the current school year;

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

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

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

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

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

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

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

36 NEW SECTION. **Sec. 7.** A new section is added to chapter 84.52 RCW
37 to read as follows:

1 For taxes levied for collection in 2011, the state must levy for
2 collection an additional levy rate of eighty-eight cents per thousand
3 dollars of assessed value upon the assessed valuation of all taxable
4 property within the state above the levy amount that would otherwise be
5 allowed under this chapter adjusted to the state equalized value in
6 accordance with the indicated ratio fixed by the department for the
7 support of common schools. After a levy authorized pursuant to this
8 section is made, the dollar amount of such levy must be used for the
9 purpose of computing the limitations in RCW 84.55.0101 for taxes levied
10 for collection under RCW 84.52.065 in calendar year 2012 and
11 thereafter.

12 As used in this section, "the support of common schools" has the
13 same definition as used in RCW 84.52.065.

14 NEW SECTION. **Sec. 8.** A new section is added to chapter 28A.150
15 RCW to read as follows:

16 For school year 2011-12 and thereafter, the legislature shall
17 appropriate funds for distribution to school districts to ensure that
18 no school district receives total revenue that, as a result of chapter
19 . . . , Laws of 2010 (this act), is less than the total revenue from the
20 following sources received by the school district in school year 2010-
21 11:

- 22 (1) Levies imposed under RCW 84.52.0531;
- 23 (2) State matching funds under RCW 28A.500.010;
- 24 (3) State funds for transportation under RCW 28A.160.192; and
- 25 (4) State funds for materials, supplies, and operating costs under
26 RCW 28A.150.260.

27 **Sec. 9.** 2006 c 119 s 3 (uncodified) is amended to read as follows:
28 This act expires January 1, (~~2012~~) 2017.

29 **Sec. 10.** 2009 c 4 s 909 (uncodified) is amended to read as
30 follows:

31 Section 908 of this act expires January 1, (~~2012~~) 2017.

32 NEW SECTION. **Sec. 11.** Section 5 of this act expires January 1,
33 2017.

1 NEW SECTION. **Sec. 12.** Section 6 of this act takes effect January
2 1, 2017.

3 NEW SECTION. **Sec. 13.** Section 4 of this act takes effect
4 September 1, 2011.

5 NEW SECTION. **Sec. 14.** 2009 c 548 s 805 (uncodified) is repealed.

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