

1 5835 AMS BAUE DB 1

2 **SB 5835** - S AMD - 041  
3 By Senator Bauer

4 NOT ADOPTED ROLL CALL VOTE 22-27; 2/21/97

5 On page 34, line 29 after section.- insert the following:

6 NEW SECTION. **Sec. 302.** It is the intent of the legislature to  
7 reduce the uncertainties and disparities inherent in substantial  
8 reliance on local levy funding for support of public education. It is  
9 further the intent of the legislature to reduce the burden on local  
10 property taxes caused by excessive reliance on local school levy  
11 funding. The purposes of this act are to reduce local property taxes,  
12 to limit the authorization for local school levy support of the common  
13 schools, and to provide for additional state funding equivalent to ten  
14 percent of local levy authority.

15 NEW SECTION. **Sec. 303.** A new section is added to chapter 28A.500  
16 RCW to read as follows:

17 The legislature shall provide to each school district levy  
18 authority replacement moneys in an amount equal to the levy authority  
19 percentage reductions under RCW 84.52.0531(5).

20 NEW SECTION. **Sec. 304.** A new section is added to chapter 84.52  
21 RCW to read as follows:

22 School levies authorized by this chapter shall be used for program  
23 enrichment purposes and may not be considered any part of the state's  
24 basic education obligation. Levy funds may be expended for basic  
25 education programs and such expenditures constitute enrichment of such  
26 programs.

27 **Sec. 305.** RCW 84.52.0531 and 1995 1st sp.s. c 11 s 1 are each  
28 amended to read as follows:

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

1 (1) For excess levies for collection in calendar year 1992, the  
2 maximum dollar amount shall be calculated pursuant to the laws and  
3 rules in effect in November 1991.

4 (2) For the purpose of this section, the basic education allocation  
5 shall be determined pursuant to RCW 28A.150.250, 28A.150.260, and  
6 28A.150.350: PROVIDED, That when determining the basic education  
7 allocation under subsection (4) of this section, nonresident full time  
8 equivalent pupils who are participating in a program provided for in  
9 chapter 28A.545 RCW or in any other program pursuant to an  
10 interdistrict agreement shall be included in the enrollment of the  
11 resident district and excluded from the enrollment of the serving  
12 district.

13 (3) For excess levies for collection in calendar year 1993 and  
14 thereafter, the maximum dollar amount shall be the sum of (a) and (b)  
15 of this subsection minus (c) of this subsection:

16 (a) The district's levy base as defined in subsection (4) of this  
17 section multiplied by the district's maximum levy percentage as defined  
18 in subsection (5) of this section;

19 (b) In the case of nonhigh school districts only, an amount equal  
20 to the total estimated amount due by the nonhigh school district to  
21 high school districts pursuant to chapter 28A.545 RCW for the school  
22 year during which collection of the levy is to commence, less the  
23 increase in the nonhigh school district's basic education allocation as  
24 computed pursuant to subsection (1) of this section due to the  
25 inclusion of pupils participating in a program provided for in chapter  
26 28A.545 RCW in such computation;

27 (c) The maximum amount of state matching funds under RCW  
28 28A.500.010 for which the district is eligible in that tax collection  
29 year.

30 (4) For excess levies for collection in calendar year 1993 and  
31 thereafter, a district's levy base shall be the sum of allocations in  
32 (a) through (c) of this subsection received by the district for the  
33 prior school year, including allocations for compensation increases,  
34 plus the sum of such allocations multiplied by the percent increase per  
35 full time equivalent student as stated in the state basic education  
36 appropriation section of the biennial budget between the prior school  
37 year and the current school year and divided by fifty-five percent. A

1 district's levy base shall not include local school district property  
2 tax levies or other local revenues, or state and federal allocations  
3 not identified in (a) through (c) of this subsection.

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

6 (b) State and federal categorical allocations for the following  
7 programs:

8 (i) Pupil transportation;

9 (ii) Handicapped education;

10 (iii) Education of highly capable students;

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

14 (v) Food services; and

15 (vi) State-wide block grant programs; and

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

19 (5) For excess levies for collection in calendar year (~~(1993)~~) 1998  
20 and thereafter, a district's maximum levy percentage shall be  
21 determined as follows:

22 (a) Multiply the district's maximum levy percentage for the prior  
23 year by the district's levy base as determined in subsection (4) of  
24 this section, less:

25 (i) For levies collected in 1998, 4.7187 percent;

26 (b) Reduce the amount in (a) of this subsection by the total  
27 estimated amount of any levy reduction funds as defined in subsection  
28 (6) of this section which are to be allocated to the district for the  
29 current school year;

30 (c) Divide the amount in (b) of this subsection by the district's  
31 levy base to compute a new percentage;

32 (d) The percentage in (c) of this subsection or twenty percent,  
33 whichever is greater, shall be the district's maximum levy percentage  
34 for levies collected in that calendar year; and

35 (e) For levies to be collected in calendar years 1994 (~~(through~~  
36 ~~1997)~~) and thereafter, the maximum levy rate shall be the district's  
37 maximum levy percentage for 1993 plus four percent reduced by any levy

1 reduction funds. ((For levies collected in 1998, the prior year shall  
2 mean 1993.))

3 (6) "Levy reduction funds" shall mean increases in state funds from  
4 the prior school year for programs included under subsection (4) of  
5 this section: (a) That are not attributable to enrollment changes,  
6 compensation increases, or inflationary adjustments; and (b) that are  
7 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 (7) For the purposes of this section, "prior school year" shall  
16 mean the most recent school year completed prior to the year in which  
17 the levies are to be collected.

18 (8) For the purposes of this section, "current school year" shall  
19 mean the year immediately following the prior school year.

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

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

25 **Sec. 306.** RCW 43.135.025 and 1994 c 2 s 2 are each amended to read  
26 as follows:

27 (1) The state shall not expend from the general fund during any  
28 fiscal year state moneys in excess of the state expenditure limit  
29 established under this chapter.

30 (2) Except pursuant to a declaration of emergency under RCW  
31 43.135.035 or pursuant to an appropriation under RCW 43.135.045(4)(b),  
32 the state treasurer shall not issue or redeem any check, warrant, or  
33 voucher that will result in a state general fund expenditure for any  
34 fiscal year in excess of the state expenditure limit established under  
35 this chapter. A violation of this subsection constitutes a violation

1 of RCW 43.88.290 and shall subject the state treasurer to the penalties  
2 provided in RCW 43.88.300.

3 (3) The state expenditure limit for any fiscal year shall be the  
4 previous fiscal year's state expenditure limit increased by a  
5 percentage rate that equals the fiscal growth factor.

6 (4) For purposes of computing the state expenditure limit for the  
7 fiscal year beginning July 1, 1995, the phrase "the previous fiscal  
8 year's state expenditure limit" means the total state expenditures from  
9 the state general fund, not including federal funds, for the fiscal  
10 year beginning July 1, 1989, plus the fiscal growth factor. This  
11 calculation is then computed for the state expenditure limit for fiscal  
12 years 1992, 1993, 1994, and 1995, and as required under RCW  
13 43.135.035(4).

14 (5) Each November, the office of financial management shall adjust  
15 the expenditure limit for the preceding fiscal year based on actual  
16 expenditures and known changes in the fiscal growth factor and then  
17 project an expenditure limit for the next two fiscal years. The office  
18 of financial management shall notify the legislative fiscal committees  
19 of all adjustments to the state expenditure limit and projections of  
20 future expenditure limits.

21 (6) This section does not apply to expenditures for levy authority  
22 replacement moneys under section 303 of this act.

23 (7) "Fiscal growth factor" means the average of the sum of  
24 inflation and population change for each of the prior three fiscal  
25 years.

26 ~~((7))~~ (8) "Inflation" means the percentage change in the implicit  
27 price deflator for the United States for each fiscal year as published  
28 by the federal bureau of labor statistics.

29 ~~((8))~~ (9) "Population change" means the percentage change in  
30 state population for each fiscal year as reported by the office of  
31 financial management.

32 NEW SECTION. Sec. 307. Sections 302 through 306 of this act  
33 applies to special levies collected in calendar year 1998 and  
34 thereafter.-

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4 On page 1, line 8 of the title after 84.08.115,- strike and  
5 84.55.120;" and insert 84.55.120, 84.52.0531, and 43.135.025; adding  
6 a new section to chapter 28A.500 RCW; adding a new section to chapter  
7 84.52 RCW"

8 --- END ---