
SENATE BILL 5313

State of Washington

66th Legislature

2019 Regular Session

By Senator Wellman; by request of Office of Financial Management

1 AN ACT Relating to school levies; and amending RCW 28A.500.015
2 and 84.52.0531.

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

4 **Sec. 1.** RCW 28A.500.015 and 2018 c 266 s 303 are each amended to
5 read as follows:

6 (1) Beginning in calendar year ((2019)) 2020 and each calendar
7 year thereafter, the state must provide state local effort assistance
8 funding to supplement school district enrichment levies as provided
9 in this section.

10 (2) ~~((For an eligible school district, annual local effort~~
11 ~~assistance funding is equal to the school district's maximum local~~
12 ~~effort assistance multiplied by a fraction equal to the school~~
13 ~~district's actual enrichment levy divided by the school district's~~
14 ~~maximum allowable enrichment levy)) Allocation of state matching
15 funds to eligible school districts for local effort assistance shall
16 be determined as follows:~~

17 (a) Funds raised by the school district through enrichment levies
18 shall be matched with state funds using the following ratio of state
19 funds to levy funds: The difference between the school district's
20 fourteen percent levy rate and the statewide average fourteen percent
21 levy rate; to the statewide average fourteen percent levy rate.

1 (b) The maximum amounts of state matching funds for school
2 districts eligible for local effort assistance shall be the school
3 district's fourteen percent levy amount, multiplied by the following
4 percentage: The difference between the school district's fourteen
5 percent levy rate and the statewide average fourteen percent levy
6 rate; divided by the school district's fourteen percent levy rate.

7 (c) Allocations and maximum eligibility under this chapter shall
8 be fully funded at one hundred percent and shall not be reduced.

9 (3) The state local effort assistance funding provided under this
10 section is not part of the state's program of basic education deemed
11 by the legislature to comply with the requirements of Article IX,
12 section 1 of the state Constitution.

13 (4) The definitions in this subsection apply throughout this
14 section unless the context clearly requires otherwise.

15 ~~(a) ("Eligible school district" means a school district whose~~
16 ~~maximum allowable enrichment levy divided by the school district's~~
17 ~~total student enrollment in the prior school year is less than the~~
18 ~~state local effort assistance threshold.~~

19 ~~(b) For the purpose of this section, "inflation" means, for any~~
20 ~~school year, the rate of the yearly increase of the previous calendar~~
21 ~~year's annual average consumer price index for all urban consumers,~~
22 ~~Seattle area, using the official current base compiled by the bureau~~
23 ~~of labor statistics, United States department of labor.~~

24 ~~(c) "Maximum allowable enrichment levy" means the maximum levy~~
25 ~~permitted by RCW 84.52.0531.~~

26 ~~(d) "Maximum local effort assistance" means the difference~~
27 ~~between the following:~~

28 ~~(i) The school district's actual prior school year enrollment~~
29 ~~multiplied by the state local effort assistance threshold; and~~

30 ~~(ii) The school district's maximum allowable enrichment levy.~~

31 ~~(e) "Prior school year" means the most recent school year~~
32 ~~completed prior to the year in which the state local effort~~
33 ~~assistance funding is to be distributed.~~

34 ~~(f) "State local effort assistance threshold" means one thousand~~
35 ~~five hundred dollars per student, increased for inflation beginning~~
36 ~~in calendar year 2020.~~

37 ~~(g) "Student enrollment" means the average annual full-time~~
38 ~~equivalent student enrollment.~~

39 ~~(5) For districts in a high/nonhigh relationship, the enrollments~~
40 ~~of the nonhigh students attending the high school shall only be~~

1 counted by the nonhigh school districts for purposes of funding under
2 this section.

3 ~~(6) For school districts participating in an innovation academy~~
4 ~~cooperative established under RCW 28A.340.080, enrollments of~~
5 ~~students attending the academy shall be adjusted so that each~~
6 ~~participant district receives its proportional share of student~~
7 ~~enrollments for purposes of funding under this section))~~ "Prior tax
8 collection year" means the year immediately preceding the year in
9 which the local effort assistance shall be allocated.

10 (b) "School districts eligible for local effort assistance" means
11 those school districts with a fourteen percent levy rate that exceeds
12 the statewide average fourteen percent levy rate.

13 (c) "School district's fourteen percent levy amount" means the
14 school district's maximum levy authority after transfers determined
15 under RCW 84.52.0531(1)(a) through (c) divided by the school
16 district's maximum levy percentage determined under RCW 84.52.0531(3)
17 multiplied by fourteen percent.

18 (d) "School district's fourteen percent levy rate" means the
19 school district's fourteen percent levy amount divided by the school
20 district's assessed valuation for excess levy purposes for the prior
21 tax collection year as adjusted to one hundred percent by the county
22 indicated ratio determined under RCW 84.48.075.

23 (e) "Statewide average fourteen percent levy rate" means fourteen
24 percent of the total levy bases as defined in RCW 84.52.0531 (2) and
25 (3), summed for all school districts and divided by the total
26 assessed valuation for excess levy purposes in the prior tax
27 collection year for all school districts as adjusted to one hundred
28 percent by the county indicated ratio determined under RCW 84.48.075.

29 (5) Unless otherwise stated, all rates, percents, and amounts are
30 for the calendar year for which local effort assistance is being
31 calculated under this chapter.

32 **Sec. 2.** RCW 84.52.0531 and 2018 c 266 s 307 are each amended to
33 read as follows:

34 ~~((1))~~ Beginning with taxes levied for collection in ~~((2019))~~
35 2020, the maximum dollar amount which may be levied by or for any
36 school district for enrichment levies under RCW 84.52.053 is ~~((equal~~
37 ~~to the lesser of one dollar and fifty cents per thousand dollars of~~
38 ~~the assessed value of property in the school district or the maximum~~
39 ~~per-pupil limit.~~

1 ~~(2)~~) determined as follows:

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

5 (a) The school district's levy base as defined in subsection (2)
6 of this section multiplied by the school district's maximum levy
7 percentage as defined in subsection (3) of this section.

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

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

21 (i) Multiplied by the number of full-time equivalent students
22 served from the resident district in the prior school year;

23 (ii) Multiplied by the serving district's maximum levy percentage
24 determined under subsection (3) of this section; and

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

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

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

37 (2) A school district's levy base shall be the sum of allocations
38 in (a) through (c) of this subsection received by the school district
39 for the prior school year including allocations for compensation
40 increases, plus the sum of such allocations multiplied by the percent

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

8 (a) The school district's basic education allocation as
9 determined under RCW 28A.150.250, 28A.150.260, 28A.150.350, and
10 28A.150.415;

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

13 (i) Pupil transportation;

14 (ii) Special education;

15 (iii) Education of highly capable students;

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

19 (v) Food services; and

20 (vi) Statewide block grant programs; and

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

24 (3) A school district's maximum levy percentage shall be twenty-
25 eight percent.

26 (4) The definitions in this subsection apply to this section
27 unless the context clearly requires otherwise.

28 ~~(a) ((For the purpose of this section, "inflation" means, for any~~
29 ~~school year, the rate of the yearly increase of the previous calendar~~
30 ~~year's annual average consumer price index for all urban consumers,~~
31 ~~Seattle area, using the official current base compiled by the bureau~~
32 ~~of labor statistics, United States department of labor.~~

33 ~~(b) "Maximum per-pupil limit" means two thousand five hundred~~
34 ~~dollars, multiplied by the number of average annual full-time~~
35 ~~equivalent students enrolled in the school district in the prior~~
36 ~~school year. Beginning with property taxes levied for collection in~~
37 ~~2020, the maximum per-pupil limit shall be increased by inflation.~~

38 ~~(e))~~ "Current school year" means the year immediately following
39 the prior school year.

1 **(b)** "Prior school year" means the most recent school year
2 completed prior to the year in which the levies are to be collected.

3 ~~((3) For districts in a high/nonhigh relationship, the~~
4 ~~enrollments of the nonhigh students attending the high school shall~~
5 ~~only be counted by the nonhigh school districts for purposes of~~
6 ~~funding under this section.~~

7 ~~(4) For school districts participating in an innovation academy~~
8 ~~cooperative established under RCW 28A.340.080, enrollments of~~
9 ~~students attending the academy shall be adjusted so that each~~
10 ~~participant district receives its proportional share of student~~
11 ~~enrollments for purposes of funding under this section.))~~

12 (5) Beginning with propositions for enrichment levies for
13 collection in calendar year 2020 and thereafter, a district must
14 receive approval of an enrichment levy expenditure plan under RCW
15 28A.505.240 before submission of the proposition to the voters.

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

19 (7) Beginning with taxes levied for collection in 2018,
20 enrichment levy revenues must be deposited in a separate subfund of
21 the school district's general fund pursuant to RCW 28A.320.330, and
22 for the 2018-19 school year are subject to the restrictions of RCW
23 28A.150.276 and the audit requirements of RCW 43.09.2856.

24 (8) Funds collected from levies for transportation vehicles,
25 construction, modernization, or remodeling of school facilities as
26 established in RCW 84.52.053 are not subject to the levy limitations
27 in subsections (1) through ~~((5))~~ (3) of this section.

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