S-3252.1			

SUBSTITUTE SENATE BILL 6138

State of Washington 61st Legislature 2009 Regular Session

By Senate Ways & Means (originally sponsored by Senator Prentice) READ FIRST TIME 04/26/09.

AN ACT Relating to making corrections to implement 2009 Substitute House Bill No. 1776 regarding temporary maximum levy percentages for common schools; amending RCW 84.52.0531; providing an expiration date; and declaring an emergency.

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

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6 **Sec. 1.** RCW 84.52.0531 and 2009 c . . . s 2 (SHB 1776) are each 7 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:

- (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.
 - (2) For excess levies for collection in calendar year 1998 and thereafter, the maximum dollar amount shall be the sum of (a) plus or minus (b) and (c) of this subsection minus (d) of this subsection:
- 17 (a) The district's levy base as defined in subsections (3) and (4)
 18 of this section multiplied by the district's maximum levy percentage as
 19 defined in subsection (5) of this section;

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(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) 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:
- 13 (i) The number of full-time equivalent students served from the 14 resident district in the prior school year; multiplied by:
 - (ii) The serving district's maximum levy percentage determined under subsection (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;
 - (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.
 - (3) 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 (4) 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;

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- (ii) Special education;
- (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.
 - (4) For levy collections in calendar years 2005 through 2014, in addition to the allocations included under subsection (3)(a) through(c) of this section, a district's levy base shall also include the following:
 - (a) The difference between the allocation the district would have received in the current school year using the Initiative 728 base and the allocation the district received in the current school year pursuant to RCW 84.52.068; 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.
 - (5) A district's maximum levy percentage shall be twenty-two percent in 1998 and twenty-four percent in 1999 and every year thereafter, except as provided in subsection (6) of this section; plus, for qualifying districts, the grandfathered percentage determined as follows:
- 31 (a) For 1997, the difference between the district's 1993 maximum 32 levy percentage and twenty percent; and
 - (b) For 1998 and thereafter, the percentage calculated as follows:
- (i) Multiply the grandfathered percentage for the prior year times the district's levy base determined under subsection (3) of this section;
- 37 (ii) Reduce the result of (b)(i) of this subsection by any levy

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

- (iii) Divide the result of (b)(ii) of this subsection by the district's levy base; and
- (iv) Take the greater of zero or the percentage calculated in (b)(iii) of this subsection.
- (6) The maximum levy percentages provided in subsection (5) of this section shall be increased by four percentage points not to exceed a maximum levy percentage of thirty-five percent for levies approved by voters ((in 2009 after the effective date of this section)) through December 31, 2011.
- (7) "Levy reduction funds" shall mean increases in state funds from the prior school year for programs included under subsections (3) and (4) 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 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.
 - (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.
- (b) "Current school year" means the year immediately following the prior school year.
- (c) "Initiative 728 base" means the allocation to the student achievement fund for the prior year that would have been made under chapter 3, Laws of 2001, as approved by the voters, if all annual adjustments to the initial 2001 allocation had been made in previous years and in each subsequent year as provided for under chapter 3, Laws of 2001.
- 36 (d) "Initiative 732 base" means the prior year's annual salary 37 cost-of-living increases as they would have been calculated under

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chapter 4, Laws of 2001, as approved by the voters, if each annual cost-of-living increase had been made in previous years and in each subsequent year as provided for under chapter 4, Laws of 2001.

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- (9) Funds collected from transportation vehicle fund tax levies shall not be subject to the levy limitations in this section.
- 6 (10) The superintendent of public instruction shall develop rules 7 and inform school districts of the pertinent data necessary to carry 8 out the provisions of this section.
- 9 (11) For calendar year 2009, the office of the superintendent of 10 public instruction shall recalculate school district levy authority to 11 reflect levy rates certified by school districts for calendar year 12 2009.
- NEW SECTION. Sec. 2. Section 2, chapter . . ., Laws of 2009 (SHB 1776) and section 1 of this act expire January 1, 2015.
- NEW SECTION. Sec. 3. This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

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