

SB 5664 - S AMD 42

By Senator Wellman

RULED BEYOND SCOPE 02/28/2017

1 On page 3, after line 38, insert the following:

2
3 NEW SECTION. **Sec. 4.** The legislature recognizes that school
4 districts may provide locally funded enrichment to the state's
5 program of basic education. The legislature further recognizes that
6 the system of state and local funding for school districts is in
7 transition during 2017, with the state moving toward full funding of
8 its statutory program of basic education, and with current statutory
9 policies on school district levies scheduled to expire at the end of
10 calendar year 2017. To promote school districts' ability to plan for
11 the future during this transitional period, the legislature intends
12 to extend current statutory policies on local enrichment through
13 calendar year 2018.

14

15 **Sec. 5.** RCW 84.52.0531 and 2013 c 242 s 8 are each amended to
16 read as follows:

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

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

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

27

1 (a) The district's levy base as defined in subsections (3) and
2 (4) of this section multiplied by the district's maximum levy
3 percentage as defined in subsection (7) of this section;

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

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

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

19 (ii) The serving district's maximum levy percentage determined
20 under subsection (7) of this section; increased by:

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

25 (d) The levy bases of nonhigh districts participating in an
26 innovation academy cooperative established under RCW 28A.340.080
27 shall be adjusted by the office of the superintendent of public
28 instruction to reflect each district's proportional share of student
29 enrollment in the cooperative;

30 (e) 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

1 in (a) through (c) of this subsection received by the district for
2 the prior school year and the amounts determined under subsection
3 (4) of this section, including allocations for compensation
4 increases, plus the sum of such allocations multiplied by the
5 percent increase per full time equivalent student as stated in the
6 state basic education appropriation section of the biennial budget
7 between the prior school year and the current school year and
8 divided by fifty-five percent. A district's levy base shall not
9 include local school district property tax levies or other local
10 revenues, or state and federal allocations not identified in (a)
11 through (c) of this subsection.

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

14 (b) State and federal categorical allocations for the following
15 programs:

16 (i) Pupil transportation;

17 (ii) Special education;

18 (iii) Education of highly capable students;

19 (iv) Compensatory education, including but not limited to
20 learning assistance, migrant education, Indian education, refugee
21 programs, and bilingual education;

22 (v) Food services; and

23 (vi) Statewide block grant programs; and

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

27 (4) For levy collections in calendar years 2005 through ((2017))
28 2018, in addition to the allocations included under subsection
29 (3)(a) through (c) of this section, a district's levy base shall
30 also include the following:

31 (a)(i) For levy collections in calendar year 2010, the
32 difference between the allocation the district would have received
33 in the current school year had RCW 84.52.068 not been amended by
34 chapter 19, Laws of 2003 1st sp. sess. and the allocation the

1 district received in the current school year pursuant to RCW
2 28A.505.220;

3 (ii) For levy collections in calendar years 2011 through
4 (~~2017~~) 2018, the allocation rate the district would have received
5 in the prior school year using the Initiative 728 rate multiplied by
6 the full-time equivalent student enrollment used to calculate the
7 Initiative 728 allocation for the prior school year; and

8 (b) The difference between the allocations the district would
9 have received the prior school year using the Initiative 732 base
10 and the allocations the district actually received the prior school
11 year pursuant to RCW 28A.400.205.

12 (5) For levy collections in calendar years 2011 through (~~2017~~)
13 2018, in addition to the allocations included under subsections
14 (3)(a) through (c) and (4)(a) and (b) of this section, a district's
15 levy base shall also include the difference between an allocation of
16 fifty-three and two-tenths certificated instructional staff units
17 per thousand full-time equivalent students in grades kindergarten
18 through four enrolled in the prior school year and the allocation of
19 certificated instructional staff units per thousand full-time
20 equivalent students in grades kindergarten through four that the
21 district actually received in the prior school year, except that the
22 levy base for a school district whose allocation in the 2009-10
23 school year was less than fifty-three and two-tenths certificated
24 instructional staff units per thousand full-time equivalent students
25 in grades kindergarten through four shall include the difference
26 between the allocation the district actually received in the 2009-10
27 school year and the allocation the district actually received in the
28 prior school year.

29 (6) For levy collections beginning in calendar year 2014 and
30 thereafter, in addition to the allocations included under
31 subsections (3)(a) through (c), (4)(a) and (b), and (5) of this
32 section, a district's levy base shall also include the funds
33 allocated by the superintendent of public instruction under RCW
34 28A.715.040 to a school that is the subject of a state-tribal

1 education compact and that formerly contracted with the school
2 district to provide educational services through an interlocal
3 agreement and received funding from the district.

4 (7)(a) A district's maximum levy percentage shall be twenty-four
5 percent in 2010 and twenty-eight percent in 2011 through ((2017))
6 2018 and twenty-four percent every year thereafter;

7 (b) For qualifying districts, in addition to the percentage in
8 (a) of this subsection the grandfathered percentage determined as
9 follows:

10 (i) For 1997, the difference between the district's 1993 maximum
11 levy percentage and twenty percent; and

12 (ii) For 2011 through 2017 and through 2018 for school districts
13 impacted by the provisions in Senate Bill 5664, the percentage
14 calculated as follows:

15 (A) Multiply the grandfathered percentage for the prior year
16 times the district's levy base determined under subsection (3) of
17 this section;

18 (B) Reduce the result of (b)(ii)(A) of this subsection by any
19 levy reduction funds as defined in subsection (8) of this section
20 that are to be allocated to the district for the current school
21 year;

22 (C) Divide the result of (b)(ii)(B) of this subsection by the
23 district's levy base; and

24 (D) Take the greater of zero or the percentage calculated in
25 (b)(ii)(C) of this subsection.

26 (8) "Levy reduction funds" shall mean increases in state funds
27 from the prior school year for programs included under subsections
28 (3) and (4) of this section: (a) That are not attributable to
29 enrollment changes, compensation increases, or inflationary
30 adjustments; and (b) that are or were specifically identified as
31 levy reduction funds in the appropriations act. If levy reduction
32 funds are dependent on formula factors which would not be finalized
33 until after the start of the current school year, the superintendent
34 of public instruction shall estimate the total amount of levy

1 reduction funds by using prior school year data in place of current
2 school year data. Levy reduction funds shall not include moneys
3 received by school districts from cities or counties.

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

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

8 (b) "Current school year" means the year immediately following
9 the prior school year.

10 (c) "Initiative 728 rate" means the allocation rate at which the
11 student achievement program would have been funded under chapter 3,
12 Laws of 2001, if all annual adjustments to the initial 2001
13 allocation rate had been made in previous years and in each
14 subsequent year as provided for under chapter 3, Laws of 2001.

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

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

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

26 (12) For calendar year 2009, the office of the superintendent of
27 public instruction shall recalculate school district levy authority
28 to reflect levy rates certified by school districts for calendar
29 year 2009.

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31 **Sec. 6.** RCW 84.52.0531 and 2010 c 237 s 2 and 2010 c 99 s 11
32 are each reenacted and amended to read as follows:

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

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

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

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

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

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

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

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

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

1 (d) The levy bases of nonhigh districts participating in an
2 innovation academy cooperative established under RCW 28A.340.080
3 shall be adjusted by the office of the superintendent of public
4 instruction to reflect each district's proportional share of student
5 enrollment in the cooperative;

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

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

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

23 (b) State and federal categorical allocations for the following
24 programs:

25 (i) Pupil transportation;

26 (ii) Special education;

27 (iii) Education of highly capable students;

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

31 (v) Food services; and

32 (vi) Statewide block grant programs; and

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

4 (4)(a) A district's maximum levy percentage shall be twenty-four
5 percent in 2010 and twenty-eight percent in 2011 through ((2017))
6 2018 and twenty-four percent every year thereafter;

7 (b) For qualifying districts, in addition to the percentage in
8 (a) of this subsection the grandfathered percentage determined as
9 follows:

10 (i) For 1997, the difference between the district's 1993 maximum
11 levy percentage and twenty percent; ((and))

12 (ii) For 2011 through 2017 and through 2018 for school districts
13 impacted by the provisions in Senate Bill 5664, the percentage
14 calculated as follows:

15 (A) Multiply the grandfathered percentage for the prior year
16 times the district's levy base determined under subsection (3) of
17 this section;

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

22 (C) Divide the result of (b)(ii)(B) of this subsection by the
23 district's levy base; and

24 (D) Take the greater of zero or the percentage calculated in
25 (b)(ii)(C) of this subsection;

26 (iii) For ((2018)) 2019 and thereafter, the percentage shall be
27 calculated as follows:

28 (A) Multiply the grandfathered percentage for the prior year
29 times the district's levy base determined under subsection (3) of
30 this section;

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

1 (C) Divide the result of (b)(iii)(B) of this subsection by the
2 district's levy base; and

3 (D) Take the greater of zero or the percentage calculated in
4 (b)(iii)(C) of this subsection.

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

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

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

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

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

27

28 **Sec. 7.** 2013 c 242 s 10 (uncodified) is amended to read as
29 follows:

30 Section 8 of this act expires January 1, (~~2018~~) 2019.

31

32 **Sec. 8.** 2012 1st sp.s. c 10 s 10 (uncodified) is amended to
33 read as follows:

34 Section 8 of this act expires January 1, (~~2018~~) 2019.

1 **Sec. 9.** 2010 c 237 s 9 (uncodified) is amended to read as
2 follows:

3 Sections 1, 5, and 6 of this act expire January 1, (~~2018~~)
4 2019.

5
6 **Sec. 10.** 2010 c 237 s 8 (uncodified) is amended to read as
7 follows:

8 This act expires January 1, (~~2018~~) 2019.

9
10 **Sec. 11.** 2010 c 237 s 10 (uncodified) is amended to read as
11 follows:

12 Section 2 of this act takes effect January 1, (~~2018~~) 2019.
13

14 **Sec. 12.** 2016 c 202 s 56 (uncodified) is amended to read as
15 follows:

16 Section 957 of this act expires January 1, (~~2018~~) 2019."

17 Renumber the remaining section consecutively and correct any
18 internal references accordingly.

19 On page 4, line 1, after "**Sec. 4.**" strike "This act takes
20 effect" and insert "Sections 1 through 3 of this act take effect"

21 On page 4, after line 1, insert the following:

22
23 "NEW SECTION. **Sec. 5.** Section 5 of this act takes effect
24 January 1, 2018.

25
26 NEW SECTION. **Sec. 6.** Section 5 of this act expires January 1,
27 2019.

28
29 NEW SECTION. **Sec. 7.** Section 6 of this act takes effect
30 January 1, 2019."

31
32 **SB 5664** S AMD

33 By Senator

34

1 On page 1, line 1 of the title, after "Relating to" strike the
2 remainder of the title and insert "modifying provisions to prevent a
3 reduction in school district revenues; amending RCW 28A.150.250,
4 28A.520.020, and 84.52.0531; amending 2013 c 242 s 10, 2012 1st
5 sp.s. c 10 s 10, 2010 c 237 ss 9, 8, and 10, and 2016 c 202 s 56
6 (uncodified); reenacting and amending RCW 84.52.0531; creating new
7 sections; providing effective dates; and providing expiration
8 dates."

EFFECT: Adds provisions that would delay the calendar year 2018
reduction in school district M&O levies and LEA for those districts
that are impacted by SB 5664.

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