

SB 5664 - S AMD 37
By Senator Wellman

RULED BEYOND SCOPE 02/28/2017

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

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

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

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

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

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

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

28 (b) For districts in a high/nonhigh relationship, the high school
29 district's maximum levy amount shall be reduced and the nonhigh
30 school district's maximum levy amount shall be increased by an amount
31 equal to the estimated amount of the nonhigh payment due to the high

1 school district under RCW 28A.545.030(3) and 28A.545.050 for the
2 school year commencing the year of the levy;

3 (c) Except for nonhigh districts under (d) of this subsection,
4 for districts in an interdistrict cooperative agreement, the
5 nonresident school district's maximum levy amount shall be reduced
6 and the resident school district's maximum levy amount shall be
7 increased by an amount equal to the per pupil basic education
8 allocation included in the nonresident district's levy base under
9 subsection (3) of this section multiplied by:

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

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

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

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

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

26 (3) For excess levies for collection in calendar year 2005 and
27 thereafter, a district's levy base shall be the sum of allocations in
28 (a) through (c) of this subsection received by the district for the
29 prior school year and the amounts determined under subsection (4) of
30 this section, including allocations for compensation increases, plus
31 the sum of such allocations multiplied by the percent increase per
32 full time equivalent student as stated in the state basic education
33 appropriation section of the biennial budget between the prior school
34 year and the current school year and divided by fifty-five percent. A
35 district's levy base shall not include local school district property
36 tax levies or other local revenues, or state and federal allocations
37 not identified in (a) through (c) of this subsection.

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

1 (b) State and federal categorical allocations for the following
2 programs:

3 (i) Pupil transportation;

4 (ii) Special education;

5 (iii) Education of highly capable students;

6 (iv) Compensatory education, including but not limited to
7 learning assistance, migrant education, Indian education, refugee
8 programs, and bilingual education;

9 (v) Food services; and

10 (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
13 aid funds and allocations in lieu of taxes.

14 (4) For levy collections in calendar years 2005 through ((2017))
15 2018, in addition to the allocations included under subsection (3)(a)
16 through (c) of this section, a district's levy base shall also
17 include the following:

18 (a)(i) For levy collections in calendar year 2010, the difference
19 between the allocation the district would have received in the
20 current school year had RCW 84.52.068 not been amended by chapter 19,
21 Laws of 2003 1st sp. sess. and the allocation the district received
22 in the current school year pursuant to RCW 28A.505.220;

23 (ii) For levy collections in calendar years 2011 through ((2017))
24 2018, the allocation rate the district would have received in the
25 prior school year using the Initiative 728 rate multiplied by the
26 full-time equivalent student enrollment used to calculate the
27 Initiative 728 allocation for the prior school year; and

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

32 (5) For levy collections in calendar years 2011 through ((2017))
33 2018, in addition to the allocations included under subsections
34 (3)(a) through (c) and (4)(a) and (b) of this section, a district's
35 levy base shall also include the difference between an allocation of
36 fifty-three and two-tenths certificated instructional staff units per
37 thousand full-time equivalent students in grades kindergarten through
38 four enrolled in the prior school year and the allocation of
39 certificated instructional staff units per thousand full-time
40 equivalent students in grades kindergarten through four that the

1 district actually received in the prior school year, except that the
2 levy base for a school district whose allocation in the 2009-10
3 school year was less than fifty-three and two-tenths certificated
4 instructional staff units per thousand full-time equivalent students
5 in grades kindergarten through four shall include the difference
6 between the allocation the district actually received in the 2009-10
7 school year and the allocation the district actually received in the
8 prior school year.

9 (6) For levy collections beginning in calendar year 2014 and
10 thereafter, in addition to the allocations included under subsections
11 (3)(a) through (c), (4)(a) and (b), and (5) of this section, a
12 district's levy base shall also include the funds allocated by the
13 superintendent of public instruction under RCW 28A.715.040 to a
14 school that is the subject of a state-tribal education compact and
15 that formerly contracted with the school district to provide
16 educational services through an interlocal agreement and received
17 funding from the district.

18 (7)(a) A district's maximum levy percentage shall be twenty-four
19 percent in 2010 and twenty-eight percent in 2011 through ((2017))
20 2018 and twenty-four percent every year thereafter;

21 (b) For qualifying districts, in addition to the percentage in
22 (a) of this subsection the grandfathered percentage determined as
23 follows:

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

26 (ii) For 2011 through ((2017)) 2018, the percentage calculated as
27 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)(ii)(A) of this subsection by any
32 levy reduction funds as defined in subsection (8) of this section
33 that are to be allocated to the district for the current school year;

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

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

38 (8) "Levy reduction funds" shall mean increases in state funds
39 from the prior school year for programs included under subsections
40 (3) and (4) of this section: (a) That are not attributable to

1 enrollment changes, compensation increases, or inflationary
2 adjustments; and (b) that are or were specifically identified as levy
3 reduction funds in the appropriations act. If levy reduction funds
4 are dependent on formula factors which would not be finalized until
5 after the start of the current school year, the superintendent of
6 public instruction shall estimate the total amount of levy reduction
7 funds by using prior school year data in place of current school year
8 data. Levy reduction funds shall not include moneys received by
9 school districts from cities or counties.

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

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

14 (b) "Current school year" means the year immediately following
15 the prior school year.

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

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

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

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

32 (12) For calendar year 2009, the office of the superintendent of
33 public instruction shall recalculate school district levy authority
34 to reflect levy rates certified by school districts for calendar year
35 2009.

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

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 or
9 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 this
12 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 school
15 district's maximum levy amount shall be reduced and the nonhigh
16 school district's maximum levy amount shall be increased by an amount
17 equal to the estimated amount of the nonhigh payment due to the high
18 school district under RCW 28A.545.030(3) and 28A.545.050 for the
19 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;

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

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

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

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

18 (b) State and federal categorical allocations for the following
19 programs:

- 20 (i) Pupil transportation;
- 21 (ii) Special education;
- 22 (iii) Education of highly capable students;
- 23 (iv) Compensatory education, including but not limited to
24 learning assistance, migrant education, Indian education, refugee
25 programs, and bilingual education;

- 26 (v) Food services; and
- 27 (vi) Statewide block grant programs; and

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

31 (4)(a) A district's maximum levy percentage shall be twenty-four
32 percent in 2010 and twenty-eight percent in 2011 through ((2017))
33 2018 and twenty-four percent every year thereafter;

34 (b) For qualifying districts, in addition to the percentage in
35 (a) of this subsection the grandfathered percentage determined as
36 follows:

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

39 (ii) For 2011 through ((2017)) 2018, the percentage calculated as
40 follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

15 **Sec. 10.** 2010 c 237 s 8 (uncodified) is amended to read as
16 follows:

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

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

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

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

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

24 Renumber the remaining section consecutively and correct any
25 internal references accordingly.

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

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

29 "NEW SECTION. **Sec. 5.** Section 5 of this act takes effect
30 January 1, 2018.

1 NEW SECTION. **Sec. 6.** Section 5 of this act expires January 1,
2 2019.

3 NEW SECTION. **Sec. 7.** Section 6 of this act takes effect January
4 1, 2019."

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RULED BEYOND SCOPE 02/28/2017

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

EFFECT: Adds provisions that would delay the calendar year 2018
reduction in school district M&O levies and LEA.

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