

HB 2044 - H AMD
By Representative Fromhold

1 Strike everything after the enacting clause and insert the
2 following:

3 "**Sec. 1.** RCW 28A.500.020 and 1999 c 317 s 2 are each amended
4 to read as follows:

5 (1) Unless the context clearly requires otherwise, the
6 definitions in this section apply throughout this chapter.

7 (a) "Prior tax collection year" means the year immediately
8 preceding the year in which the local effort assistance shall be
9 allocated.

10 (b) "Statewide average twelve percent levy rate" means twelve
11 percent of the total levy bases as defined in RCW 84.52.0531(3) and
12 (4) summed for all school districts, and divided by the total
13 assessed valuation for excess levy purposes in the prior tax
14 collection year for all districts as adjusted to one hundred
15 percent by the county indicated ratio established in RCW 84.48.075.

16 (c) The "district's twelve percent levy amount" means the
17 school district's maximum levy authority after transfers determined
18 under RCW 84.52.0531(2) (a) through (c) divided by the district's
19 maximum levy percentage determined under RCW 84.52.0531(~~(+4)~~) (5)
20 multiplied by twelve percent.

21 (d) The "district's twelve percent levy rate" means the
22 district's twelve percent levy amount divided by the district's
23 assessed valuation for excess levy purposes for the prior tax
24 collection year as adjusted to one hundred percent by the county
25 indicated ratio.

26 (e) "Districts eligible for local effort assistance" means
27 those districts with a twelve percent levy rate that exceeds the
28 statewide average twelve percent levy rate.

1 (2) Unless otherwise stated all rates, percents, and amounts
2 are for the calendar year for which local effort assistance is
3 being calculated under this chapter.

4 **Sec. 2.** RCW 84.52.0531 and 1997 c 259 s 2 are each amended to
5 read as follows:

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

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

12 (2) For excess levies for collection in calendar year 1998 and
13 thereafter, the maximum dollar amount shall be the sum of (a) plus
14 or minus (b) and (c) of this subsection minus (d) of this
15 subsection:

16 (a) The district's levy base as defined in subsections (3) and
17 (4) of this section multiplied by the district's maximum levy
18 percentage as defined in subsection ((+4)) (5) of this section;

19 (b) For districts in a high/nonhigh relationship, the high
20 school district's maximum levy amount shall be reduced and the
21 nonhigh school district's maximum levy amount shall be increased by
22 an amount equal to the estimated amount of the nonhigh payment due
23 to the high school district under RCW 28A.545.030(3) and
24 28A.545.050 for the school year commencing the year of the levy;

25 (c) For districts in an interdistrict cooperative agreement,
26 the nonresident school district's maximum levy amount shall be
27 reduced and the resident school district's maximum levy amount
28 shall be increased by an amount equal to the per pupil basic
29 education allocation included in the nonresident district's levy
30 base under subsection (3) of this section multiplied by:

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

33 (ii) The serving district's maximum levy percentage determined
34 under subsection ((+4)) (5) of this section; increased by:

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

1 (d) 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
6 in (a) through (c) of this subsection received by the district for
7 the prior school year, including allocations for compensation
8 increases, plus the sum of such allocations multiplied by the
9 percent increase per full time equivalent student as stated in the
10 state basic education appropriation section of the biennial budget
11 between the prior school year and the current school year and
12 divided by fifty-five percent. A district's levy base shall not
13 include local school district property tax levies or other local
14 revenues, or state and federal allocations not identified in (a)
15 through (c) of this 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) For excess levies for collection in calendar years 2005
32 through 2008, in addition to the allocations included under
33 subsection (3)(a) through (c) of this section, a district's levy
34 base shall also include the difference between the state
35 allocations under subsection (3)(a) and (b) of this section and the
36 allocations the district would have received if (a) the district's
37 base salary for certificated instructional staff for purposes of
38 determining state basic education allocations had been the same as
39 the highest base salary for that school year on the supporting LEAP

1 salary document referenced in the omnibus appropriations act; and
2 (b) the district's salaries for certificated administrators and
3 classified staff for purposes of determining state basic education
4 allocations had been the same as the highest certificated
5 administrator and classified staff salaries for that school year on
6 the supporting LEAP salary document referenced in the omnibus
7 appropriations act. For calendar year 2005, the additional amounts
8 provided under this subsection shall not be used in the calculation
9 of levy base for the purpose of determining local effort assistance
10 allocations under chapter 28A.500 RCW.

11 (5) A district's maximum levy percentage shall be twenty-two
12 percent in 1998 and twenty-four percent in 1999 and every year
13 thereafter; plus, for qualifying districts, the grandfathered
14 percentage determined as follows:

15 (a) For 1997, the difference between the district's 1993
16 maximum levy percentage and twenty percent; and

17 (b) For 1998 and thereafter, the percentage calculated as
18 follows:

19 (i) Multiply the grandfathered percentage for the prior year
20 times the district's levy base determined under subsection (3) of
21 this section;

22 (ii) Reduce the result of (b)(i) of this subsection by any levy
23 reduction funds as defined in subsection ~~((+5))~~ (6) of this
24 section that are to be allocated to the district for the current
25 school year;

26 (iii) Divide the result of (b)(ii) of this subsection by the
27 district's levy base; and

28 (iv) Take the greater of zero or the percentage calculated in
29 (b)(iii) of this subsection.

30 ~~((+5))~~ (6) "Levy reduction funds" shall mean increases in
31 state funds from the prior school year for programs included under
32 subsections (3) and (4) of this section: (a) That are not
33 attributable to enrollment changes, compensation increases, or
34 inflationary adjustments; and (b) that are or were specifically
35 identified as levy reduction funds in the appropriations act. If
36 levy reduction funds are dependent on formula factors which would
37 not be finalized until after the start of the current school year,
38 the superintendent of public instruction shall estimate the total
39 amount of levy reduction funds by using prior school year data in

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

4 ~~((+6))~~ (7) For the purposes of this section, "prior school
5 year" means the most recent school year completed prior to the year
6 in which the levies are to be collected.

7 ~~((+7))~~ (8) For the purposes of this section, "current school
8 year" means the year immediately following the prior school year.

9 ~~((+8))~~ (9) Funds collected from transportation vehicle fund
10 tax levies shall not be subject to the levy limitations in this
11 section.

12 ~~((+9))~~ (10) The superintendent of public instruction shall
13 develop rules and regulations and inform school districts of the
14 pertinent data necessary to carry out the provisions of this
15 section.

16 **Sec. 3.** Section 1 of this act takes effect January 1, 2006."

17 Correct the title.

EFFECT: Increases the levy base for purposes of calculating local school district levy authority from calendar year 2005 through 2008, and for calculating levy equalization allocations from calendar year 2006 through 2008. Increases the salary base using the highest grandfathered salaries. Increases the state's cost for levy equalization by \$17 million in the 2005-07 biennium(\$11 million in calendar year 2006). Increase in local levies is estimated to be \$24 million a calendar year.