

HB 2044 - H AMD 276

By Representative Hunter

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

3 "NEW SECTION. **Sec. 1.** The legislature finds that the maximum
4 amounts school districts may levy for maintenance and operation support
5 are calculated as a percentage of the state and federal revenues
6 received by the districts. In determining the amounts to put forward
7 for voter approval, school districts estimate future state and federal
8 revenues based on current funding formulas and allocations. The
9 legislature further finds that when K-12 funding formulas and
10 allocations are changed in such a way that state revenues to districts
11 are less than they would have been under a maintenance level state
12 budget, districts' maximum levy amounts are reduced. Districts that
13 received voter approval to collect maximum allowable levies under the
14 prior funding formulas are forced to collect less than the amounts
15 approved by voters. It is the intent of the legislature that changes
16 in state funding formulas should not adversely impact the maximum
17 allowable amounts school districts may levy for maintenance and
18 operation support.

19 NEW SECTION. **Sec. 2.** A new section is added to chapter 84.52 RCW
20 to read as follows:

21 For excess levies for collection in calendar year 2004 and
22 thereafter, the following adjustments shall be made before the
23 calculation made in RCW 84.52.0531(3)(a)(ii):

24 (1) When changes made in the state omnibus appropriations act to
25 school district allocation formulas result in state appropriations of
26 those district revenues included in the levy base being less than they
27 would have been under a maintenance level state budget, each district's
28 state levy base revenues as determined under RCW 84.52.0531(4) (a) and

1 (b) shall be increased by the same percentage that total state
2 appropriations in those programs included under RCW 84.52.0531(4) (a)
3 and (b) were decreased from a maintenance level state budget. These
4 percentage changes shall be cumulative from year to year.

5 (2) When changes made in the state omnibus appropriations act to
6 school district allocation formulas result in state appropriations of
7 those district revenues included in the levy base being greater than
8 they would have been under a maintenance level state budget, each
9 district's state levy base revenues as determined under RCW
10 84.52.0531(4) (a) and (b) shall be decreased by half of the percentage
11 that total state appropriations in those programs included under RCW
12 84.52.0531(4) (a) and (b) were increased from a maintenance level state
13 budget. These percentage changes shall be cumulative from year to year
14 and shall be in addition to the cumulative percentage changes
15 determined under subsection (1) of this section.

16 (3) The total adjustment made under subsections (1) and (2) of this
17 section for a calendar year levy shall never be less than zero.

18 (4) The total percentage change to apply pursuant to this section
19 shall be stated in the omnibus appropriations act.

20 **Sec. 3.** RCW 84.52.0531 and 1997 c 259 s 2 are each amended to read
21 as follows:

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

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

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

31 (a) The district's levy base as defined in subsection (3) of this
32 section multiplied by the district's maximum levy percentage as defined
33 in subsection (~~(4)~~) (5) of this section;

34 (b) For districts in a high/nonhigh relationship, the high school
35 district's maximum levy amount shall be reduced and the nonhigh school
36 district's maximum levy amount shall be increased by an amount equal to

1 the estimated amount of the nonhigh payment due to the high school
2 district under RCW 28A.545.030(3) and 28A.545.050 for the school year
3 commencing the year of the levy;

4 (c) For districts in an interdistrict cooperative agreement, the
5 nonresident school district's maximum levy amount shall be reduced and
6 the resident school district's maximum levy amount shall be increased
7 by an amount equal to the per pupil basic education allocation included
8 in the nonresident district's levy base under subsection (3) of this
9 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 ~~((4))~~ (5) 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 district's maximum levy amount shall be reduced by the
19 maximum amount of state matching funds for which the district is
20 eligible under RCW 28A.500.010.

21 (3)(a) For excess levies for collection in calendar year ~~((1998))~~
22 2004 and thereafter, a district's levy base shall be:

23 (i) The sum of allocations in ~~((a) through (c) of this))~~
24 subsection (4) of this section received by the district for the prior
25 school year, including allocations for compensation increases, adjusted
26 by the calculations made under section 2 of this act, if any;

27 (ii) Plus the ~~((sum of such allocations))~~ result of the calculation
28 in (a)(i) of this subsection multiplied by the percent increase per
29 full-time equivalent student as stated in the state basic education
30 appropriation section of the biennial budget between the prior school
31 year and the current school year and divided by fifty-five percent.

32 (b) A district's levy base shall not include local school district
33 property tax levies or other local revenues, or state and federal
34 allocations not identified in ~~((a) through (c) of this))~~ subsection
35 (4) of this section.

36 (4) The allocations in this subsection (4) shall be included in the
37 calculations under subsection (3) of this section:

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

3 (b) State and federal categorical allocations for the following
4 programs:

5 (i) Pupil transportation;

6 (ii) Special education;

7 (iii) Education of highly capable students;

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

11 (v) Food services; and

12 (vi) Statewide block grant programs; and

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

16 ~~((+4))~~ (5) A district's maximum levy percentage shall be twenty-
17 two percent in 1998 and twenty-four percent in 1999 and every year
18 thereafter; plus, for qualifying districts, the grandfathered
19 percentage determined as follows:

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

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

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

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

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

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

33 ~~((+5))~~ (6) "Levy reduction funds" shall mean increases in state
34 funds from the prior school year for programs included under subsection
35 ~~((+3))~~ (4) of this section: (a) That are not attributable to
36 enrollment changes, compensation increases, or inflationary
37 adjustments; and (b) that are or were specifically identified as levy
38 reduction funds in the appropriations act. If levy reduction funds are

1 dependent on formula factors which would not be finalized until after
2 the start of the current school year, the superintendent of public
3 instruction shall estimate the total amount of levy reduction funds by
4 using prior school year data in place of current school year data.
5 Levy reduction funds shall not include moneys received by school
6 districts from cities or counties.

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

10 ~~((7))~~ (8) For the purposes of this section, "current school year"
11 means the year immediately following the prior school year.

12 ~~((8))~~ (9) Funds collected from transportation vehicle fund tax
13 levies shall not be subject to the levy limitations in this section.

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

17 NEW SECTION. **Sec. 4.** A new section is added to chapter 28A.500
18 RCW to read as follows:

19 (1) For the calculation of local effort assistance, a district's
20 levy base shall be the sum of allocations in (a) through (c) of this
21 subsection received by the district for the prior school year,
22 including allocations for compensation increases, plus the sum of such
23 allocations multiplied by the percent increase per full-time equivalent
24 student as stated in the state basic education appropriation section of
25 the biennial budget between the prior school year and the current
26 school year and divided by fifty-five percent. A district's levy base
27 shall not include local school district property tax levies or other
28 local revenues, or state and federal allocations not identified in (a)
29 through (c) of this subsection.

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

32 (b) State and federal categorical allocations for the following
33 programs:

34 (i) Pupil transportation;

35 (ii) Special education;

36 (iii) Education of highly capable students;

1 (iv) Compensatory education, including but not limited to learning
2 assistance, migrant education, Indian education, refugee programs, and
3 bilingual education;

4 (v) Food services; and

5 (vi) Statewide block grant programs; and

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

9 (2) For the purposes of this section, "prior school year" means the
10 most recent school year completed prior to the year in which the levies
11 are to be collected.

12 **Sec. 5.** RCW 28A.500.020 and 1999 c 317 s 2 are each amended to
13 read as follows:

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

16 (a) "Prior tax collection year" means the year immediately
17 preceding the year in which the local effort assistance shall be
18 allocated.

19 (b) "Statewide average twelve percent levy rate" means twelve
20 percent of the total levy bases as defined in (~~RCW 84.52.0531(3)~~)
21 section 4 of this act summed for all school districts, and divided by
22 the total assessed valuation for excess levy purposes in the prior tax
23 collection year for all districts as adjusted to one hundred percent by
24 the county indicated ratio established in RCW 84.48.075.

25 (c) The "district's twelve percent levy amount" means the school
26 district's (~~maximum levy authority after transfers determined under~~
27 ~~RCW 84.52.0531(2) (a) through (c) divided by the district's maximum~~
28 ~~levy percentage determined under RCW 84.52.0531(4)~~) levy base as
29 determined under section 4 of this act, adjusted for transfers if the
30 district is in a high/nonhigh relationship or in an interdistrict
31 cooperative agreement, multiplied by twelve percent.

32 (d) The "district's twelve percent levy rate" means the district's
33 twelve percent levy amount divided by the district's assessed valuation
34 for excess levy purposes for the prior tax collection year as adjusted
35 to one hundred percent by the county indicated ratio.

36 (e) "Districts eligible for local effort assistance" means those

1 districts with a twelve percent levy rate that exceeds the statewide
2 average twelve percent levy rate.

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

6 NEW SECTION. **Sec. 6.** This act takes effect January 1, 2004."

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7 On page 1, line 1 of the title, after "calculations;" strike the
8 remainder of the title and insert "amending RCW 84.52.0531 and
9 28A.500.020; adding a new section to chapter 84.52 RCW; adding a new
10 section to chapter 28A.500 RCW; creating a new section; and providing
11 an effective date."

EFFECT: The levy base for calculating maximum levy authority will
be increased by the same percentage that state K-12 appropriations are
decreased. The increased levy base will not apply to the calculation
of levy equalization.

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