

SHB 1776 - S AMD 997
By Senator Tom

ADOPTED AND ENGROSSED 04/25/2009

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

3 "Sec. 1. RCW 28A.500.030 and 2006 c 372 s 904 and 2006 c 119 s 1
4 are each reenacted and amended to read as follows:

5 Allocation of state matching funds to eligible districts for local
6 effort assistance shall be determined as follows:

7 (1) Funds raised by the district through maintenance and operation
8 levies shall be matched with state funds using the following ratio of
9 state funds to levy funds:

10 (a) The difference between the district's twelve percent levy rate
11 and the statewide average twelve percent levy rate; to

12 (b) The statewide average twelve percent levy rate.

13 (2) The maximum amount of state matching funds for districts
14 eligible for local effort assistance shall be the district's twelve
15 percent levy amount, multiplied by the following percentage:

16 (a) The difference between the district's twelve percent levy rate
17 and the statewide average twelve percent levy rate; divided by

18 (b) The district's twelve percent levy rate.

19 (3) Calendar year 2003 allocations and maximum eligibility under
20 this chapter shall be multiplied by 0.99.

21 (4) From January 1, 2004, to December 31, 2005, allocations and
22 maximum eligibility under this chapter shall be multiplied by 0.937.

23 (5) From January 1, 2006, to December 31, 2006, allocations and
24 maximum eligibility under this chapter shall be multiplied by 0.9563.
25 Beginning with calendar year 2007, allocations and maximum eligibility
26 under this chapter shall be fully funded at one hundred percent and
27 shall not be reduced.

28 (6) From January 1, 2010, through December 31, 2011, allocations
29 and maximum eligibility under this chapter may be reduced as determined
30 in the 2009-2011 omnibus appropriations act.

1 **Sec. 2.** RCW 84.52.0531 and 2009 c 4 s 908 are each amended to read
2 as follows:

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

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

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

12 (a) The district's levy base as defined in subsections (3) and (4)
13 of this section multiplied by the district's maximum levy percentage as
14 defined in subsection (5) of this section;

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

21 (c) For districts in an interdistrict cooperative agreement, the
22 nonresident school district's maximum levy amount shall be reduced and
23 the resident school district's maximum levy amount shall be increased
24 by an amount equal to the per pupil basic education allocation included
25 in the nonresident district's levy base under subsection (3) of this
26 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 (5) 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 district's maximum levy amount shall be reduced by the
36 maximum amount of state matching funds for which the district is
37 eligible under RCW 28A.500.010.

1 (3) For excess levies for collection in calendar year 2005 and
2 thereafter, a district's levy base shall be the sum of allocations in
3 (a) through (c) of this subsection received by the district for the
4 prior school year and the amounts determined under subsection (4) of
5 this section, including allocations for compensation increases, plus
6 the sum of such allocations multiplied by the percent increase per full
7 time equivalent student as stated in the state basic education
8 appropriation section of the biennial budget between the prior school
9 year and the current school year and divided by fifty-five percent. A
10 district's levy base shall not include local school district property
11 tax levies or other local revenues, or state and federal allocations
12 not identified in (a) through (c) of this subsection.

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

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

- 17 (i) Pupil transportation;
- 18 (ii) Special education;
- 19 (iii) Education of highly capable students;
- 20 (iv) Compensatory education, including but not limited to learning
21 assistance, migrant education, Indian education, refugee programs, and
22 bilingual education;
- 23 (v) Food services; and
- 24 (vi) Statewide block grant programs; and

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

28 (4) For levy collections in calendar years 2005 through ~~((2011))~~
29 2014, in addition to the allocations included under subsection (3)(a)
30 through (c) of this section, a district's levy base shall also include
31 the following:

32 (a) The difference between the allocation the district would have
33 received in the current school year ~~((had RCW 84.52.068 not been
34 amended by chapter 19, Laws of 2003 1st sp. sess.))~~ using the
35 Initiative 728 base and the allocation the district received in the
36 current school year pursuant to RCW 84.52.068~~((The office of the
37 superintendent of public instruction shall offset the amount added to
38 a district's levy base pursuant to this subsection (4)(a) by any~~

1 ~~additional per student allocations included in a district's levy base~~
2 ~~pursuant to the enactment of an initiative to the people subsequent to~~
3 ~~June 10, 2004)); and~~

4 (b) ~~The difference between the allocations the district would have~~
5 ~~received the prior school year ((had RCW 28A.400.205 not been amended~~
6 ~~by chapter 20, Laws of 2003 1st sp. sess.)) using the Initiative 732~~
7 ~~base and the allocations the district actually received the prior~~
8 ~~school year pursuant to RCW 28A.400.205. ((The office of the~~
9 ~~superintendent of public instruction shall offset the amount added to~~
10 ~~a district's levy base pursuant to this subsection (4)(b) by any~~
11 ~~additional salary increase allocations included in a district's levy~~
12 ~~base pursuant to the enactment of an initiative to the people~~
13 ~~subsequent to June 10, 2004.))~~

14 (5) A district's maximum levy percentage shall be twenty-two
15 percent in 1998 and twenty-four percent in 1999 and every year
16 thereafter, except as provided in subsection (6) of this section; plus,
17 for qualifying districts, the grandfathered percentage determined as
18 follows:

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

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

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

25 (ii) Reduce the result of (b)(i) of this subsection by any levy
26 reduction funds as defined in subsection ~~((+6))~~ (7) of this section
27 that are to be allocated to the district for the current school year;

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

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

32 (6) The maximum levy percentages provided in subsection (5) of this
33 section shall be increased by four percentage points not to exceed a
34 maximum levy percentage of thirty-five percent for levies approved by
35 voters in 2009 after the effective date of this section through
36 December 31, 2011.

37 (7) "Levy reduction funds" shall mean increases in state funds from
38 the prior school year for programs included under subsections (3) and

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

11 ~~((7) For the purposes of this section,)~~ (8) The definitions in
12 this subsection apply throughout this section unless the context
13 clearly requires otherwise.

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

16 ~~((8) For the purposes of this section,)~~ (b) "Current school year"
17 means the year immediately following the prior school year.

18 (c) "Initiative 728 base" means the allocation to the student
19 achievement fund for the prior year that would have been made under
20 chapter 3, Laws of 2001, as approved by the voters, if all annual
21 adjustments to the initial 2001 allocation had been made in previous
22 years and in each subsequent year as provided for under chapter 3, Laws
23 of 2001.

24 (d) "Initiative 732 base" means the prior year's annual salary
25 cost-of-living increases as they would have been calculated under
26 chapter 4, Laws of 2001, as approved by the voters, if each annual
27 cost-of-living increase had been made in previous years and in each
28 subsequent year as provided for under chapter 4, Laws of 2001.

29 (9) Funds collected from transportation vehicle fund tax levies
30 shall not be subject to the levy limitations in this section.

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

34 (11) For calendar year 2009, the office of the superintendent of
35 public instruction shall recalculate school district levy authority to
36 reflect levy rates certified by school districts for calendar year
37 2009.

1 NEW SECTION. **Sec. 3.** A new section is added to chapter 84.52 RCW
2 to read as follows:

3 The legislature recognizes that school districts request voter
4 approval for two-year through four-year levies based on their projected
5 levy capacities at the time that the levies are submitted to the
6 voters. It is the intent of the legislature to permit school districts
7 with voter-approved maintenance and operation levies to seek an
8 additional approval from the voters, if subsequently enacted
9 legislation would permit a higher levy.

10 **Sec. 4.** RCW 84.52.053 and 2007 c 129 s 3 are each amended to read
11 as follows:

12 (1) The limitations imposed by RCW 84.52.050 through 84.52.056, and
13 84.52.043 shall not prevent the levy of taxes by school districts, when
14 authorized so to do by the voters of such school district in the manner
15 and for the purposes and number of years allowable under Article VII,
16 section 2(a) of the Constitution of this state. Elections for such
17 taxes shall be held in the year in which the levy is made or, in the
18 case of propositions authorizing two-year through four-year levies for
19 maintenance and operation support of a school district, authorizing
20 two-year levies for transportation vehicle funds established in RCW
21 28A.160.130, or authorizing two-year through six-year levies to support
22 the construction, modernization, or remodeling of school facilities,
23 which includes the purposes of RCW 28A.320.330(2)(f), in the year in
24 which the first annual levy is made.

25 (2) Once additional tax levies have been authorized for maintenance
26 and operation support of a school district for a two-year through four-
27 year period as provided under subsection (1) of this section, no
28 further additional tax levies for maintenance and operation support of
29 the district for that period may be authorized, except for additional
30 levies to provide for subsequently enacted increases affecting the
31 district's levy base or maximum levy percentage. For the purpose of
32 applying the limitation of this subsection, a two-year through six-year
33 levy to support the construction, modernization, or remodeling of
34 school facilities shall not be deemed to be a tax levy for maintenance
35 and operation support of a school district.

36 (3) A special election may be called and the time therefor fixed by
37 the board of school directors, by giving notice thereof by publication

1 in the manner provided by law for giving notices of general elections,
2 at which special election the proposition authorizing such excess levy
3 shall be submitted in such form as to enable the voters favoring the
4 proposition to vote "yes" and those opposed thereto to vote "no".

5 **Sec. 5.** 2006 c 119 s 3 (uncodified) is amended to read as follows:
6 This act expires January 1, ((2012)) 2015.

7 **Sec. 6.** 2009 c 4 s 909 (uncodified) is amended to read as follows:
8 Section 908 of this act expires January 1, ((2012)) 2015.

9 NEW SECTION. **Sec. 7.** State grant funding for the 21st century
10 after-school program is suspended during the 2009-2011 fiscal period.

11 NEW SECTION. **Sec. 8.** Sections 2 through 6 of this act are
12 necessary for the immediate preservation of the public peace, health,
13 or safety, or support of the state government and its existing public
14 institutions, and take effect immediately.

15 NEW SECTION. **Sec. 9.** Section 1 of this act is necessary for the
16 immediate preservation of the public peace, health, or safety, or
17 support of the state government and its existing public institutions,
18 and takes effect July 1, 2009."

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ADOPTED AND ENGROSSED 04/25/2009

19 On page 1, line 1 of the title, after "levies;" strike the
20 remainder of the title and insert "amending RCW 84.52.0531 and
21 84.52.053; amending 2006 c 119 s 3 (uncodified); amending 2009 c 4 s
22 909 (uncodified); reenacting and amending RCW 28A.500.030; adding a new
23 section to chapter 84.52 RCW; creating a new section; providing an
24 effective date; providing expiration dates; and declaring an
25 emergency."

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