
SUBSTITUTE HOUSE BILL 1814

State of Washington 62nd Legislature 2011 Regular Session

By House Education Appropriations & Oversight (originally sponsored by Representatives Sullivan, Maxwell, Haigh, Reykdal, and Santos)

READ FIRST TIME 02/23/11.

1 AN ACT Relating to preserving the school district levy base;
2 reenacting and amending RCW 84.52.0531; creating a new section;
3 providing an effective date; and providing an expiration date.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

5 NEW SECTION. **Sec. 1.** The federal education jobs fund was intended
6 to support teachers' jobs and enhance quality education. In the 2010
7 second special session, the legislature cut state education funding to
8 school districts by an amount equal to the districts' allocation from
9 the education jobs fund. The intent of the legislature is to preserve
10 the districts' levy base by including in the levy base an amount
11 equivalent to the district's education jobs fund allocation.

12 **Sec. 2.** RCW 84.52.0531 and 2010 c 237 s 1 and 2010 c 99 s 11 are
13 each reenacted and amended to read as follows:

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

17 (1) For excess levies for collection in calendar year 1997, the

1 maximum dollar amount shall be calculated pursuant to the laws and
2 rules in effect in November 1996.

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

7 (a) The district's levy base as defined in subsections (3) and (4)
8 of this section multiplied by the district's maximum levy percentage as
9 defined in subsection (~~((6))~~) (7) of this section;

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

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

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

25 (ii) The serving district's maximum levy percentage determined
26 under subsection (~~((6))~~) (7) of this section; increased by:

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

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

36 (e) The district's maximum levy amount shall be reduced by the
37 maximum amount of state matching funds for which the district is
38 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 2017, in
29 addition to the allocations included under subsection (3)(a) through
30 (c) of this section, a district's levy base shall also include the
31 following:

32 (a)(i) For levy collections in calendar year 2010, the difference
33 between the allocation the district would have received in the current
34 school year had RCW 84.52.068 not been amended by chapter 19, Laws of
35 2003 1st sp. sess. and the allocation the district received in the
36 current school year pursuant to RCW 28A.505.220;

37 (ii) For levy collections in calendar years 2011 through 2017, the
38 difference between the allocation rate the district would have received

1 in the prior school year using the Initiative 728 rate and the
2 allocation rate the district received in the prior school year pursuant
3 to RCW 28A.505.220 multiplied by the full-time equivalent student
4 enrollment used to calculate the Initiative 728 allocation for the
5 prior school year; and

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

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

26 (6) For levy collections in calendar years 2012 and 2013 where the
27 district's voters approved a levy before April 30, 2011, a district's
28 levy base shall also include an amount equivalent to the district's
29 allocation of federal funds provided through section 101 of P.L. 111-
30 126 (education jobs fund). If this subsection (6) results in reduction
31 of a school district's local effort assistance allocation pursuant to
32 chapter 28A.500 RCW, then when calculating this assistance the
33 superintendent of public instruction shall hold the district harmless
34 such that its local effort assistance funding does not fall below its
35 calendar year 2010 local effort assistance funding level as a result of
36 this subsection (6). Additional local effort assistance payments made
37 pursuant to the hold-harmless requirement of this subsection (6) may
38 not exceed a statewide total of fifty thousand dollars.

1 ~~(7)~~(a) A district's maximum levy percentage shall be twenty-four
2 percent in 2010 and twenty-eight percent in 2011 through 2017 and
3 twenty-four percent every year thereafter;

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

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

8 (ii) For 2011 through 2017, the percentage calculated as follows:

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

12 (B) Reduce the result of (b)(ii)(A) of this subsection by any levy
13 reduction funds as defined in subsection ~~((+7))~~ (8) of this section
14 that are to be allocated to the district for the current school year;

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

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

19 ~~((+7))~~ (8) "Levy reduction funds" shall mean increases in state
20 funds from the prior school year for programs included under
21 subsections (3) and (4) of this section: (a) That are not attributable
22 to enrollment changes, compensation increases, or inflationary
23 adjustments; and (b) that are or were specifically identified as levy
24 reduction funds in the appropriations act. If levy reduction funds are
25 dependent on formula factors which would not be finalized until after
26 the start of the current school year, the superintendent of public
27 instruction shall estimate the total amount of levy reduction funds by
28 using prior school year data in place of current school year data.
29 Levy reduction funds shall not include moneys received by school
30 districts from cities or counties.

31 ~~((+8))~~ (9) The definitions in this subsection apply throughout
32 this section unless the context clearly requires otherwise.

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

35 (b) "Current school year" means the year immediately following the
36 prior school year.

37 (c) "Initiative 728 rate" means the allocation rate at which the
38 student achievement program would have been funded under chapter 3,

1 Laws of 2001, if all annual adjustments to the initial 2001 allocation
2 rate had been made in previous years and in each subsequent year as
3 provided for under chapter 3, Laws of 2001.

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

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

12 ~~((+10))~~ (11) The superintendent of public instruction shall
13 develop rules and inform school districts of the pertinent data
14 necessary to carry out the provisions of this section.

15 ~~((+11))~~ (12) For calendar year 2009, the office of the
16 superintendent of public instruction shall recalculate school district
17 levy authority to reflect levy rates certified by school districts for
18 calendar year 2009.

19 NEW SECTION. **Sec. 3.** Section 2 of this act takes effect January
20 1, 2012.

21 NEW SECTION. **Sec. 4.** Section 2 of this act expires January 1,
22 2018.

--- END ---