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SENATE BILL 5898

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State of Washington

63rd Legislature

2013 Regular Session

By Senators Hill and Hargrove

Read first time 04/04/13. Referred to Committee on Ways & Means.

1 AN ACT Relating to increasing education funding, including  
2 adjusting school district levy and state levy equalization provisions;  
3 amending RCW 28A.150.260, 28A.160.192, 84.52.0531, 28A.500.020, and  
4 28A.500.030; reenacting and amending RCW 84.52.0531; providing  
5 effective dates; and providing an expiration date.

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

7 **Sec. 1.** RCW 28A.150.260 and 2011 1st sp.s. c 27 s 2 are each  
8 amended to read as follows:

9 The purpose of this section is to provide for the allocation of  
10 state funding that the legislature deems necessary to support school  
11 districts in offering the minimum instructional program of basic  
12 education under RCW 28A.150.220. The allocation shall be determined as  
13 follows:

14 (1) The governor shall and the superintendent of public instruction  
15 may recommend to the legislature a formula for the distribution of a  
16 basic education instructional allocation for each common school  
17 district.

18 (2) The distribution formula under this section shall be for  
19 allocation purposes only. Except as may be required under chapter

1 28A.155, 28A.165, 28A.180, or 28A.185 RCW, or federal laws and  
2 regulations, nothing in this section requires school districts to use  
3 basic education instructional funds to implement a particular  
4 instructional approach or service. Nothing in this section requires  
5 school districts to maintain a particular classroom teacher-to-student  
6 ratio or other staff-to-student ratio or to use allocated funds to pay  
7 for particular types or classifications of staff. Nothing in this  
8 section entitles an individual teacher to a particular teacher planning  
9 period.

10 (3)(a) (~~To the extent the technical details of the formula have~~  
11 ~~been adopted by the legislature and~~) Except when specifically provided  
12 as a school district allocation, the distribution formula for the basic  
13 education instructional allocation shall be based on minimum staffing  
14 and nonstaff costs the legislature deems necessary to support  
15 instruction and operations in prototypical schools serving high,  
16 middle, and elementary school students as provided in this section.  
17 The use of prototypical schools for the distribution formula does not  
18 constitute legislative intent that schools should be operated or  
19 structured in a similar fashion as the prototypes. Prototypical  
20 schools illustrate the level of resources needed to operate a school of  
21 a particular size with particular types and grade levels of students  
22 using commonly understood terms and inputs, such as class size, hours  
23 of instruction, and various categories of school staff. It is the  
24 intent that the funding allocations to school districts be adjusted  
25 from the school prototypes based on the actual number of annual average  
26 full-time equivalent students in each grade level at each school in the  
27 district and not based on the grade-level configuration of the school  
28 to the extent that data is available. The allocations shall be further  
29 adjusted from the school prototypes with minimum allocations for small  
30 schools and to reflect other factors identified in the omnibus  
31 appropriations act.

32 (b) For the purposes of this section, prototypical schools are  
33 defined as follows:

34 (i) A prototypical high school has six hundred average annual full-  
35 time equivalent students in grades nine through twelve;

36 (ii) A prototypical middle school has four hundred thirty-two  
37 average annual full-time equivalent students in grades seven and eight;  
38 and

1 (iii) A prototypical elementary school has four hundred average  
2 annual full-time equivalent students in grades kindergarten through  
3 six.

4 (4)(a) The minimum allocation for each level of prototypical school  
5 shall be based on the number of full-time equivalent classroom teachers  
6 needed to provide instruction over the minimum required annual  
7 instructional hours under RCW 28A.150.220 and provide at least one  
8 teacher planning period per school day, and based on the following  
9 general education average class size of full-time equivalent students  
10 per teacher:

	General education average class size
14 Grades K-3 . . . . .	25.23
15 Grade 4 . . . . .	27.00
16 Grades 5-6 . . . . .	27.00
17 Grades 7-8 . . . . .	28.53
18 Grades 9-12 . . . . .	28.74

19 (b) During the 2011-2013 biennium and beginning with schools with  
20 the highest percentage of students eligible for free and reduced-price  
21 meals in the prior school year, the general education average class  
22 size for grades K-3 shall be reduced until the average class size  
23 funded under this subsection (4) is no more than 17.0 full-time  
24 equivalent students per teacher beginning in the 2017-18 school year.

25 (c) The minimum allocation for each prototypical middle and high  
26 school shall also provide for full-time equivalent classroom teachers  
27 based on the following number of full-time equivalent students per  
28 teacher in career and technical education:

	Career and technical education average class size
32 Approved career and technical education offered at 33 the middle school and high school level . . . . .	26.57
34 Skill center programs meeting the standards established 35 by the office of the superintendent of public 36 instruction . . . . .	22.76

1 (d) In addition, the omnibus appropriations act shall at a minimum  
2 specify:

3 (i) A high-poverty average class size in schools where more than  
4 fifty percent of the students are eligible for free and reduced-price  
5 meals; and

6 (ii) A specialty average class size for laboratory science,  
7 advanced placement, and international baccalaureate courses.

8 (5) The minimum allocation for each level of prototypical school  
9 shall include allocations for the following types of staff in addition  
10 to classroom teachers:  
11  
12

	Elementary	Middle	High
	School	School	School
Principals, assistant principals, and other certificated building-level administrators .....	1.253	1.353	1.880
Teacher librarians, a function that includes information literacy, technology, and media to support school library media programs .....	0.663	0.519	0.523
Health and social services:			
School nurses .....	0.076	0.060	0.096
Social workers .....	0.042	0.006	0.015
Psychologists .....	0.017	0.002	0.007
Guidance counselors, a function that includes parent outreach and graduation advising .....	0.493	1.116	1.909
Teaching assistance, including any aspect of educational instructional services provided by classified employees .....	0.936	0.700	0.652
Office support and other noninstructional aides .....	2.012	2.325	3.269
Custodians .....	1.657	1.942	2.965
Classified staff providing student and staff safety .....	0.079	0.092	0.141
Parent involvement coordinators .....	0.00	0.00	0.00

31 (6)(a) The minimum staffing allocation for each school district to  
32 provide district-wide support services shall be allocated per one  
33 thousand annual average full-time equivalent students in grades K-12 as  
34 follows:

35 Staff per 1,000

1		K-12 students
2	Technology . . . . .	0.628
3	Facilities, maintenance, and grounds . . . . .	1.813
4	Warehouse, laborers, and mechanics . . . . .	0.332

5 (b) The minimum allocation of staff units for each school district  
6 to support certificated and classified staffing of central  
7 administration shall be 5.30 percent of the staff units generated under  
8 subsections (4)(a) and (b) and (5) of this section and (a) of this  
9 subsection.

10 (7) The distribution formula shall include staffing allocations to  
11 school districts for career and technical education and skill center  
12 administrative and other school-level certificated staff, as specified  
13 in the omnibus appropriations act.

14 (8)(a) Except as provided in (b) of this subsection, the minimum  
15 allocation for each school district shall include allocations per  
16 annual average full-time equivalent student for the following  
17 materials, supplies, and operating costs, to be adjusted for inflation  
18 from the 2008-09 school year:

19		Per annual average
20		full-time equivalent student
21		in grades K-12
22	Technology . . . . .	\$54.43
23	Utilities and insurance . . . . .	\$147.90
24	Curriculum and textbooks . . . . .	\$58.44
25	Other supplies and library materials . . . . .	\$124.07
26	Instructional professional development for certified and	
27	classified staff . . . . .	\$9.04
28	Facilities maintenance . . . . .	\$73.27
29	Security and central office . . . . .	\$50.76
30	<u>Total basic education materials, supplies, and operating</u>	
31	<u>costs (MSOC) per student FTE . . . . .</u>	<u>\$517.91</u>

32 (b) (~~During the 2011-2013 biennium~~) The allocation rates for the  
33 2013-14 and 2014-15 school years for materials, supplies, and operating  
34 costs shall be enhanced over minimum levels established in (a) of this  
35 subsection, as specified in the omnibus appropriations act. Beginning  
36 with the 2015-16 school year, the minimum allocation for  
37 ((maintenance)) each school district for materials, supplies, and

1 operating costs shall be (~~increased as specified in the omnibus~~  
 2 ~~appropriations act. The following allocations, adjusted for inflation~~  
 3 ~~from the 2007-08 school year, are provided in the 2015-16 school year,~~  
 4 ~~after which the allocations shall~~) the following allocations, which  
 5 shall thereafter be adjusted annually for inflation as specified in the  
 6 omnibus appropriations act:

7			( <del>Per annual average</del>
8			<del>full-time equivalent student</del>
9			<del>in grades K-12</del> )
10			<u>Materials, supplies, and operating</u>
11			<u>costs (MSOC) Rates per student</u>
12			<u>full-time equivalent</u>
13	<u>MSOC component</u>	<u>2015-16 school year</u>	
14	Technology		( <del>(\$113.80)</del> )
15			<u>\$114.57</u>
16	Utilities and insurance		( <del>(\$309.21)</del> )
17			<u>\$311.29</u>
18	Curriculum and textbooks		( <del>(\$122.17)</del> )
19			<u>\$122.99</u>
20	Other supplies and library materials		( <del>(\$259.39)</del> )
21			<u>\$261.13</u>
22	Instructional professional development for certificated and		
23	classified staff		( <del>(\$18.89)</del> )
24			<u>\$19.01</u>
25	Facilities maintenance		( <del>(\$153.18)</del> ) <u>154.22</u>
26	Security and central office administration		( <del>(\$106.12)</del> )
27			<u>106.83</u>
28	<u>Total basic education MSOC per student FTE</u>		<u>\$1,090.04</u>

29 (9) In addition to the amounts provided in subsection (8) of this  
 30 section, the omnibus appropriations act shall provide an amount based  
 31 on full-time equivalent student enrollment in each of the following:

32 (a) Exploratory career and technical education courses for students  
 33 in grades seven through twelve;

34 (b) Laboratory science courses for students in grades nine through  
 35 twelve;

36 (c) Preparatory career and technical education courses for students  
 37 in grades nine through twelve offered in a high school; and

1 (d) Preparatory career and technical education courses for students  
2 in grades eleven and twelve offered through a skill center.

3 (10) In addition to the allocations otherwise provided under this  
4 section, amounts shall be provided to support the following programs  
5 and services:

6 (a) To provide supplemental instruction and services for  
7 underachieving students through the learning assistance program under  
8 RCW 28A.165.005 through 28A.165.065, allocations shall be based on the  
9 district percentage of students in grades K-12 who were eligible for  
10 free or reduced-price meals in the prior school year. The minimum  
11 allocation for the program shall provide for each level of prototypical  
12 school resources to provide, on a statewide average, 1.5156 hours per  
13 week in extra instruction with a class size of fifteen learning  
14 assistance program students per teacher.

15 (b) To provide supplemental instruction and services for students  
16 whose primary language is other than English, allocations shall be  
17 based on the head count number of students in each school who are  
18 eligible for and enrolled in the transitional bilingual instruction  
19 program under RCW 28A.180.010 through 28A.180.080. The minimum  
20 allocation for each level of prototypical school shall provide  
21 resources to provide, on a statewide average, 4.7780 hours per week in  
22 extra instruction with fifteen transitional bilingual instruction  
23 program students per teacher. Notwithstanding other provisions of this  
24 subsection (10), the actual per-student allocation may be scaled to  
25 provide a larger allocation for students needing more intensive  
26 intervention and a commensurate reduced allocation for students needing  
27 less intensive intervention, as detailed in the omnibus appropriations  
28 act.

29 (c) To provide additional allocations to support programs for  
30 highly capable students under RCW 28A.185.010 through 28A.185.030,  
31 allocations shall be based on two and three hundred fourteen one-  
32 thousandths percent of each school district's full-time equivalent  
33 basic education enrollment. The minimum allocation for the programs  
34 shall provide resources to provide, on a statewide average, 2.1590  
35 hours per week in extra instruction with fifteen highly capable program  
36 students per teacher.

37 (11) The allocations under subsections (4)(a) and (b), (5), (6),

1 and (8) of this section shall be enhanced as provided under RCW  
2 28A.150.390 on an excess cost basis to provide supplemental  
3 instructional resources for students with disabilities.

4 (12)(a) For the purposes of allocations for prototypical high  
5 schools and middle schools under subsections (4) and (10) of this  
6 section that are based on the percent of students in the school who are  
7 eligible for free and reduced-price meals, the actual percent of such  
8 students in a school shall be adjusted by a factor identified in the  
9 omnibus appropriations act to reflect underreporting of free and  
10 reduced-price meal eligibility among middle and high school students.

11 (b) Allocations or enhancements provided under subsections (4),  
12 (7), and (9) of this section for exploratory and preparatory career and  
13 technical education courses shall be provided only for courses approved  
14 by the office of the superintendent of public instruction under chapter  
15 28A.700 RCW.

16 (13)(a) This formula for distribution of basic education funds  
17 shall be reviewed biennially by the superintendent and governor. The  
18 recommended formula shall be subject to approval, amendment or  
19 rejection by the legislature.

20 (b) In the event the legislature rejects the distribution formula  
21 recommended by the governor, without adopting a new distribution  
22 formula, the distribution formula for the previous school year shall  
23 remain in effect.

24 (c) The enrollment of any district shall be the annual average  
25 number of full-time equivalent students and part-time students as  
26 provided in RCW 28A.150.350, enrolled on the first school day of each  
27 month, including students who are in attendance pursuant to RCW  
28 28A.335.160 and 28A.225.250 who do not reside within the servicing  
29 school district. The definition of full-time equivalent student shall  
30 be determined by rules of the superintendent of public instruction and  
31 shall be included as part of the superintendent's biennial budget  
32 request. The definition shall be based on the minimum instructional  
33 hour offerings required under RCW 28A.150.220. Any revision of the  
34 present definition shall not take effect until approved by the house  
35 ways and means committee and the senate ways and means committee.

36 (d) The office of financial management shall make a monthly review  
37 of the superintendent's reported full-time equivalent students in the  
38 common schools in conjunction with RCW 43.62.050.



1           **Sec. 2.** RCW 28A.160.192 and 2011 1st sp.s. c 27 s 3 are each  
2 amended to read as follows:

3           (1) (~~The superintendent of public instruction shall phase in the~~  
4 ~~implementation of~~) The distribution formula under this chapter for  
5 allocating state funds to school districts for the transportation of  
6 students to and from school(~~. The phase in shall begin no later than~~  
7 ~~the 2011-2013 biennium and be fully implemented by the 2013-2015~~  
8 ~~biennium.~~) must:

9           (a) (~~The formula must~~) Be developed and revised on an ongoing  
10 basis using the major cost factors in student transportation, including  
11 basic and special student loads, school district land area, average  
12 distance to school, roadway miles, and number of locations served.  
13 Factors must include all those site characteristics that are  
14 statistically significant after analysis of the data required by the  
15 revised reporting process.

16           (b) (~~The formula must~~) Allocate funds to school districts based  
17 on the average predicted costs of transporting students to and from  
18 school, using a regression analysis. Only factors that are  
19 statistically significant shall be used in the regression analysis.  
20 Employee compensation costs included in the allowable transportation  
21 expenditures used for the purpose of establishing each (~~school~~  
22 ~~district's independent~~) variable in the regression analysis shall be  
23 limited to the base salary or hourly wage rates, fringe benefit rates,  
24 and (~~applicable health care~~) the insurance benefit allocation rates  
25 provided in the omnibus appropriations act.

26           (2) (~~During the phase in period,~~) Funding provided to school  
27 districts for student transportation operations shall be distributed on  
28 the following basis:

29           (a) Annually, each school district shall receive the lesser of the  
30 (~~previous school year's pupil transportation operations allocation~~)  
31 expected cost as predicted by the regression analysis under subsection  
32 (1)(b) of this section, or the total of allowable pupil transportation  
33 expenditures identified on the previous school year's final expenditure  
34 report to the state plus district indirect expenses using the federal  
35 restricted indirect rate as calculated in the district annual financial  
36 report;

37           (b) Annually, the amount identified in (a) of this subsection shall

1 be adjusted for any budgeted (~~(increases)~~) changes provided in the  
2 omnibus appropriations act for salaries (~~(or)~~), fringe benefits, and  
3 the insurance benefit allocation rates; and

4 ~~(c) (Annually, any funds appropriated by the legislature in excess~~  
5 ~~of the maintenance level funding amount for student transportation~~  
6 ~~shall be distributed among school districts on a prorated basis using~~  
7 ~~the difference between the amount identified in (a) adjusted by (b) of~~  
8 ~~this subsection and the amount determined under the formula in RCW~~  
9 ~~28A.160.180; and~~

10 ~~(d))~~ Allocations provided to recognize the cost of depreciation to  
11 districts contracting with private carriers for student transportation  
12 shall be deducted from the allowable transportation expenditures in (a)  
13 of this subsection.

14 **Sec. 3.** RCW 84.52.0531 and 2012 1st sp.s. c 10 s 8 are each  
15 amended to read as follows:

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

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

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

26 (a) The district's levy base as defined in subsections (3) and (4)  
27 of this section multiplied by the district's maximum levy percentage as  
28 defined in subsection (6) of this section;

29 (b) For districts in a high/nonhigh relationship, the high school  
30 district's maximum levy amount shall be reduced and the nonhigh school  
31 district's maximum levy amount shall be increased by an amount equal to  
32 the estimated amount of the nonhigh payment due to the high school  
33 district under RCW 28A.545.030(3) and 28A.545.050 for the school year  
34 commencing the year of the levy;

35 (c) Except for nonhigh districts under (d) of this subsection, for  
36 districts in an interdistrict cooperative agreement, the nonresident  
37 school district's maximum levy amount shall be reduced and the resident

1 school district's maximum levy amount shall be increased by an amount  
2 equal to the per pupil basic education allocation included in the  
3 nonresident district's levy base under subsection (3) of this section  
4 multiplied by:

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

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

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

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

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

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

35 (b) State and federal categorical allocations for the following  
36 programs:

37 (i) Pupil transportation;

38 (ii) Special education;

1 (iii) Education of highly capable students;

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

5 (v) Food services; and

6 (vi) Statewide block grant programs; and

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

10 (4) For levy collections in calendar years 2005 through 2017, in  
11 addition to the allocations included under subsection (3)(a) through  
12 (c) of this section, a district's levy base shall also include the  
13 following:

14 (a)(i) For levy collections in calendar year 2010, the difference  
15 between the allocation the district would have received in the current  
16 school year had RCW 84.52.068 not been amended by chapter 19, Laws of  
17 2003 1st sp. sess. and the allocation the district received in the  
18 current school year pursuant to RCW 28A.505.220;

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

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

28 (5) For levy collections in calendar years 2011 through 2017, in  
29 addition to the allocations included under subsections (3)(a) through  
30 (c) and (4)(a) and (b) of this section, a district's levy base shall  
31 also include the difference between an allocation of fifty-three and  
32 two-tenths certificated instructional staff units per thousand full-  
33 time equivalent students in grades kindergarten through four enrolled  
34 in the prior school year and the allocation of certificated  
35 instructional staff units per thousand full-time equivalent students in  
36 grades kindergarten through four that the district actually received in  
37 the prior school year, except that the levy base for a school district  
38 whose allocation in the 2009-10 school year was less than fifty-three

1 and two-tenths certificated instructional staff units per thousand  
2 full-time equivalent students in grades kindergarten through four shall  
3 include the difference between the allocation the district actually  
4 received in the 2009-10 school year and the allocation the district  
5 actually received in the prior school year.

6 (6)(a) A district's maximum levy percentage shall be twenty-four  
7 percent in 2010 (~~and~~); twenty-eight percent in 2011 through 2014;  
8 twenty-seven percent in 2015; twenty-six percent in 2016; twenty-five  
9 percent in 2017; and twenty-four percent every year thereafter;

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

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

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

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

18 (B) Reduce the result of (b)(ii)(A) of this subsection by any levy  
19 reduction funds as defined in subsection (7) of this section that are  
20 to be allocated to the district for the current school year;

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

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

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

37 (8) The definitions in this subsection apply throughout this  
38 section unless the context clearly requires otherwise.

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

3 (b) "Current school year" means the year immediately following the  
4 prior school year.

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

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

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

18 (10) The superintendent of public instruction shall develop rules  
19 and inform school districts of the pertinent data necessary to carry  
20 out the provisions of this section.

21 (11) For calendar year 2009, the office of the superintendent of  
22 public instruction shall recalculate school district levy authority to  
23 reflect levy rates certified by school districts for calendar year  
24 2009.

25 **Sec. 4.** RCW 84.52.0531 and 2010 c 237 s 2 and 2010 c 99 s 11 are  
26 each reenacted and amended to read as follows:

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

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

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

1 (a) The district's levy base as defined in subsection (3) of this  
2 section multiplied by the district's maximum levy percentage as defined  
3 in subsection (4) of this section;

4 (b) For districts in a high/nonhigh relationship, the high school  
5 district's maximum levy amount shall be reduced and the nonhigh school  
6 district's maximum levy amount shall be increased by an amount equal to  
7 the estimated amount of the nonhigh payment due to the high school  
8 district under RCW 28A.545.030(3) and 28A.545.050 for the school year  
9 commencing the year of the levy;

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

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

19 (ii) The serving district's maximum levy percentage determined  
20 under subsection (4) of this section; increased by:

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

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

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

33 (3) For excess levies for collection in calendar year 1998 and  
34 thereafter, a district's levy base shall be the sum of allocations in  
35 (a) through (c) of this subsection received by the district for the  
36 prior school year, including allocations for compensation increases,  
37 plus the sum of such allocations multiplied by the percent increase per  
38 full time equivalent student as stated in the state basic education

1 appropriation section of the biennial budget between the prior school  
2 year and the current school year and divided by fifty-five percent. A  
3 district's levy base shall not include local school district property  
4 tax levies or other local revenues, or state and federal allocations  
5 not identified in (a) through (c) of this subsection.

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

8 (b) State and federal categorical allocations for the following  
9 programs:

10 (i) Pupil transportation;

11 (ii) Special education;

12 (iii) Education of highly capable students;

13 (iv) Compensatory education, including but not limited to learning  
14 assistance, migrant education, Indian education, refugee programs, and  
15 bilingual education;

16 (v) Food services; and

17 (vi) Statewide block grant programs; and

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

21 (4)(a) A district's maximum levy percentage shall be twenty-four  
22 percent in 2010 (~~and~~); twenty-eight percent in 2011 through 2014;  
23 twenty-seven percent in 2015; twenty-six percent in 2016; twenty-five  
24 percent in 2017; and twenty-four percent every year thereafter;

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

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

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

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

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

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



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

3 (iii) For 2018 and thereafter, the percentage shall be calculated  
4 as follows:

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

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

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

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

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

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

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

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

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

1       **Sec. 5.** RCW 28A.500.020 and 2010 c 237 s 5 are each amended to  
2 read as follows:

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

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

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

15       (c) The "district's (~~(fourteen)~~) local effort assistance percent  
16 levy amount" means the school district's maximum levy authority after  
17 transfers determined under RCW 84.52.0531(2) (a) through (c) divided by  
18 the district's maximum levy percentage determined under RCW  
19 84.52.0531(~~(+5)~~) (6) multiplied by (~~(fourteen)~~) the percent specified  
20 in (f) of this subsection.

21       (d) The "district's (~~(fourteen)~~) local effort assistance percent  
22 levy rate" means the district's (~~(fourteen)~~) percent specified in (f)  
23 of this subsection levy amount divided by the district's assessed  
24 valuation for excess levy purposes for the prior tax collection year as  
25 adjusted to one hundred percent by the county indicated ratio.

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

30       (f) Applicable percents for the purposes of (b), (c), (d), and (e)  
31 of this subsection are:

32       (i) For calendar years 2013 and 2014, fourteen percent;

33       (ii) For calendar year 2015, thirteen and one-half percent;

34       (iii) For calendar year 2016, thirteen percent; and

35       (iv) For calendar year 2017, twelve and one-half percent.

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

1           **Sec. 6.** RCW 28A.500.030 and 2010 c 237 s 6 are each amended to  
2 read as follows:

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

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

8           (a) The difference between the district's (~~fourteen~~) local effort  
9 assistance percent levy rate and the statewide average (~~fourteen~~)  
10 local effort assistance percent levy rate; to

11           (b) The statewide average (~~fourteen~~) local effort assistance  
12 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  
15 (~~fourteen~~) local effort assistance percent levy amount, multiplied by  
16 the following percentage:

17           (a) The difference between the district's (~~fourteen~~) local effort  
18 assistance percent levy rate and the statewide average (~~fourteen~~)  
19 local effort assistance percent levy rate; divided by

20           (b) The district's (~~fourteen~~) local effort assistance percent  
21 levy rate.

22           (3) Beginning with calendar year 2007, allocations and maximum  
23 eligibility under this chapter shall be fully funded at one hundred  
24 percent and shall not be reduced.

25           NEW SECTION.   **Sec. 7.** Sections 1 and 2 of this act take effect  
26 September 1, 2013.

27           NEW SECTION.   **Sec. 8.** Sections 3, 5, and 6 of this act take effect  
28 January 1, 2014.

29           NEW SECTION.   **Sec. 9.** Section 4 of this act takes effect January  
30 1, 2018.

31           NEW SECTION.   **Sec. 10.** Sections 3, 5, and 6 of this act expire  
32 January 1, 2018.

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