

Effect:

Change from current law:

- Changes the levy lid from the lesser of \$1.50 per \$1,000 of assessed value or \$2,500 per pupil to:
 - o the lesser of \$2.50 per \$1,000 of assessed value or \$2,500 per pupil for school districts with fewer than 40,000 FTE students; and
 - o the lesser of \$2.50 per \$1,000 of assessed value or \$3,000 per pupil for school districts with 40,000 FTE students or more;
- Bases the definition of inflation on the gross domestic product implicit price deflator, rather than the consumer price index for the Seattle area.

1 AN ACT Relating to school levies; and amending RCW 28A.500.015
2 and 84.52.0531.

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

4 **Sec. 1.** RCW 28A.500.015 and 2018 c 266 s 303 are each amended to
5 read as follows:

6 (1) Beginning in calendar year (~~(2019)~~) 2020 and each calendar
7 year thereafter, the state must provide state local effort assistance
8 funding to supplement school district enrichment levies as provided
9 in this section.

10 (2) For an eligible school district, annual local effort
11 assistance funding is equal to the school district's maximum local
12 effort assistance multiplied by a fraction equal to the lesser of the
13 school district's actual enrichment levy or the maximum allowable
14 local effort assistance levy divided by the school district's maximum
15 allowable (~~(enrichment)~~) local effort assistance levy.

16 (3) The state local effort assistance funding provided under this
17 section is not part of the state's program of basic education deemed
18 by the legislature to comply with the requirements of Article IX,
19 section 1 of the state Constitution.

20 (4) The definitions in this subsection apply throughout this
21 section unless the context clearly requires otherwise.

1 (a) "Eligible school district" means a school district whose
2 maximum allowable (~~(enrichment)~~) local effort assistance levy divided
3 by the school district's total student enrollment in the prior school
4 year is less than the state local effort assistance threshold.

5 (b) For the purpose of this section, "inflation" means (~~(, for any~~
6 ~~school year,)~~) the (~~(rate of the yearly increase of)~~) percentage
7 change in the (~~(previous calendar year's annual average consumer)~~)
8 implicit price (~~(index for all urban consumers, Seattle area, using~~
9 ~~the official current base compiled by)~~) deflator for personal
10 consumption expenditures for the (~~(bureau of labor statistics,)~~)
11 United States (~~(department of labor)~~) for the prior calendar year as
12 published in the November economic and revenue forecast by the
13 economic and revenue forecast council or successor agency.

14 (c) "Maximum allowable (~~(enrichment)~~) local effort assistance
15 levy" means (~~(the maximum levy permitted by RCW 84.52.0531)~~) one
16 dollar and fifty cents per thousand dollars of assessed value in the
17 school district.

18 (d) "Maximum local effort assistance" means the difference
19 between the following:

20 (i) The school district's actual prior school year enrollment
21 multiplied by the state local effort assistance threshold; and

22 (ii) The school district's maximum allowable (~~(enrichment)~~) local
23 effort assistance levy.

24 (e) "Prior school year" means the most recent school year
25 completed prior to the year in which the state local effort
26 assistance funding is to be distributed.

27 (f) "State local effort assistance threshold" means one thousand
28 five hundred dollars per student, increased for inflation beginning
29 in calendar year 2020.

30 (g) "Student enrollment" means the average annual full-time
31 equivalent student enrollment.

32 (5) For districts in a high/nonhigh relationship, the enrollments
33 of the nonhigh students attending the high school shall only be
34 counted by the nonhigh school districts for purposes of funding under
35 this section.

36 (6) For school districts participating in an innovation academy
37 cooperative established under RCW 28A.340.080, enrollments of
38 students attending the academy shall be adjusted so that each
39 participant district receives its proportional share of student
40 enrollments for purposes of funding under this section.

1 **Sec. 2.** RCW 84.52.0531 and 2018 c 266 s 307 are each amended to
2 read as follows:

3 (1) Beginning with taxes levied for collection in ~~((2019))~~ 2020,
4 the maximum dollar amount which may be levied by or for any school
5 district for enrichment levies under RCW 84.52.053 is equal to the
6 lesser of ~~((one))~~ two dollars and fifty cents per thousand dollars of
7 the assessed value of property in the school district or the maximum
8 per-pupil limit.

9 (2) The definitions in this subsection apply to this section
10 unless the context clearly requires otherwise.

11 (a) For the purpose of this section, "inflation" means ~~((, for any
12 school year,))~~ the ~~((rate of the yearly increase of))~~ percentage
13 change in the ~~((previous calendar year's annual average consumer))~~
14 implicit price ~~((index for all urban consumers, Seattle area, using
15 the official current base compiled by))~~ deflator for personal
16 consumption expenditures for the ~~((bureau of labor statistics,))~~
17 United States ~~((department of labor))~~ for the prior calendar year as
18 published in the November economic and revenue forecast by the
19 economic and revenue forecast council or successor agency.

20 (b) "Maximum per-pupil limit" means:

21 (i) Two thousand five hundred dollars, as increased by inflation
22 beginning with property taxes levied for collection in 2020,
23 multiplied by the number of average annual full-time equivalent
24 students enrolled in the school district in the prior school year,
25 for school districts with fewer than forty thousand annual full-time
26 equivalent students enrolled in the school district in the prior
27 school year; or

28 (ii) Three thousand dollars, as increased by inflation beginning
29 with property taxes levied for collection in 2020, multiplied by the
30 number of average annual full-time equivalent students enrolled in
31 the school district in the prior school year, for school districts
32 with forty thousand or more annual full-time equivalent students
33 enrolled in the school district in the prior school year. ((Beginning
34 with property taxes levied for collection in 2020, the maximum per-
35 pupil limit shall be increased by inflation.))

36 (c) "Prior school year" means the most recent school year
37 completed prior to the year in which the levies are to be collected.

38 (3) For districts in a high/nonhigh relationship, the enrollments
39 of the nonhigh students attending the high school shall only be

1 counted by the nonhigh school districts for purposes of funding under
2 this section.

3 (4) For school districts participating in an innovation academy
4 cooperative established under RCW 28A.340.080, enrollments of
5 students attending the academy shall be adjusted so that each
6 participant district receives its proportional share of student
7 enrollments for purposes of funding under this section.

8 (5) Beginning with propositions for enrichment levies for
9 collection in calendar year 2020 and thereafter, a district must
10 receive approval of an enrichment levy expenditure plan under RCW
11 28A.505.240 before submission of the proposition to the voters.

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

15 (7) Beginning with taxes levied for collection in 2018,
16 enrichment levy revenues must be deposited in a separate subfund of
17 the school district's general fund pursuant to RCW 28A.320.330, and
18 for the 2018-19 school year are subject to the restrictions of RCW
19 28A.150.276 and the audit requirements of RCW 43.09.2856.

20 (8) Funds collected from levies for transportation vehicles,
21 construction, modernization, or remodeling of school facilities as
22 established in RCW 84.52.053 are not subject to the levy limitations
23 in subsections (1) through (5) of this section.

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