

# SENATE BILL REPORT

## SHB 1590

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As of February 21, 2022

**Title:** An act relating to enrollment stabilization funding to address enrollment declines due to the COVID-19 pandemic.

**Brief Description:** Concerning enrollment stabilization funding to address enrollment declines due to the COVID-19 pandemic.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Dolan, Callan, Pollet, Bateman, Ramel, Wicks, Johnson, J., Senn, Ryu, Duerr, Walen, Goehner, Valdez, Davis, Fey, Ramos, Santos, Simmons, Wylie, Slatter, Kloba, Stonier, Riccelli, Hackney and Frame).

**Brief History:** Passed House: 2/11/22, 77-18.

**Committee Activity:** Ways & Means: 2/22/22.

### Brief Summary of Bill

- Authorizes the use of 2019-20 enrollment values to calculate enrichment levy limits in the 2023 and 2024 calendar years and to calculate local effort assistance in the 2022 and 2023 calendar years.

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Kayla Hammer (786-7305)

**Background:** Local Enrichment Levies. School districts are authorized to raise funds locally through enrichment levies, which are voter approved and limited in duration. A district's maximum enrichment levy is limited to the lesser of \$2.50 per \$1,000 of assessed value or the maximum per pupil limit, which is \$2,500 per pupil for districts with fewer than 40,000 students and \$3,000 per pupil for districts with 40,000 or more students. A school district's prior school year average annual full-time equivalent enrollment (FTE enrollment) is used for determining the maximum per pupil limit.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

In 2021, the Legislature revised the enrichment levy formulas for the 2022 calendar year, requiring that 2019-20 enrollment be used in place of 2020-21 enrollment if the 2019-20 enrollment was greater and the district was open for in-person instruction to all students by the beginning of the 2021-22 school year.

Local Effort Assistance. Local effort assistance (LEA), also known as levy equalization, is state funding provided to a school district that does not generate an enrichment levy of at least \$1,550 per student when levying at a rate of \$1.50 per \$1,000 of assessed value. An eligible school district's maximum LEA amount is the difference between the district's per pupil levy amount, based on a rate of \$1.50 per \$1,000 of assessed value, and \$1,550 per pupil, multiplied by the district's FTE enrollment. Districts that are eligible for LEA, but levy below a \$1.50 per \$1,000 rate receive LEA in proportion to their actual levy collection. A school district's prior school year FTE enrollment is used for determining LEA eligibility and calculating maximum local effort assistance.

**Summary of Bill:** Local Enrichment Levies. The revisions to the enrichment levy formulas authorized in 2021 are extended for the 2023 and 2024 calendar years. In the 2023 calendar year, 2019-20 enrollment must be used in place of the district's 2021-22 school year enrollment if the 2019-20 enrollment was greater and the district was open for in-person instruction to all students by the beginning of the 2021-22 school year. In the 2024 calendar year, 2019-20 enrollment must be used in place of the district's 2022-23 school year enrollment if the 2019-20 enrollment was greater and the district was open for in-person instruction to all students by the beginning of the 2021-22 school year.

Local Effort Assistance. For determining LEA eligibility and calculating maximum local effort assistance in the 2022 calendar year, prior school year means the 2019-20 school year if the 2019-20 enrollment is greater than the 2020-21 enrollment. For determining LEA eligibility and calculating maximum local effort assistance in the 2023 calendar year, prior school year means the 2019-20 school year if the 2019-20 enrollment is greater than the 2021-22 enrollment.

**Appropriation:** The bill contains a null and void clause requiring specific funding be provided in an omnibus appropriation act.

**Fiscal Note:** Available. New fiscal note requested on February 9, 2022.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.