SUBSTITUTE HOUSE BILL 1476

State of Washington 67th Legislature 2021 Regular Session

By House Appropriations (originally sponsored by Representatives Dolan, Sullivan, Ortiz-Self, Callan, Santos, Ryu, Shewmake, J. Johnson, Valdez, Eslick, Rule, Lekanoff, Stonier, Ramel, Tharinger, Peterson, and Pollet)

READ FIRST TIME 02/22/21.

- 1 AN ACT Relating to enrollment stabilization funding to address
- 2 enrollment declines due to the COVID-19 pandemic; amending RCW
- 3 84.52.0531; and creating a new section.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 <u>NEW SECTION.</u> **Sec. 1.** The legislature recognizes that the
- 6 COVID-19 pandemic has significantly changed the delivery of education
- 7 across the state, as school districts transition to remote learning
- 8 environments to protect the health of students and staff. The
- 9 legislature also recognizes that state funding formulas are largely
- 10 driven by enrollment and the pandemic has resulted in unforeseen,
- 11 temporary enrollment declines in many districts. Funding declines due
- 12 to temporary, unforeseen changes in enrollment can affect a
- 13 district's ability to maintain the staffing and resources needed to
- 14 deliver education services. With this act and in the operating
- 15 budget, the legislature intends to provide stabilizing funding to
- 16 districts that have seen temporary enrollment declines due to the
- 17 COVID-19 pandemic.
- 18 **Sec. 2.** RCW 84.52.0531 and 2019 c 410 s 2 are each amended to
- 19 read as follows:

p. 1 SHB 1476

- (1) Beginning with taxes levied for collection in 2020, the maximum dollar amount which may be levied by or for any school district for enrichment levies under RCW 84.52.053 is equal to the lesser of two dollars and fifty cents per thousand dollars of the assessed value of property in the school district or the maximum perpupil limit. This maximum dollar amount shall be reduced accordingly as provided under RCW 43.09.2856(2).
- (2) The definitions in this subsection apply to this section unless the context clearly requires otherwise.
- (a) For the purpose of this section, "inflation" means, for any school year, the rate of the yearly increase of the previous calendar year's annual average consumer price index for all urban consumers, Seattle area, using the official current base compiled by the bureau of labor statistics, United States department of labor.
 - (b) "Maximum per-pupil limit" means:

- (i) Two thousand five hundred dollars, as increased by inflation beginning with property taxes levied for collection in 2020, multiplied by the number of average annual full-time equivalent students enrolled in the school district in the prior school year, for school districts with fewer than forty thousand annual full-time equivalent students enrolled in the school district in the prior school year; or
- (ii) Three thousand dollars, as increased by inflation beginning with property taxes levied for collection in 2020, multiplied by the number of average annual full-time equivalent students enrolled in the school district in the prior school year, for school districts with forty thousand or more annual full-time equivalent students enrolled in the school district in the prior school year.
- (c) "Prior school year" means the most recent school year completed prior to the year in which the levies are to be collected_ except as follows:
- (i) In the 2022 calendar year, if 2019-20 school year average annual full-time equivalent enrollment is greater than the school district's 2020-21 school year average annual full-time equivalent enrollment, "prior school year" means the 2019-20 school year.
- (ii) In the 2023 calendar year, if 2019-20 school year average annual full-time equivalent enrollment is greater than the school district's 2021-22 school year average annual full-time equivalent enrollment, "prior school year" means the 2019-20 school year.

p. 2 SHB 1476

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

- (4) For school districts participating in an innovation academy cooperative established under RCW 28A.340.080, enrollments of students attending the academy shall be adjusted so that each participant district receives its proportional share of student enrollments for purposes of funding under this section.
- (5) Beginning with propositions for enrichment levies for collection in calendar year 2020 and thereafter, a district must receive approval of an enrichment levy expenditure plan under RCW 28A.505.240 before submission of the proposition to the voters.
- (6) The superintendent of public instruction shall develop rules and regulations and inform school districts of the pertinent data necessary to carry out the provisions of this section.
- (7) Beginning with taxes levied for collection in 2018, enrichment levy revenues must be deposited in a separate subfund of the school district's general fund pursuant to RCW 28A.320.330, and for the 2018-19 school year are subject to the restrictions of RCW 28A.150.276 and the audit requirements of RCW 43.09.2856.
- (8) Funds collected from levies for transportation vehicles, construction, modernization, or remodeling of school facilities as established in RCW 84.52.053 are not subject to the levy limitations in subsections (1) through (5) of this section.

--- END ---

p. 3 SHB 1476