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**Early Learning & Human Services  
Committee**

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**HB 2898**

**Brief Description:** Concerning additional enrichment levy amounts to fund early learning programs.

**Sponsors:** Representatives Kagi, Senn, Pettigrew, Sullivan, Eslick, Valdez and Pollet.

**Brief Summary of Bill**

- Authorizes school districts to levy an additional enrichment levy of up to \$0.25 per \$1,000 of assessed property value to support high quality early learning programs.

**Hearing Date:** 1/26/18

**Staff:** Dawn Eychaner (786-7135).

**Background:**

State Property Tax.

The state Constitution limits regular property tax levies to a maximum of 1 percent of the property's value (\$10 per \$1,000 of assessed value [AV]). In addition to the 1 percent constitutional rate cap, regular property taxes are subject to a growth limit based on the lesser of inflation or 1 percent. The 2017 Legislature established a new state property tax to be levied for the support of the common schools. For taxes levied for collection in calendar years 2018 through 2022, the rate is \$2.70 per \$1,000 AV, to which the growth limit does not apply.

School District Levies.

Upon voter approval, school districts are authorized to collect excess levies above the 1 percent constitutional property tax limit. School district voters may approve maintenance and operations (M&O) levies for up to four years and school facility levies for the construction, modernization, or remodeling of school facilities for up to six years. Since passage of the Levy Lid Act of 1977, the Legislature has limited the amount school districts may collect through their M&O levies.

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### *Enrichment Levies.*

Beginning in 2019 M&O levies are renamed "enrichment levies," and school districts may collect enrichment levies based on a new levy lid. A district's maximum enrichment levy is the lesser of \$2,500 per pupil or a rate of \$1.50 per \$1,000 of assessed property value. Voters in a school district may approve an enrichment levy for up to four years.

Beginning with propositions for enrichment levies for collection in 2020, a school district must receive approval of an enrichment levy expenditure plan from the Office of the Superintendent of Public Instruction before submitting the proposition to the voters.

Districts may spend enrichment levies and other local revenues only for documented and demonstrated enrichment of the state's program of basic education. To constitute enrichment, a school district expenditure must supplement state minimum instructional offerings, staffing ratios, program components, or professional learning allocations. Early learning activities are a permitted form of enrichment.

### Early Learning Programs.

#### *Early Childhood Education and Assistance Program.*

The Early Childhood Education and Assistance Program (ECEAP) is the state's voluntary preschool program. Three and four year-olds from families with incomes at or below 110 percent of the federal poverty level are eligible for the ECEAP. Children with special needs or certain risk factors are also eligible to enroll, regardless of income. Up to 10 percent of enrollment can be children who do not meet income requirements but are experiencing other risk factors that could interfere with school success. The Department of Early Learning (DEL) administers the ECEAP program through contracts with local organizations.

Eligible children are admitted to the ECEAP to the extent that the Legislature provides funds for the state-supported ECEAP program. State funding for the ECEAP must be phased in yearly until full statewide implementation is achieved in the 2022-23 school year, when any eligible child will be entitled to be enrolled in the ECEAP.

#### *Early Start Account.*

The Early Start Account (ESA) is administered by the DEL. Local governments, school districts, institutions of higher education, and nonprofit organizations may contribute funds to the ESA for the purposes of building capacity and quality in local early care and education programming, reducing copayments charged to parents and caregivers, and expanding access and eligibility in the ECEAP program. Local and private funds contributed by community sources for expanding access to the ECEAP may not supplant state funding required for full statewide implementation of the ECEAP. Children admitted to the ECEAP using local and private funds do not have to meet state ECEAP eligibility requirements and are not considered eligible for, or part of, the state-funded entitlement.

The DEL is required to reduce barriers and increase efficiency for using local and private funds to provide more high quality early learning opportunities.

#### *Early Achievers.*

The Early Achievers program is a quality rating and improvement system administered by the DEL that provides a common set of standards by which to measure and improve the quality of early learning and child care. Early Achievers participants advance through program levels and are rated on a scale of 1-5 based on child outcomes, facility curriculum and learning environment, professional development, and family engagement and partnership.

Early learning providers receiving state subsidy are required to participate in Early Achievers, and state subsidy rates are tiered based on providers' participation and ratings. The ECEAP providers are required to rank at a level 4 or higher within 12 months of enrollment in the Early Achievers program, and Working Connections Child Care providers must rank at a level 3 or higher by December 31, 2019.

*Department of Early Learning.*

Effective July 1, 2018, all powers, functions, and duties of the DEL will be transferred to the Department of Children, Youth, and Families (DCYF).

**Summary of Bill:**

Beginning with taxes levied for collection in 2019, a school district may levy an additional enrichment levy of up to \$0.25 per \$1,000 of AV. The additional enrichment levy must be used for high quality early learning programs, including:

- the ECEAP;
- early learning programs with a minimum score of 3.5 in Early Achievers;
- other high quality early learning programs approved for this purpose by the DCYF; and
- capital expenses if the school district has demonstrated a need for additional classroom space and such facilities would be used primarily for high quality early learning programs.

Funds raised by an early learning enrichment levy may be deposited into the ESA. Funds deposited into the ESA must be used for initial investments to build capacity and quality in local early care and education programs, reduce copayments charged to parents or caregivers, and to expand access to the ECEAP. Children enrolled in the ECEAP using these funds do not have to meet state ECEAP eligibility requirements and are not considered eligible for, or part of, the state-funded entitlement.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** This bill takes effect 90 days after adjournment of the session in which the bill is passed, except for section 2, relating to allowable uses of early learning enrichment levy funds, which takes effect July 1, 2018 and Sections 3 and 4, relating to additional enrichment levy, which takes effect January 1, 2019.