

SENATE BILL REPORT

SB 5809

As of January 31, 2024

Title: An act relating to enrichment funding for charter public schools.

Brief Description: Concerning enrichment funding for charter public schools.

Sponsors: Senators Mullet, Lovick, Cleveland, Salomon, Shewmake, Wilson, L., Braun, Wilson, C., Lovelett, Dozier, Gildon, Kuderer, Padden and Torres.

Brief History:

Committee Activity: Early Learning & K-12 Education: 1/10/24, 1/18/24 [DPS-WM, DNP].

Ways & Means: 2/02/24.

Brief Summary of First Substitute Bill

- Provides local effort assistance to charter schools in the amount of the actual enrichment levy per student for the school district in which the charter school is located, multiplied by the charter school enrollment, up to \$1,550 per-pupil.
- Authorizes charter schools to apply for state grants on the same basis as school districts.

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

Majority Report: That Substitute Senate Bill No. 5809 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Wellman, Chair; Wilson, C., Vice Chair; Hawkins, Ranking Member; Dozier, McCune and Mullet.

Minority Report: Do not pass.

Signed by Senators Nobles, Vice Chair; Hunt and Pedersen.

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.

Staff: Alex Fairfortune (786-7416)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Richard Ramsey (786-7909)

Background: Charter School Funding. Charter schools are created, governed, and funded separately from common schools, with appropriations for their use distributed from the Washington Opportunity Pathways Account. State apportionment for charter schools is calculated using the same prototypical funding formula and categorical program formulas used to fund common schools. Unlike school districts, charter school boards do not have the authority to levy taxes or issue tax-backed bonds.

Local Effort Assistance. Under the Local Effort Assistance (LEA) program, also known as levy equalization, the state provides additional funding to school districts at a disadvantage in raising enrichment levies due to low property values.

LEA is provided to any 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 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 resident enrollment. Districts eligible for LEA that levy below a \$1.50 per \$1,000 rate receive LEA in proportion to their actual levy collection.

State-tribal compact schools may also receive LEA in an amount equal to the enrichment levy per student for the school district in which the state-tribal compact school is located, multiplied by the state-tribal compact school's enrollment. For purposes of making this calculation levy and enrollment data from the prior school year is used. The maximum LEA a state-tribal compact school can receive is \$1,550 per student.

Summary of Bill (First Substitute): Beginning in fiscal year 2025, the Office of the Superintendent of Public Instruction must calculate and distribute LEA funding to charter schools in the amount of the actual enrichment levy per-student for the previous school year for the school district in which the charter school is located, multiplied by the charter school student enrollment from the prior school year. This LEA amount is limited to \$1,550 per pupil adjusted for inflation from the 2019 calendar year.

Charter schools are also eligible to apply for other state grants on the same basis as school districts.

EFFECT OF CHANGES MADE BY EARLY LEARNING & K-12 EDUCATION COMMITTEE (First Substitute):

- Provides LEA funding to charter schools in the amount of the actual enrichment levy

per-student for the previous school year for the school district in which the charter school is located, multiplied by the charter school student enrollment from the prior school year, up to \$1,550 per pupil adjusted for inflation.

- Provides that LEA funding to charter schools will begin in the 2025 fiscal year rather than the 2025 calendar year.
- Moves the funding formula language to the LEA statute and provides a cross-reference in the charter school statute.

Appropriation: None.

Fiscal Note: Requested on January 3, 2024.

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

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Original Bill (Early Learning & K-12 Education): *The committee recommended a different version of the bill than what was heard.* PRO: This is something that we can do financially for charter schools so that they can have a better chance at success. This would allow access to equitable resources and give support where it is due, especially in BIPOC and low-income communities. Charter schools serve a higher concentration of BIPOC scholars and do less with more even though the families are paying taxes like other families. Charter school students should have the same access to resources that their peers in school districts receive.

CON: The WEA opposes funding streams that are specialized to charter schools. The current bill language sets a different LEA calculation than state-tribal compact schools and guarantees the \$1,550 amount without reference to the local school district's levy.

Persons Testifying (Early Learning & K-12 Education): PRO: Senator Mark Mullet, Prime Sponsor; Marcus Harden, Why Not You Academy; Rochelle Jeffries, Why Not You Academy; Andrena Wilson, Why Not You Academy; Baionne Coleman, Rainier Valley Leadership Academy; Josie Boone, PRIDE Schools; Betzy Espinoza, Pinnacles Prep.

CON: Julie Salvi, Washington Education Association.

Persons Signed In To Testify But Not Testifying (Early Learning & K-12 Education):

PRO: Liv Finne, Washington Policy Center; Karen Lobos, Rainier Prep; Taryn Majors, Impact Commencement Bay Elementary; Dan Effland, Summit Atlas High School.

CON: Melissa Westbrook, Seattle Schools Community Forum (not part of SPS); Robert Cruickshank, Washington's Paramount Duty.