S-4947.1

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**SUBSTITUTE SENATE BILL 6458**

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**State of Washington 65th Legislature 2018 Regular Session**

**By** Senate Ways & Means (originally sponsored by Senators Billig, Mullet, Wellman, Rolfes, Liias, and Kuderer)

AN ACT Relating to providing school districts with authority to impose an additional enrichment levy amount to fund high quality early learning programs; amending RCW 84.52.0531 and 28A.500.015; adding a new section to chapter 84.52 RCW; creating new sections; and providing effective dates.

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

NEW SECTION. **Sec.**  (1) The legislature acknowledges that high quality early learning is an effective way to prepare children for kindergarten and for success in school. The legislature finds that high quality early learning is one of the most effective tools at closing the opportunity gap in the K-12 school system. The legislature further finds that Second Substitute Senate Bill No. 5107, which became chapter 178, Laws of 2017, requires the department of early learning and will require the department of children, youth, and families to the greatest extent possible to reduce barriers and increase efficiency for using local and private funds to provide more high quality early learning opportunities.

(2) The legislature recognizes that school districts are in a unique position to provide or contract high quality early learning programs that will prepare children to enter kindergarten ready to learn. The legislature intends to provide school districts with the authority to impose an additional enrichment levy amount to fund high quality early learning programs.

NEW SECTION. **Sec.**  A new section is added to chapter 84.52 RCW to read as follows:

(1) Any tax levy imposed under RCW 84.52.0531(2) must be used exclusively for high quality early learning programs including:

(a) The early childhood education and assistance program described in chapter 43.216 RCW;

(b) Early learning programs that score at least 3.5 in the early achievers program described in chapter 43.216 RCW;

(c) Other high quality early learning programs approved for this purpose by the department of children, youth, and families; and

(d) Capital expenses if such expenses are limited to twenty-five percent of the total revenues generated by the tax levy and school districts have demonstrated a need for additional classroom space and such facilities would be used primarily for high quality early learning programs.

(2) Funds dedicated under this section to the early childhood education and assistance program must be used for expanding access and eligibility in this program. Children enrolled in the early childhood education and assistance program using funds dedicated under this section are not considered to be eligible children as defined in RCW 43.216.505 and are not considered to be part of the state-funded entitlement required in RCW 43.216.556.

(3) Funds raised by the levy under RCW 84.52.0531(2) may be deposited into the early start account created in RCW 43.216.165 and used for purposes described in RCW 43.216.080.

(4) School districts must consult with early learning regional coalitions before finalizing plans to spend revenues collected under RCW 84.52.0531(2).

**Sec.**  RCW 84.52.0531 and 2017 3rd sp.s. c 13 s 203 are each amended to read as follows:

(1) Beginning with taxes levied for collection in 2019, the maximum dollar amount which may be levied by or for any school district for enrichment levies under RCW 84.52.053, except as provided under subsection (2) of this section, is equal to the lesser of one dollar and fifty cents per thousand dollars of the assessed value of property in the school district or the maximum per-pupil limit.

(2) Beginning with taxes levied for collection in 2019, a school district may levy an additional enrichment levy dollar amount not to exceed an amount equal to twenty-five cents per thousand dollars of the assessed value of property in the school district. The additional dollar amount authorized under this subsection must be used exclusively for the purposes provided in section 2 of this act.

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

(a) "Inflation" means inflation as defined in RCW 84.55.005.

(b) "Maximum per-pupil limit" means two thousand five hundred dollars, multiplied by the number of average annual resident full-time equivalent students enrolled in the school district in the prior school year. Beginning with property taxes levied for collection in 2020, the maximum per-pupil limit shall be increased by inflation.

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

((~~(3)~~)) (4) 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.

((~~(4)~~)) (5) 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.

((~~(5)~~)) (6) Beginning with taxes levied for collection in 2020, enrichment levy revenues must be deposited in a separate subfund of the school district's general fund pursuant to RCW 28A.320.330, and are subject to the restrictions of RCW 28A.150.276 and the audit requirements of RCW 43.09.2856.

((~~(6)~~)) (7) Funds collected from transportation vehicle enrichment levies shall not be subject to the levy limitations in this section.

**Sec.**  RCW 28A.500.015 and 2017 3rd sp.s. c 13 s 206 are each amended to read as follows:

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

(2) For an eligible school district, annual local effort assistance funding is equal to the school district's maximum local effort assistance multiplied by a fraction equal to the school district's actual enrichment levy divided by the school district's maximum allowable enrichment levy.

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

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

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

(b) "Inflation" means inflation as defined in RCW 84.55.005.

(c) "Maximum allowable enrichment levy" means the maximum levy permitted by RCW 84.52.0531(1).

(d) "Maximum local effort assistance" means the school district's student enrollment in the prior school year multiplied by the difference of the state local effort assistance threshold and a school district's maximum allowable enrichment levy divided by the school district's student enrollment in the prior school year.

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

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

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

NEW SECTION. **Sec.**  This act applies to taxes levied by school districts for collection in calendar year 2019 and thereafter.

NEW SECTION. **Sec.**  Section 2 of this act takes effect July 1, 2018.

NEW SECTION. **Sec.**  Sections 3 and 4 of this act take effect January 1, 2019.

**--- END ---**