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**ENGROSSED SUBSTITUTE HOUSE BILL 2163**

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**State of Washington 66th Legislature 2019 Regular Session**

**By** House Appropriations (originally sponsored by Representative Stokesbary)

AN ACT Relating to transferring extraordinary revenue growth from the budget stabilization account for K-12 education; creating new sections; making appropriations; and declaring an emergency.

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

NEW SECTION. **Sec.**  Before June 30, 2019, the treasurer shall transfer the sum of $58,424,000 from the budget stabilization account to the state general fund for the support of K-12 education. The amount transferred in this section is attributable to amounts deposited in the budget stabilization account due to extraordinary revenue growth in the 2017-2019 fiscal biennium. For purposes of RCW 43.88.055(4), the transfer in this section does not alter the obligation to balance in ensuing biennia.

NEW SECTION. **Sec.**  The sum of forty-two million six hundred ten thousand dollars is appropriated from the state general fund for the fiscal year ending June 30, 2020, and the sum of fifteen million eight hundred fourteen thousand dollars is appropriated from the state general fund for the fiscal year ending June 30, 2021, to the superintendent of public instruction, and is provided solely for allocation to school districts as hold-harmless payments under section 3 of this act.

NEW SECTION. **Sec.**  (1) In the 2019-20 school year, the superintendent of public instruction must allocate hold-harmless payments to school districts as follows:

(a) A school district with an enrollment of three hundred or fewer average annual full-time equivalent students will receive an amount equal to number A minus number B if number A is greater than number B.

(b) A school district with more than three hundred average annual full-time equivalent students will receive the product of the district's average annual full-time equivalent student enrollment in the 2018-19 school year multiplied by an amount equal to number C minus number D if number C is greater than number D.

(2) In the 2020-21 school year, the superintendent of public instruction must allocate hold-harmless payments to school districts as follows:

(a) A school district with three hundred or fewer average annual full-time equivalent students will receive an amount equal to number A minus number E if number A is greater than number E.

(b) A school district with more than three hundred average annual full-time equivalent students will receive the product of the district's average annual full-time equivalent students in the 2019-20 school year multiplied by an amount equal to number C minus number F if number C is greater than number F.

(3)(a) "Number A" is the sum of the following:

(i) General apportionment provided to the school district in the 2017-18 school year, excluding the district's share of the general apportionment allocation redirected by the superintendent to the special education program;

(ii) Local enrichment levies collected by the district in the 2018 calendar year; and

(iii) Local effort assistance received by the district in the 2018 calendar year.

(b) "Number B" is the sum of the following:

(i) General apportionment provided to the school district in the 2018-19 school year, excluding the district's share of the general apportionment allocations redirected by the superintendent to the special education program;

(ii) Local enrichment levies collected by the district in the 2019 calendar year; and

(iii) Local effort assistance received by the district in the 2019 calendar year.

(c) "Number C" is the sum of the following divided by the district's average annual full-time equivalent student enrollment in the 2017-18 school year:

(i) General apportionment provided to the school district in the 2017-18 school year, excluding the district's share of the general apportionment allocation redirected by the superintendent to the special education program;

(ii) Local enrichment levies collected by the district in the
2018 calendar year; and

(iii) Local effort assistance received by the district in the
2018 calendar year.

(d) "Number D" is the sum of the following divided by the district's average annual full-time equivalent student enrollment in the 2018-19 school year:

(i) General apportionment provided to the school district in the 2018-19 school year, excluding the district's share of the general apportionment allocations redirected by the superintendent to the special education program;

(ii) Local enrichment levies collected by the district in the 2019 calendar year; and

(iii) Local effort assistance received by the district in the 2019 calendar year.

(e) "Number E" is the sum of the following:

(i) General apportionment provided to the school district in the 2019-20 school year, excluding the district's share of the general apportionment allocations redirected by the superintendent to the special education program;

(ii) Local enrichment levies collected by the district in the 2020 calendar year; and

(iii) Local effort assistance received by the district in the 2020 calendar year.

(f) "Number F" is the sum of the following divided by the district's average annual full-time equivalent student enrollment in the 2019-20 school year:

(i) General apportionment provided to the school district in the 2019-20 school year, excluding the district's share of the general apportionment allocations redirected by the superintendent to the special education program;

(ii) Local enrichment levies collected by the district in the 2020 calendar year; and

(iii) Local effort assistance received by the district in the 2020 calendar year.

NEW SECTION. **Sec.**  This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

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