
Appropriations Committee

HB 2788

Brief Description: Concerning local effort assistance for charter schools.

Sponsors: Representatives Pettigrew, Stokesbary, Springer, Steele, Walen, Harris, Sullivan, Rude, Dolan and Lekanoff.

<p style="text-align: center;">Brief Summary of Bill</p> <ul style="list-style-type: none">• Provides local effort assistance funding to charter schools up to \$1,550 per pupil, adjusted for inflation, beginning in 2022.

Hearing Date: 1/29/20

Staff: James Mackison (786-7104).

Background:

Charter Schools.

Charter Schools are public schools that operate separately from the common school system and school districts. Charter school boards oversee the management and operation of charter schools, under five-year contracts with a charter school authorizer. Charter schools must provide a program of basic education and adhere to requirements specified in state law and the charter contract, but are exempt from other state rules and laws applicable to common schools for the purpose of allowing flexibility in implementing educational programs.

Charter school authorizers may establish no more than forty total schools until April 3, 2021. In the 2019-20 school year, there are nine charter schools in operation serving approximately 3,100 students. Like common schools, charter schools receive state prototypical school funding, including funding for categorical programs like special education, bilingual programs, and the learning assistance program; this funding comes from the Opportunity Pathways Account, which receives net lottery revenues. Charter schools may receive federal funding and local non-tax gifts and donations. Charter schools may not levy taxes.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Enrichment Levies and Local Effort Assistance.

School districts may collect enrichment levies, which can be used to only to enrich the state's program of basic education. The legislature limits the maximum enrichment levy amount a district may collect to the lesser of \$2,500 per pupil or a rate of \$2.50 per \$1,000 of assessed property value for school districts with fewer than 40,000 FTE students.

The state provides additional local effort assistance (LEA) funding, also known as levy equalization, to school districts that are at a disadvantage in raising enrichment levies due to low property values. Local effort assistance is provided to school districts that would 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 student, multiplied by the district's enrollment. Like enrichment levies, LEA may only be used to enrich the state's program of basic education. State tribal compact schools will receive LEA up to \$1,550 per pupil adjusted for inflation beginning in 2022.

Summary of Bill:

Beginning in the 2022 calendar year, local effort assistance funding is provided annually to charter schools equal to the prior year enrichment levy amount per student for the school district in which the charter school is located, up to \$1,550 adjusted annually for inflation, multiplied by the charter school's prior year enrollment. Funding for this purpose must be appropriated from the Opportunity Pathways Account.

Appropriation: None.

Fiscal Note: Requested on January 21, 2020.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.