

SHB 1590 - S COMM AMD

By Committee on Ways & Means

ADOPTED 03/03/2022

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature recognizes that the
4 COVID-19 pandemic has impacted the delivery of education across the
5 state, as school districts resume in-person instructional models with
6 heightened efforts to protect the health and well-being of students
7 and staff and address the pandemic's impact on student learning. The
8 legislature also recognizes that state funding formulas are largely
9 driven by enrollment, and the pandemic has resulted in unforeseen,
10 temporary enrollment declines in many districts. Funding declines due
11 to temporary, unforeseen changes in enrollment can affect a
12 district's ability to maintain the staffing and resources needed to
13 deliver education services. Stabilization funding in the 2020-21
14 school year provided important support for schools to maintain
15 services amid enrollment declines. With this act and in the omnibus
16 operating appropriations act, the legislature intends to extend
17 stabilizing funding to districts that have seen temporary enrollment
18 declines due to the COVID-19 pandemic for the final time.

19 NEW SECTION. **Sec. 2.** (1) If a local education agency's combined
20 state revenue generated in the 2021-22 school year is less than what
21 its combined state revenue would be using 2019-20 annual average
22 enrollment values and formulas in place for the 2021-22 school year,
23 then the superintendent of public instruction must provide an
24 enrollment stabilization amount to the local education agency in the
25 2021-22 school year. The enrollment stabilization amount shall be
26 equal to 50 percent of the local education agency low enrollment
27 impact.

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

1 (a) "Combined state revenue" means the combined amount from the
2 following allocations to local education agencies:

3 (i) General apportionment allocations as described in RCW
4 28A.150.260;

5 (ii) Special education allocations as described in RCW
6 28A.150.390. Allocations for special education enrollment above
7 2021-22 levels in kindergarten through 12th grades must be based on
8 an excess cost multiplier of 0.995;

9 (iii) Learning assistance program allocations as described in RCW
10 28A.150.260(10)(a). Learning assistance program allocations based on
11 2019-20 enrollments must include the prior years' free or reduced-
12 price meal percentages used for allocations in the 2020-21 school
13 year;

14 (iv) Transitional bilingual program allocations as described in
15 RCW 28A.150.260(10)(b);

16 (v) Highly capable program allocations as described in RCW
17 28A.150.260(10)(c);

18 (vi) Career and technical education and skill centers allocations
19 as described in RCW 28A.150.260 (4)(c), (7), and (9);

20 (vii) Allocations to support institutional education for
21 residential schools as defined by RCW 28A.190.005 and of juveniles in
22 detention facilities as identified by RCW 28A.190.010;

23 (viii) Dropout reengagement program allocations for eligible
24 students under RCW 28A.175.100;

25 (ix) Alternative learning experience allocations as described in
26 RCW 28A.232.020; and

27 (x) Running start allocations as described in RCW 28A.600.310.

28 (b) "Local education agency" means a school district, charter
29 school, or state-tribal education compact school established under
30 chapter 28A.715 RCW.

31 (c) "Local education agency low enrollment impact" is equal to a
32 local education agency's combined state revenue that would be
33 generated using 2019-20 annual average enrollment values and formulas
34 in place for the 2021-22 school year minus its combined state revenue
35 generated in the 2021-22 school year, if the difference is greater
36 than zero.

37 (3) Enrollment stabilization amounts allocated under this section
38 are not part of the state's program of basic education but may be
39 used for any allowable cost within any of the programs.

1 **Sec. 3.** RCW 84.52.0531 and 2021 c 221 s 2 and 2021 c 145 s 22
2 are each reenacted and amended to read as follows:

3 (1) Beginning with taxes levied for collection in 2020, the
4 maximum dollar amount which may be levied by or for any school
5 district for enrichment levies under RCW 84.52.053 is equal to the
6 lesser of two dollars and fifty cents per thousand dollars of the
7 assessed value of property in the school district or the maximum per-
8 pupil limit. This maximum dollar amount shall be reduced accordingly
9 as provided under RCW 43.09.2856(2).

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

12 (a) For the purpose of this section, "inflation" means the
13 percentage change in the seasonally adjusted consumer price index for
14 all urban consumers, Seattle area, for the most recent 12-month
15 period as of September 25th of the year before the taxes are payable,
16 using the official current base compiled by the United States bureau
17 of labor statistics.

18 (b) "Maximum per-pupil limit" means:

19 (i) Two thousand five hundred dollars, as increased by inflation
20 beginning with property taxes levied for collection in 2020,
21 multiplied by the number of average annual full-time equivalent
22 students enrolled in the school district in the prior school year,
23 for school districts with fewer than forty thousand annual full-time
24 equivalent students enrolled in the school district in the prior
25 school year; or

26 (ii) Three thousand dollars, as increased by inflation beginning
27 with property taxes levied for collection in 2020, multiplied by the
28 number of average annual full-time equivalent students enrolled in
29 the school district in the prior school year, for school districts
30 with forty thousand or more annual full-time equivalent students
31 enrolled in the school district in the prior school year.

32 (c) "Open for in-person instruction to all students" means that
33 all students in all grades have the option to participate in at least
34 40 hours of planned in-person instruction per month and the school
35 follows state department of health guidance and recommendations for
36 resuming in-person instruction to the greatest extent practicable.

37 (d) "Prior school year" means the most recent school year
38 completed prior to the year in which the levies are to be collected,
39 except (~~that in~~) as follows:

1 (i) In the 2022 calendar year, if 2019-20 school year average
2 annual full-time equivalent enrollment is greater than the school
3 district's 2020-21 school year average annual full-time equivalent
4 enrollment and the school district is open for in-person instruction
5 to all students by the beginning of the 2021-22 school year, "prior
6 school year" means the 2019-20 school year.

7 (ii) In the 2023 calendar year, if 2019-20 school year average
8 annual full-time equivalent enrollment is greater than the school
9 district's 2021-22 school year average annual full-time equivalent
10 enrollment and the school district was open for in-person instruction
11 to all students by the beginning of the 2021-22 school year, "prior
12 school year" means the 2019-20 school year.

13 (3) For districts in a high/nonhigh relationship, the enrollments
14 of the nonhigh students attending the high school shall only be
15 counted by the nonhigh school districts for purposes of funding under
16 this section.

17 (4) For school districts participating in an innovation academy
18 cooperative established under RCW 28A.340.080, enrollments of
19 students attending the academy shall be adjusted so that each
20 participant district receives its proportional share of student
21 enrollments for purposes of funding under this section.

22 (5) Beginning with propositions for enrichment levies for
23 collection in calendar year 2020 and thereafter, a district must
24 receive approval of an enrichment levy expenditure plan under RCW
25 28A.505.240 before submission of the proposition to the voters.

26 (6) The superintendent of public instruction shall develop rules
27 and regulations and inform school districts of the pertinent data
28 necessary to carry out the provisions of this section.

29 (7) Beginning with taxes levied for collection in 2018,
30 enrichment levy revenues must be deposited in a separate subfund of
31 the school district's general fund pursuant to RCW 28A.320.330, and
32 for the 2018-19 school year are subject to the restrictions of RCW
33 28A.150.276 and the audit requirements of RCW 43.09.2856.

34 (8) Funds collected from levies for transportation vehicles,
35 construction, modernization, or remodeling of school facilities as
36 established in RCW 84.52.053 are not subject to the levy limitations
37 in subsections (1) through (5) of this section.

38 **Sec. 4.** RCW 28A.500.015 and 2019 c 410 s 1 are each amended to
39 read as follows:

1 (1) Beginning in calendar year 2020 and each calendar year
2 thereafter, the state must provide state local effort assistance
3 funding to supplement school district enrichment levies as provided
4 in this section.

5 (2) (a) For an eligible school district with an actual enrichment
6 levy rate that is less than one dollar and fifty cents per thousand
7 dollars of assessed value in the school district, the annual local
8 effort assistance funding is equal to the school district's maximum
9 local effort assistance multiplied by a fraction equal to the school
10 district's actual enrichment levy rate divided by one dollar and
11 fifty cents per thousand dollars of assessed value in the school
12 district.

13 (b) For an eligible school district with an actual enrichment
14 levy rate that is equal to or greater than one dollar and fifty cents
15 per thousand dollars of assessed value in the school district, the
16 annual local effort assistance funding is equal to the school
17 district's maximum local effort assistance.

18 (c) Beginning in calendar year 2022, for state-tribal education
19 compact schools established under chapter 28A.715 RCW, the annual
20 local effort assistance funding is equal to the actual enrichment
21 levy per student as calculated by the superintendent of public
22 instruction for the previous year for the school district in which
23 the state-tribal education compact school is located, up to a maximum
24 per student amount of one thousand five hundred fifty dollars as
25 increased by inflation from the 2019 calendar year, multiplied by the
26 student enrollment of the state-tribal education compact school in
27 the prior school year.

28 ~~((d) For a school district that meets the criteria in this~~
29 ~~subsection and is located west of the Cascades in a county that~~
30 ~~borders another state, the annual local effort assistance funding is~~
31 ~~equal to the local effort assistance funding authorized under (b) of~~
32 ~~this subsection and additional local effort assistance funding equal~~
33 ~~to the following amounts:~~

34 ~~(i) Two hundred forty-six dollars per pupil in the 2019-20 school~~
35 ~~year for a school district with more than twenty-five thousand annual~~
36 ~~full-time equivalent students; and~~

37 ~~(ii) Two hundred eighty-six dollars per pupil in the 2019-20~~
38 ~~school year for a school district with more than twenty thousand~~
39 ~~annual full-time equivalent enrolled students but fewer than twenty-~~
40 ~~five thousand annual full-time equivalent enrolled students.))~~

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

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

7 (a) "Eligible school district" means a school district where the
8 amount generated by a levy of one dollar and fifty cents per thousand
9 dollars of assessed value in the school district, divided by the
10 school district's total student enrollment in the prior school year,
11 is less than the state local effort assistance threshold.

12 (b) For the purpose of this section, "inflation" means, for any
13 school year, the rate of the yearly increase of the previous calendar
14 year's annual average consumer price index for all urban consumers,
15 Seattle area, using the official current base compiled by the bureau
16 of labor statistics, United States department of labor.

17 (c) "Maximum local effort assistance" means the difference
18 between the following:

19 (i) The school district's actual prior school year enrollment
20 multiplied by the state local effort assistance threshold; and

21 (ii) The amount generated by a levy of one dollar and fifty cents
22 per thousand dollars of assessed value in the school district.

23 (d) "Prior school year" means the most recent school year
24 completed prior to the year in which the state local effort
25 assistance funding is to be distributed, except as follows:

26 (i) In the 2022 calendar year, if 2019-20 school year average
27 annual full-time equivalent enrollment is greater than the school
28 district's 2020-21 school year average annual full-time equivalent
29 enrollment, "prior school year" means the 2019-20 school year.

30 (ii) In the 2023 calendar year, if 2019-20 school year average
31 annual full-time equivalent enrollment is greater than the school
32 district's 2021-22 school year average annual full-time equivalent
33 enrollment, "prior school year" means the 2019-20 school year.

34 (e) "State local effort assistance threshold" means one thousand
35 five hundred fifty dollars per student, increased for inflation
36 beginning in calendar year 2020.

37 (f) "Student enrollment" means the average annual full-time
38 equivalent student enrollment.

39 (5) For districts in a high/nonhigh relationship, the enrollments
40 of the nonhigh students attending the high school shall only be

1 counted by the nonhigh school districts for purposes of funding under
2 this section.

3 (6) For school districts participating in an innovation academy
4 cooperative established under RCW 28A.340.080, enrollments of
5 students attending the academy shall be adjusted so that each
6 participant district receives its proportional share of student
7 enrollments for purposes of funding under this section.

8 NEW SECTION. **Sec. 5.** This act is necessary for the immediate
9 preservation of the public peace, health, or safety, or support of
10 the state government and its existing public institutions, and takes
11 effect immediately."

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12 On page 1, line 2 of the title, after "pandemic;" strike the
13 remainder of the title and insert "amending RCW 28A.500.015;
14 reenacting and amending RCW 84.52.0531; creating new sections; and
15 declaring an emergency."

EFFECT: (1) Revises the intent section to express the legislature's intent that enrollment stabilization funding will not be provided in the future.

(2) Provides an enrollment stabilization amount equal to 50 percent of a local education agency's low enrollment impact if that local education agency's combined state revenue in the 2021-22 school year is less than what its combined state revenue would be using 2019-20 annual average enrollment values.

(3) Limits the use of 2019-20 enrollment values to calculate enrichment levy limits to the 2023 calendar year.

(4) Removes the null and void clause.

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