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**SENATE BILL 5563**

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**State of Washington**

**67th Legislature**

**2022 Regular Session**

**By** Senators Wellman, Hasegawa, Cleveland, Conway, Dhingra, Kuderer, Nguyen, Nobles, Pedersen, Randall, Stanford, and C. Wilson

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1 AN ACT Relating to enrollment stabilization funding to address  
2 enrollment declines due to the COVID-19 pandemic; amending RCW  
3 28A.500.015; reenacting and amending RCW 84.52.0531; creating new  
4 sections; and declaring an emergency.

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

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

1        NEW SECTION.    **Sec. 2.**    (1) If a local education agency's combined  
2 state revenue generated in the 2021-22 school year is less than what  
3 its combined state revenue would be using 2019-20 annual average  
4 enrollment values and formulas in place for the 2021-22 school year,  
5 then the superintendent of public instruction must provide a  
6 proportional enrollment stabilization amount to the local education  
7 agency in the 2021-22 school year.

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

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

12        (i) General apportionment allocations as described in RCW  
13 28A.150.260;

14        (ii) Special education allocations as described in RCW  
15 28A.150.390. Allocations for special education enrollment above  
16 2021-22 levels in kindergarten through 12th grades must be based on  
17 an excess cost multiplier of 0.995;

18        (iii) Learning assistance program allocations as described in RCW  
19 28A.150.260(10)(a). Learning assistance program allocations based on  
20 2019-20 enrollments must include the prior years' free or reduced-  
21 price meal percentages used for allocations in the 2020-21 school  
22 year;

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

25        (v) Highly capable program allocations as described in RCW  
26 28A.150.260(10)(c);

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

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

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

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

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

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

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

7 (d) "Proportional enrollment stabilization amount" for a local  
8 education agency is equal to the statewide net enrollment impact  
9 multiplied by its local education agency low enrollment impact  
10 divided by the statewide low enrollment impact.

11 (e) "Statewide low enrollment impact" is the sum of local  
12 education agency low enrollment impacts for all local education  
13 agencies.

14 (f) "Statewide net enrollment impact" is equal to the combined  
15 state revenue that would be generated statewide using 2019-20 annual  
16 average enrollment values and formulas in place for the 2021-22  
17 school year minus the combined state revenue generated statewide in  
18 the 2021-22 school year.

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

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

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

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

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

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

1 (i) Two thousand five hundred dollars, as increased by inflation  
2 beginning with property taxes levied for collection in 2020,  
3 multiplied by the number of average annual full-time equivalent  
4 students enrolled in the school district in the prior school year,  
5 for school districts with fewer than forty thousand annual full-time  
6 equivalent students enrolled in the school district in the prior  
7 school year; or

8 (ii) Three thousand dollars, as increased by inflation beginning  
9 with property taxes levied for collection in 2020, multiplied by the  
10 number of average annual full-time equivalent students enrolled in  
11 the school district in the prior school year, for school districts  
12 with forty thousand or more annual full-time equivalent students  
13 enrolled in the school district in the prior school year.

14 (c) "Open for in-person instruction to all students" means that  
15 all students in all grades have the option to participate in at least  
16 40 hours of planned in-person instruction per month and the school  
17 follows state department of health guidance and recommendations for  
18 resuming in-person instruction to the greatest extent practicable.

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

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

28 (ii) In the 2023 calendar year, if 2019-20 school year average  
29 annual full-time equivalent enrollment is greater than the school  
30 district's 2021-22 school year average annual full-time equivalent  
31 enrollment and the school district was open for in-person instruction  
32 to all students by the beginning of the 2021-22 school year, "prior  
33 school year" means the 2019-20 school year.

34 (iii) In the 2024 calendar year, if 2019-20 school year average  
35 annual full-time equivalent enrollment is greater than the school  
36 district's 2022-23 school year average annual full-time equivalent  
37 enrollment and the school district was open for in-person instruction  
38 to all students by the beginning of the 2021-22 school year, "prior  
39 school year" means the 2019-20 school year.

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

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

10 (5) Beginning with propositions for enrichment levies for  
11 collection in calendar year 2020 and thereafter, a district must  
12 receive approval of an enrichment levy expenditure plan under RCW  
13 28A.505.240 before submission of the proposition to the voters.

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

17 (7) Beginning with taxes levied for collection in 2018,  
18 enrichment levy revenues must be deposited in a separate subfund of  
19 the school district's general fund pursuant to RCW 28A.320.330, and  
20 for the 2018-19 school year are subject to the restrictions of RCW  
21 28A.150.276 and the audit requirements of RCW 43.09.2856.

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

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

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

32 (2)(a) For an eligible school district with an actual enrichment  
33 levy rate that is less than one dollar and fifty cents per thousand  
34 dollars of assessed value in the school district, the annual local  
35 effort assistance funding is equal to the school district's maximum  
36 local effort assistance multiplied by a fraction equal to the school  
37 district's actual enrichment levy rate divided by one dollar and  
38 fifty cents per thousand dollars of assessed value in the school  
39 district.

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

6 (c) Beginning in calendar year 2022, for state-tribal education  
7 compact schools established under chapter 28A.715 RCW, the annual  
8 local effort assistance funding is equal to the actual enrichment  
9 levy per student as calculated by the superintendent of public  
10 instruction for the previous year for the school district in which  
11 the state-tribal education compact school is located, up to a maximum  
12 per student amount of one thousand five hundred fifty dollars as  
13 increased by inflation from the 2019 calendar year, multiplied by the  
14 student enrollment of the state-tribal education compact school in  
15 the prior school year.

16 ~~((d) For a school district that meets the criteria in this  
17 subsection and is located west of the Cascades in a county that  
18 borders another state, the annual local effort assistance funding is  
19 equal to the local effort assistance funding authorized under (b) of  
20 this subsection and additional local effort assistance funding equal  
21 to the following amounts:~~

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

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

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

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

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

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

6 (c) "Maximum local effort assistance" means the difference  
7 between the following:

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

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

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

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

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

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

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

28 (5) For districts in a high/nonhigh relationship, the enrollments  
29 of the nonhigh students attending the high school shall only be  
30 counted by the nonhigh school districts for purposes of funding under  
31 this section.

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

37 NEW SECTION. Sec. 5. This act is necessary for the immediate  
38 preservation of the public peace, health, or safety, or support of

1 the state government and its existing public institutions, and takes  
2 effect immediately.

--- **END** ---