## HOUSE BILL 1767

State of Washington 69th Legislature 2025 Regular Session

By Representatives Zahn, Callan, Parshley, Scott, Thai, Ryu, Hunt, Fosse, Duerr, Salahuddin, Nance, Doglio, and Reed

Read first time 01/31/25. Referred to Committee on Finance.

- 1 AN ACT Relating to school enrollments for enrichment funding;
- 2 amending RCW 28A.500.015 and 84.52.0531; and providing an effective
- 3 date.

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- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 **Sec. 1.** RCW 28A.500.015 and 2022 c 108 s 4 are each amended to 6 read as follows:
- 7 (1) Beginning in calendar year 2020 and each calendar year 8 thereafter, the state must provide state local effort assistance 9 funding to supplement school district enrichment levies as provided 10 in this section.
  - (2) (a) For an eligible school district with an actual enrichment levy rate that is less than ((one dollar and fifty cents)) \$1.50 per ((thousand dollars)) \$1,000 of assessed value in the school district, the 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 rate divided by ((one dollar and fifty cents)) \$1.50 per ((thousand dollars)) \$1,000 of assessed value in the school district.
- (b) For an eligible school district with an actual enrichment levy rate that is equal to or greater than (( $\frac{1}{2}$  cents))  $\frac{1.50}{2}$  per (( $\frac{1}{2}$  double dollars))  $\frac{1.000}{2}$  of assessed value in

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the school district, the annual local effort assistance funding is equal to the school district's maximum local effort assistance.

- (c) Beginning in calendar year 2022, for state-tribal education compact schools established under chapter 28A.715 RCW, the annual local effort assistance funding is equal to the actual enrichment levy per student as calculated by the superintendent of public instruction for the previous year for the school district in which the state-tribal education compact school is located, up to a maximum per student amount of ((one thousand five hundred fifty dollars)) \$1,550 as increased by inflation from the 2019 calendar year, multiplied by the student enrollment of the state-tribal education compact school in the prior school year.
- (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 where the amount generated by a levy of (( $\frac{1}{2}$ ) of ( $\frac{1}{2}$ ) of ( $\frac{1}{2}$ ) of assessed value in the school district, divided by the school district's total student enrollment in the prior school year, is less than the state local effort assistance threshold.
- (b) ((For the purpose of this section, "inflation")) "Inflation" means, for any school year, the rate of the yearly increase of the previous calendar year's annual average consumer price index for all urban consumers, Seattle area, using the official current base compiled by the bureau of labor statistics, United States department of labor.
- 31 (c) "Maximum local effort assistance" means the difference 32 between the following:
  - (i) The school district's actual prior school year enrollment multiplied by the state local effort assistance threshold; and
  - (ii) The amount generated by a levy of (( $\frac{\text{one dollar and fifty}}{\text{cents}}$ ))  $\frac{\$1.50}{\text{per}}$  per (( $\frac{\text{thousand dollars}}{\text{the school district}}$ .
- (d) "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((, except as follows:

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

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- (ii) In the 2023 calendar year, if 2019-20 school year average annual full-time equivalent enrollment is greater than the school district's 2021-22 school year average annual full-time equivalent enrollment, "prior school year" means the 2019-20 school year)).
- "State local effort assistance threshold" means 9 thousand five hundred fifty dollars)) \$1,550 per student, increased 10 11 for inflation beginning in calendar year 2020.
  - (f) "Student enrollment" means the ((average annual full-time equivalent student enrollment)) sum of the average annual headcount student enrollments in the following grade levels and programs:
- 15 (i) Grades kindergarten through 12, including those enrolled in 16 alternative learning experience courses as defined in chapter 28A.232 17
- 18 (ii) Transition to kindergarten programs, as defined in RCW 19 28A.300.072;
- 20 (iii) Dropout reengagement programs, as defined in RCW 21 28A.175.105;
- 22 (iv) Running start program students enrolled full time in 23 institutions of higher education under RCW 28A.600.310;
  - (v) Early childhood education and assistance programs; and
- (vi) Students ages three and four and those five year olds not yet enrolled in kindergarten who are eligible for and receiving 27 special education.
  - (5) For districts in a high/nonhigh relationship, the enrollments of the nonhigh students attending the high school shall only be counted by the nonhigh school districts for purposes of funding under this section.
  - (6) For school districts participating in an innovation academy cooperative established under RCW 28A.340.080, enrollments of students attending the academy shall be adjusted so that each participant district receives its proportional share of student enrollments for purposes of funding under this section.
- Sec. 2. RCW 84.52.0531 and 2022 c 108 s 3 are each amended to 37 38 read as follows:

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- (1) Beginning with taxes levied for collection in 2020, the maximum dollar amount which may be levied by or for any school district for enrichment levies under RCW 84.52.053 is equal to the lesser of ((two dollars and fifty cents)) \$2.50 per ((thousand dollars)) \$1,000 of the assessed value of property in the school district or the maximum per-pupil limit. This maximum dollar amount shall be reduced accordingly as provided under RCW 43.09.2856(2).
- 8 (2) The definitions in this subsection apply to this section 9 unless the context clearly requires otherwise.
  - (a) ((For the purpose of this section, "inflation")) "Inflation" means the percentage change in the seasonally adjusted consumer price index for all urban consumers, Seattle area, for the most recent 12-month period as of September 25th of the year before the taxes are payable, using the official current base compiled by the United States bureau of labor statistics.
    - (b) "Maximum per-pupil limit" means:

- (i) ((Two thousand five hundred dollars)) \$2,500, as increased by inflation beginning with property taxes levied for collection in 2020, multiplied by ((the number of average annual full-time equivalent students enrolled)) student enrollment in the school district in the prior school year, for school districts with fewer than ((forty thousand)) 40,000 annual full-time equivalent students enrolled in the school district in the prior school year; or
- (ii) ((Three thousand dollars))  $\S3,000$ , as increased by inflation beginning with property taxes levied for collection in 2020, multiplied by ((the number of average annual full-time equivalent students enrolled)) student enrollment in the school district in the prior school year, for school districts with ((forty thousand)) 40,000 or more annual full-time equivalent students enrolled in the school district in the prior school year.
- (c) (("Open for in-person instruction to all students" means that all students in all grades have the option to participate in at least 40 hours of planned in-person instruction per month and the school follows state department of health guidance and recommendations for resuming in-person instruction to the greatest extent practicable.
- (d))) "Prior school year" means the most recent school year completed prior to the year in which the levies are to be collected((, except as follows:
- (i) In the 2022 calendar year, if 2019-20 school year average annual full-time equivalent enrollment is greater than the school

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district's 2020-21 school year average annual full-time equivalent enrollment and the school district is open for in-person instruction to all students by the beginning of the 2021-22 school year, "prior school year" means the 2019-20 school year.

- (ii) In the 2023 calendar year, if 2019-20 school year average annual full-time equivalent enrollment is greater than the school district's 2021-22 school year average annual full-time equivalent enrollment and the school district was open for in-person instruction to all students by the beginning of the 2021-22 school year, "prior school year" means the 2019-20 school year)).
- 11 <u>(d) "Student enrollment" means the sum of the average annual</u>
  12 <u>headcount student enrollments in the following grade levels and</u>
  13 <u>programs:</u>
- (i) Grades kindergarten through 12, including those enrolled in alternative learning experience courses as defined in chapter 28A.232

  RCW;
- 17 <u>(ii) Transition to kindergarten programs, as defined in RCW</u>
  18 <u>28A.300.072;</u>
- 19 <u>(iii) Dropout reengagement programs, as defined in RCW</u>
  20 <u>28A.175.105;</u>
- 21 <u>(iv) Running start program students enrolled full time in</u> 22 <u>institutions of higher education under RCW 28A.600.310;</u>
  - (v) Early childhood education and assistance programs; and
  - (vi) Students ages three and four and those five year olds not yet enrolled in kindergarten who are eligible for and receiving special education.
  - (3) For districts in a high/nonhigh relationship, the enrollments of the nonhigh students attending the high school shall only be counted by the nonhigh school districts for purposes of funding under this section.
  - (4) For school districts participating in an innovation academy cooperative established under RCW 28A.340.080, enrollments of students attending the academy shall be adjusted so that each participant district receives its proportional share of student enrollments for purposes of funding under this section.
  - (5) 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.

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(6) 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.

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- (7) Beginning with taxes levied for collection in 2018, enrichment levy revenues must be deposited in a separate subfund of the school district's general fund pursuant to RCW 28A.320.330, and for the 2018-19 school year are subject to the restrictions of RCW 28A.150.276 and the audit requirements of RCW 43.09.2856.
- 9 (8) Funds collected from levies for transportation vehicles, 10 construction, modernization, or remodeling of school facilities as 11 established in RCW 84.52.053 are not subject to the levy limitations 12 in subsections (1) through (5) of this section.
- 13 <u>NEW SECTION.</u> **Sec. 3.** This act takes effect January 1, 2026.

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