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## Appropriations Committee

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### HB 1476

**Brief Description:** Addressing enrollment declines due to the COVID-19 pandemic.

**Sponsors:** Representatives Dolan, Sullivan, Ortiz-Self, Callan, Santos, Ryu, Shewmake, Johnson, J., Valdez, Eslick, Rule, Lekanoff, Stonier, Ramel, Tharinger, Peterson and Pollet.

#### Brief Summary of Bill

- Provides enrollment stabilization funding in the 2020-21 and 2021-22 school years to school districts, charter schools, and tribal compact schools where the loss of state funding due to enrollment declines from the 2019-20 school year exceeds certain federal amounts available for school COVID response.
- Requires use of 2019-20 enrollments to calculate enrichment levy authority and allocations for the Learning Assistance Program and Local Effort Assistance if greater than 2020-21 and 2021-22 enrollments.

**Hearing Date:** 2/9/21

**Staff:** James Mackison (786-7104).

#### **Background:**

##### School funding formulas and enrollment.

To determine funding allocations for K-12 public schools, the state uses a prototypical school formula and other program-specific formulas defined in statute. These formulas are largely enrollment-driven, meaning the greater the enrollment, the greater the allocations under state formulas. Enrollment determines allocations for general education, Alternative Learning Experience (ALE) programs, special education, the Transitional Bilingual Instructional Program (TBIP), the Learning Assistance Program (LAP), highly capable programs, Career and Technical

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Education (CTE), skills centers, dropout reengagement programs, and institutional education. Enrollment is also a factor in determining enrichment funding from the state for Local Effort Assistance (LEA) and the maximum levy authority for local enrichment levies.

#### Coronavirus disease (COVID-19) and school closures.

Coronavirus disease (COVID-19) is an infectious disease caused by the severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) virus. As a result of the virus, schools closed to in-person instruction in March 2020. For the 2020-21 school year, most students and schools have used remote learning models for instruction. For in-person instruction, schools are required to follow health and safety requirements that include social distancing and use of personal protective equipment.

#### K-12 enrollment declines in the 2020-21 school year.

Enrollment in the 2020-21 school year has declined from the 2019-20 school year. For students in kindergarten through twelfth grades, full-time equivalent enrollment in January 2021 has declined nearly 4 percent from the previous year. Enrollments in other programs have also declined in the 2020-21 school year. Prior to this year, common school enrollments have grown in each of the last eight school years, since 2011-12.

#### Elementary and Secondary School Emergency Relief Fund (ESSER).

The federal government has provided emergency funding to schools in response to the COVID-19 pandemic. The Elementary and Secondary School Emergency Relief Fund (ESSER) was created in the Coronavirus Aid, Relief, and Economic Security Act (CARES) and later expanded under the Coronavirus Preparedness and Response Supplemental Appropriations Act (CRRSA). Under CRRSA, \$824 million is allocated to the state from the ESSER for COVID-19 impacts to schools. At least 90 percent of this funding must be provided as subgrants to local education agencies according to Title I, Part A federal formulas, which are based on percentages of low-income families served. The CRRSA defines the allowable uses for ESSER subgrants.

#### **Summary of Bill:**

State enrollment stabilization funding is provided to local education agencies where the agency's loss of funding due to enrollment declines is greater than the federal ESSER amounts provided under the CRRSA, and other federal funds for similar purposes provided after enactment of the bill and identified in the omnibus appropriations act. Local education agencies include school districts, charter schools, and state tribal compact schools.

The maximum state enrollment stabilization amount in the 2020-21 school year to a local education agency, which must be offset by federal funding, is the total amount necessary to bring all of the agency's following programs up to a funding level using 2019-20 enrollment with 2020-21 funding formulas, if a local education agency's enrollment is lower in the 2020-21 school year than the 2019-20 school year and results in less funding:

- Combined General Apportionment funding for K-12 and ALE programs;
- Special Education;
- TBIP;

- Institutional Education enrollments in residential schools and detention centers;
- Highly Capable Program;
- Dropout Reengagement Programs; and
- CTE and Skill Centers.

If a local education agency's enrollment is lower in the 2021-22 school year than the 2019-20 school year, then enrollments stabilization amounts must be provided in the same manner as in the 2020-21 school year.

Additionally, 2019-20 enrollments must be used in place of 2020-21 or 2021-22 for each year 2019-20 enrollment is greater for the following purposes:

- LAP allocations after the 2020-21 school year;
- LEA in the 2022 and 2023 calendar years; or
- Enrichment levy formulas in the 2022 and 2023 calendar years.

Funding provided is not part of the state's statutory program of basic education.

The section expires August 31, 2025.

**Appropriation:** None.

**Fiscal Note:** Requested on February 2, 2021.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.