

SENATE BILL REPORT

ESHB 1476

As Reported by Senate Committee On:
Ways & Means, March 30, 2021

Title: An act relating to enrollment stabilization funding to address enrollment declines due to the COVID-19 pandemic.

Brief Description: Enrollment stabilization funding to address enrollment declines due to the COVID-19 pandemic.

Sponsors: House Committee on Appropriations (originally sponsored by Representatives Dolan, Sullivan, Ortiz-Self, Callan, Santos, Ryu, Shewmake, Johnson, J., Valdez, Eslick, Rule, Lekanoff, Stonier, Ramel, Tharinger, Peterson and Pollet).

Brief History: Passed House: 3/8/21, 90-7.

Committee Activity: Ways & Means: 3/22/21, 3/30/21 [DPA, DNP, w/oRec].

Brief Summary of Amended Bill

- Revises enrichment levy formulas in the 2022 calendar year, requiring 2019-20 school year enrollment to be used in place of 2020-21 enrollment when 2019-20 enrollment is greater and if a school district is open for in-person instruction at the beginning of the 2021-22 school year.

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Rolfes, Chair; Frockt, Vice Chair, Capital; Robinson, Vice Chair, Operating & Revenue; Wilson, L., Ranking Member; Brown, Assistant Ranking Member, Operating; Braun, Carlyle, Conway, Darneille, Dhingra, Gildon, Hasegawa, Hunt, Keiser, Lias, Mullet, Muzzall, Pedersen, Rivers, Van De Wege, Warnick and Wellman.

Minority Report: Do not pass.

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

Signed by Senator Schoesler, Assistant Ranking Member, Capital.

Minority Report: That it be referred without recommendation.

Signed by Senators Honeyford, Assistant Ranking Member, Capital; Wagoner.

Staff: Jeffrey Naas (786-7708)

Background: Local enrichment levies can be approved by voters within a school district as a property tax for enrichment beyond the state's statutory program of basic education. A district's maximum enrichment levy is the lesser of \$2.50 per \$1,000 of assessed value, or the maximum per pupil limit, which is \$2,500 increased for inflation, per pupil for districts with fewer than 40,000 students and \$3,000 per pupil increased for inflation, for districts with 40,000 or more students. Per-pupil amounts in the enrichment levy formula are multiplied by enrollment in the prior school year. For example, 2022 per-pupil amounts would be multiplied by enrollment in the 2020-21 school year.

The disruption caused by COVID-19 has contributed to enrollment declines in the 2020-21 school year compared to 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. Prior to this year, common school enrollments have grown in each of the last eight school years, since 2011-12.

Summary of Amended Bill: Enrichment levy formulas in the 2022 calendar year are revised, requiring 2019-20 enrollment to be used in place of 2020-21 enrollment when 2019-20 enrollment is greater, if a school district is open for in-person instruction at the beginning of the 2021-22 school year, to calculate the maximum per-pupil limit used to calculate the maximum enrichment levy authority for school districts.

"Open for in-person instruction" is defined as 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.

EFFECT OF WAYS & MEANS COMMITTEE AMENDMENT(S):

Removes the authority for a school district to use 2019-20 school year enrollments in place of 2021-22 school year enrollments in the 2023 calendar year for purposes of calculating enrichment levy authority.

Appropriation: None.

Fiscal Note: Available.

Creates Committee/Commission/Task Force that includes Legislative members: No.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Staff Summary of Public Testimony on Engrossed Substitute House Bill: *The committee recommended a different version of the bill than what was heard.* PRO: The ability to collect voter-approved levy revenue is very important to school districts that have lost enrollment due to COVID. The funding will be used for continuing operating costs and essential services, including additional counselors to help students negatively impacted by remote learning who may need more assistance. Without the additional levy revenue, our district would need to make cuts which would be hugely damaging. The district would need to lay off teachers and make other staffing cuts without the additional levy revenue. Our district expects enrollment to recover next year so it is important that we retain the staff necessary to serve the students. Districts will not be able to offer the same level of services without funding. We have increased staffing needs because of variability of schedules.

We request that the Legislature does not backfill the decline in funding due to enrollment with federal funding. This revenue would address funding needs that federal funding does not. We request that other formulas which rely on prior year enrollment, like the Learning Assistance Program and local effort assistance, also get the temporary use of pre-COVID enrollment.

Persons Testifying: PRO: Jake Kuper, School Alliance; Charlie Brown, Tacoma, Federal Way, Sumner, Puyallup, Bethel School Districts; Clifford Traisman, Bellevue, Highline, Olympia, Seattle Public School Districts; Robert Cruickshank, Washington's Paramount Duty; Lizzy Sebring, Washington State PTA; Melissa Gombosky, Central Valley School District, Richland, Spokane, Evergreen and Vancouver Public, ESD 105 Schools; Marissa Rathbone, Washington State School Directors' Association; Sara Betnel, Shoreline School Board.

Persons Signed In To Testify But Not Testifying: PRO: Travis Hanson, Deer Park School District.