

SENATE BILL REPORT

SB 5809

As of February 2, 2024

Title: An act relating to enrichment funding for charter public schools.

Brief Description: Concerning enrichment funding for charter public schools.

Sponsors: Senators Mullet, Lovick, Cleveland, Salomon, Shewmake, Wilson, L., Braun, Wilson, C., Lovelett, Dozier, Gildon, Kuderer, Padden and Torres.

Brief History:

Committee Activity: Early Learning & K-12 Education: 1/10/24, 1/18/24 [DPS-WM, DNP].

Ways & Means: 2/02/24.

Brief Summary of First Substitute Bill

- Provides local effort assistance to charter schools in the amount of the actual enrichment levy per student for the school district in which the charter school is located, multiplied by the charter school enrollment, up to \$1,550 per-pupil.
- Authorizes charter schools to apply for state grants on the same basis as school districts.

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

Majority Report: That Substitute Senate Bill No. 5809 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators Wellman, Chair; Wilson, C., Vice Chair; Hawkins, Ranking Member; Dozier, McCune and Mullet.

Minority Report: Do not pass.

Signed by Senators Nobles, Vice Chair; Hunt and Pedersen.

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.

Staff: Alex Fairfortune (786-7416)

SENATE COMMITTEE ON WAYS & MEANS

Staff: Richard Ramsey (786-7909)

Background: Charter School Funding. Charter schools are created, governed, and funded separately from common schools, with appropriations for their use distributed from the Washington Opportunity Pathways Account. State apportionment for charter schools is calculated using the same prototypical funding formula and categorical program formulas used to fund common schools. Unlike school districts, charter school boards do not have the authority to levy taxes or issue tax-backed bonds.

Local Effort Assistance. Under the Local Effort Assistance (LEA) program, also known as levy equalization, the state provides additional funding to school districts at a disadvantage in raising enrichment levies due to low property values.

LEA is provided to any school district that does not generate an enrichment levy of at least \$1,550 per student when levying at a rate of \$1.50 per \$1,000 of assessed value. An eligible school district's maximum LEA is the difference between the district's per pupil levy amount, based on a rate of \$1.50 per \$1,000 of assessed value, and \$1,550 per pupil, multiplied by the district's resident enrollment. Districts eligible for LEA that levy below a \$1.50 per \$1,000 rate receive LEA in proportion to their actual levy collection.

State-tribal compact schools may also receive LEA in an amount equal to the enrichment levy per student for the school district in which the state-tribal compact school is located, multiplied by the state-tribal compact school's enrollment. For purposes of making this calculation levy and enrollment data from the prior school year is used. The maximum LEA a state-tribal compact school can receive is \$1,550 per student.

Summary of Bill (First Substitute): Beginning in fiscal year 2025, the Office of the Superintendent of Public Instruction must calculate and distribute LEA funding to charter schools in the amount of the actual enrichment levy per-student for the previous school year for the school district in which the charter school is located, multiplied by the charter school student enrollment from the prior school year. This LEA amount is limited to \$1,550 per pupil adjusted for inflation from the 2019 calendar year.

Charter schools are also eligible to apply for other state grants on the same basis as school districts.

EFFECT OF CHANGES MADE BY EARLY LEARNING & K-12 EDUCATION COMMITTEE (First Substitute):

- Provides LEA funding to charter schools in the amount of the actual enrichment levy

per-student for the previous school year for the school district in which the charter school is located, multiplied by the charter school student enrollment from the prior school year, up to \$1,550 per pupil adjusted for inflation.

- Provides that LEA funding to charter schools will begin in the 2025 fiscal year rather than the 2025 calendar year.
- Moves the funding formula language to the LEA statute and provides a cross-reference in the charter school statute.

Appropriation: None.

Fiscal Note: Requested on January 3, 2024.

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 Original Bill (Early Learning & K-12 Education): *The committee recommended a different version of the bill than what was heard.* PRO: This is something that we can do financially for charter schools so that they can have a better chance at success. This would allow access to equitable resources and give support where it is due, especially in BIPOC and low-income communities. Charter schools serve a higher concentration of BIPOC scholars and do less with more even though the families are paying taxes like other families. Charter school students should have the same access to resources that their peers in school districts receive.

CON: The WEA opposes funding streams that are specialized to charter schools. The current bill language sets a different LEA calculation than state-tribal compact schools and guarantees the \$1,550 amount without reference to the local school district's levy.

Persons Testifying (Early Learning & K-12 Education): PRO: Senator Mark Mullet, Prime Sponsor; Marcus Harden, Why Not You Academy; Rochelle Jeffries, Why Not You Academy; Andrena Wilson, Why Not You Academy; Baionne Coleman, Rainier Valley Leadership Academy; Josie Boone, PRIDE Schools; Betzy Espinoza, Pinnacles Prep.

CON: Julie Salvi, Washington Education Association.

Persons Signed In To Testify But Not Testifying (Early Learning & K-12 Education):

PRO: Liv Finne, Washington Policy Center; Karen Lobos, Rainier Prep; Taryn Majors, Impact Commencement Bay Elementary; Dan Effland, Summit Atlas High School.

CON: Melissa Westbrook, Seattle Schools Community Forum (not part of SPS); Robert Cruickshank, Washington's Paramount Duty.

Staff Summary of Public Testimony on First Substitute (Ways & Means): PRO: The charter public school will only get LEA if the school district passes the levy. My brother

and sister led the way for me at Rainier Prep. I watched them become stronger students. Teachers have put so much into me and my 7th grade classmates. I want this charter to have the same opportunities that other schools offer. All students have the right to a quality public education and we're aware of the inequitable circumstances facing low income children, children of color, students with special education needs. Our work over the past 9 years has shown that when students are provided for, they can and do achieve. I cannot plan for the long term needs of this school without long term funding. Our children deserve more than the basics. I am the parent of two children at Impact charter school. One of my children has Tourette's syndrome; she thrives in this environment. I appreciate that my children are seen and heard and cared for at Impact. The reality is that our charter public schools face budget constraints. It pains me to see that our tax contributions to schools do not affect charters. No student should receive fewer resources based on the school they attend. Being a student at Summit Olympia high school has changed my life. Being at a regular district school I misbehaved and did not have the support I needed. Since going to the charter I have worked here as a Page. I am the proud parent of a kindergartner who attends Impact Black River in Renton. It is neither fair nor right that charter students receive substantially less than their public school counterparts; you have the power to change this. We are impressed by Impact's anti-racist, play-based education. Charter public schools serve black students at over five times the rate of other public schools and hire seven times the number of teachers of color. Yet, charters receive approximately \$3,000 per student less than other public schools because they don't have access to an enrichment levy. How do we change structures so that we don't have a world of the haves and have nots? We are not asking for anything different or extra; we are looking for the same amount the Legislature authorized in 2019 for tribal compact schools. Public school students get \$19,000 per year; charter students get \$3,000 less. Charter schools are good for the children of Washington State.

CON: This legislation strives to ensure that charter schools have access to state funding for enrichment beyond the state's basic education funding formula. In 2018, 222 districts received levy equalization. In 2023, over 100 of those districts have lost funding. This is being tagged onto a broken system. We ask that you consider a broader fix. Public education is still the best place for students of color to receive a quality education. This bill will harm students by removing funds for all students. I'm in a school district with a bond that failed. Equity without accountability is not equity at all. I ask that you place funding for public schools, our paramount duty, subject to public scrutiny.

Persons Testifying (Ways & Means): PRO: Senator Mark Mullet, Prime Sponsor; Liv Finne, Washington Policy Center; Joel Negash, Rainier Prep; Karen Lobos, Rainier Prep; Maria Mercado, Impact | Commencement Bay Elementary; Angelo Cruz Santiago, Summit Olympus High School; Acacia Corson, Impact | Black River Elementary; Ayanna Gore, Summit Sierra High School.

CON: Glenn Jenkins; Julie Salvi, Washington Education Association; Kristiana de Leon.

Persons Signed In To Testify But Not Testifying (Ways & Means): No one.