

## **SB 743 STAFF MEASURE SUMMARY**

### **House Committee On Revenue**

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**Prepared By:** Dae Baek, Senior Economist

**Meeting Dates:** 6/9, 6/14

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#### **WHAT THE MEASURE DOES:**

Specifies that, in calculating a school district's current year weighted average daily membership (ADMw) for the State School Fund distributions, the calculation for a virtual public charter school in a school district be separate from that for the non-virtual public charter portion of the school district if, compared to the previous school year, the non-virtual public charter portion of the school district has a decreasing enrollment. Modifies the calculation of the district's extended ADMw for a school district that is a sponsor of a virtual public charter school with a decreasing enrollment for the 2021-2022 and 2022-2023 school years. Takes effect on July 1, 2021.

#### **ISSUES DISCUSSED:**

- Anticipated swings in enrollment and their impact on formula revenue distributions
- Ensuring a brick and mortar school's financial stability when the district hosts a virtual public charter school
- Limited duration of proposed changes in calculation of ADMw when a virtual public charter school encounters a substantial decline in enrollment

#### **EFFECT OF AMENDMENT:**

No amendment.

#### **BACKGROUND:**

This bill specifies that the calculation of the current year's ADMw for a virtual public charter school in a school district be separate from that for the non-virtual public charter portion of the school district if, compared to the previous school year, the non-virtual public charter portion of the school district has a decreasing average daily membership or ADM.

This bill also modifies the calculation of the district's extended ADMw for a school district that is a sponsor of a virtual public charter school with a decreasing enrollment for the 2021-2022 and 2022-2023 school years. First, the non-virtual charter portion of the district's extended ADMw is the greater of the current year's ADMw and the previous year's ADMw. Second, the ADMw for the virtual public charter school equals the current school year's ADMw plus an additional amount that equals 10 percent of the difference between the current school year's ADMw and the previous school year's ADMw.