

## HB 2630 A STAFF MEASURE SUMMARY

### House Committee On Revenue

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**Action Date:** 06/02/21

**Action:** Do pass with amendments and be referred to Ways and Means. (Printed A-Eng.)

**Vote:** 7-0-0-0

**Yeas:** 7 - Levy, Marsh, Nathanson, Pham, Reschke, Smith G, Valderrama

**Fiscal:** Fiscal impact issued

**Revenue:** Revenue impact issued

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

**Meeting Dates:** 4/28, 5/27, 6/2

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#### WHAT THE MEASURE DOES:

Prescribes the methods to provide funding stability to certain school districts impacted by wildfires in 2020. Establishes the School Stabilization Subaccount for Wildfire-Impacted Schools within the Statewide Education Initiatives Account to support such funding. Applies to four consecutive school years starting from the 2021-22 school year for the State School Fund and Student Investment Account distributions. Repeals such funding on July 1, 2025. Takes effect on July 1, 2021.

#### ISSUES DISCUSSED:

- Impact of wildfires on Phoenix-Talent Schools
- Need for stable funding to schools adversely affected by wildfires
- Difficulty in collecting data on impacted schools and school districts
- Source of funding for the bill

#### EFFECT OF AMENDMENT:

Replaces the measure. Prescribes the methods to provide funding stability to certain school districts impacted by wildfires in 2020. Establishes the School Stabilization Subaccount for Wildfire-Impacted Schools within the Statewide Education Initiatives Account to support such funding. Applies to four consecutive school years starting from the 2021-22 school year for the State School Fund and Student Investment Account distributions. Repeals such funding on July 1, 2025. Takes effect on July 1, 2021.

#### BACKGROUND:

The measure as amended prescribes how the State School Fund (SSF) and Fund for Student Success should be distributed to certain school districts impacted by wildfires in 2020. In particular, the measure uses money from the Statewide Education Initiatives Account (SEIA) to provide funding stability in the form of a grant, to the qualified school districts with a decline in enrollment relative to the 2019-20 school year due to the wildfires in 2020. The funding in this amended measure will be repealed on July 1, 2025.

The amended measure uses set-aside money (\$10 million) from the SEIA to provide additional funds to qualified wildfire-impacted school districts with a decline in enrollment for the next four school years. In fact, the amended measure leaves unchanged the formula revenue for the SSF distribution purpose and funding for the SEIA. However, there will be a funding adjustment within the SEIA to accommodate the set aside money in the measure.