

# Co-Chair Proposal: Students At-Risk

## Implementation of the Students At-Risk – WPU Add-on Formula Program

October 19, 2021 | Public Education Appropriations Subcommittee

### Proposed Subcommittee Action

Recommend to the Executive Appropriations Committee the following:

1. Build to the statutory WPU weightings for Economically Disadvantaged and English Language Learner students over the next 10 years and accelerate the phase-in when state revenues allow.
  - a. In a year when the Legislature uses the Public Education Economic Stabilization Account, only adjust for student enrollment growth, and don't increase the weightings.
2. Include future WPU weighting increases in the annual Enrollment Growth Adjustment approved by the Executive Appropriations Committee (EAC) in December of each year and include in the base budget bill.
  - a. Direct the Legislative Fiscal Analyst to include the cost for one annual increase increment in the Enrollment Growth estimate.
    - i. Economically Disadvantaged Increment = 0.025
    - ii. English Language Learner Increment = 0.0075
  - b. EAC can determine the number of increments based on available revenue.
3. Require the Public Education Appropriations Subcommittee to review the hold-harmless phase-out prior to the January 1, 2024 expiration date.

### Background

During the 2021 General Session, the Legislature created the Students At-Risk – WPU Add-on program. This program provides funding to local education agencies (LEAs) based on certain student characteristics, namely, economically disadvantaged and English language learners. The initial and target student weightings for these categories are detailed in the box below. The following highlights several issues and policy questions for the Legislature to consider.

#### 1. Student Weightings

Statute designates that student weightings increase annually based on recommendation of PED Appropriations to the Executive Appropriations Committee. The following table outlines a phase in over 10 years, with an estimated cost of approximately \$22.0 million each year. The actual amount per year may vary depending on the adjusted WPU value.

Factor	Weightings		Annual Increase	1st Year Cost Est.
	Initial	Target		
Econ. Dis.	0.05	0.3	0.025	\$20.6 M
ELL	0.025	0.1	0.0075	\$1.5 M

#### 2. Hold-Harmless

The change from a multi-variable program [Enhancement for At-Risk Students (EARS)] to a two-factor program [Students At-Risk – WPU Add-on] resulted in funding distribution changes among LEAs. When compared to FY 2021 EARS distributions, many “highly impacted” LEAs receive less funding initially through the Add-on formula.

Statute includes a hold-harmless provision for LEAs that receive less than their FY 2021 EARS allocation and directs the Legislature to appropriate one-time funding for the hold-harmless each year. The hold-harmless expires on January 1, 2024.

Most LEAs phase out of hold-harmless after 5 years of incremental increases to the student weightings assuming a 10-year phase in as outlined in the box above. These estimates are based current student count data and on increasing the weightings only. The estimate does not include subsequent increases in WPU Value which may cause the LEAs to phase-out faster. Estimates indicate that the cost of the hold-harmless drops from \$3.1 to \$1.2 million in year 2 (FY 2023).

See "Minimum School Program – Students At-Risk WPU Add-on" document for distribution details.