

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington

MOTION NO. 22-282

PROVIDING UPDATED DIRECTION TO COUNCIL AND EXECUTIVE STAFF
REGARDING THE ALLOCATION OF REVENUES APPROPRIATED BY
THE STATE LEGISLATURE PURSUANT TO THE
PUGET SOUND TAXPAYER ACCOUNTABILITY ACT (PSTAA) RCW 43.79.520

WHEREAS, the State of Washington's Legislature established the Puget Sound Taxpayers Accountability Act (PSTAA) account pursuant to RCW 43.79.520, which is funded by a sales and use tax offset fee on payments made by the Central Puget Sound Transit Authority ("Sound Transit") on the cost of construction projects; and

WHEREAS, Snohomish County is estimated to receive approximately \$79 million between 2019 and 2034; and

WHEREAS, the County Council previously provided direction to County Council staff by way of Motion No. 20-018 on January 22, 2020 regarding the disbursement of PSTAA funds; and

WHEREAS, the adopted 2021 budget includes \$800,000 of revenue and expenditure authority in the Department of Human Services for revenue received to date, with a budget condition prohibiting expenditure until authorized by the County Council through Motion; and

WHEREAS, the County Council has given further consideration to the expenditure of PSTAA funds and intends to provide new direction and authorization of such funds with an emphasis on early learning; and

WHEREAS, pursuant to RCW 43.79.520, Snohomish County may use distributions from PSTAA only to improve educational outcomes in early learning, K-12, and higher education, including, but not limited to, for facilities and programs for children and youth that are low-income, homeless, or in foster care, or other vulnerable populations to start endowments to provide support for improving educational outcomes in early learning, K-12, and higher education; and

WHEREAS, the County Council finds that there exist organizations and agencies involved in early childhood learning, public school districts, and institutions of higher education (Washington State University – Everett, Edmonds Community College, and Everett Community College) that are within the boundaries of Sound Transit and have a core mission of improving educational outcomes, including as described by RCW 43.79.520; and

WHEREAS, Snohomish County must track all expenditures and uses of the funds and, to the greatest extent practicable, the expenditures must follow the requirements of any transportation subarea equity element used by Sound Transit; and

WHEREAS, the County Council finds that the school districts and public institutions of higher education within the boundaries of the Sound Transit District are able to develop and implement plans that meet the intent of RCW 43.79.520 and to submit required reports to document all expenditures and uses of PSTAA funds; and

WHEREAS, the County Council finds that Snohomish County may elect to enter into interlocal agreements with school districts and public institutions of higher education to implement plans that meet the intent of RCW 43.79.520; and

WHEREAS, the County Council finds that allocating thirty-three percent (33%) to public institutions of higher education and sixty-seven percent (67%) to school districts as detailed in Exhibit A is an equitable, efficient and effective method to allocate funds to implement the intent of PSTAA; and

WHEREAS, it is the intent of the County Council that at least ten percent (10%) of PSTAA funds allocated to public institutions of higher education be solely expended on improving educational outcomes for early learning through sub-contracts with community-based early learning programs for children and youth that are low-income, homeless, or in foster care, or other vulnerable populations; and

WHEREAS, it is the intent of the County Council that one hundred percent (100%) of PSTAA funds allocated to school districts be solely expended on improving educational outcomes for early learning through programs for children and youth that are low-income, homeless, or in foster care, or other vulnerable populations and that of the total allocation, at least fifty percent (50%) be expended through sub-contracts with community-based early learning programs; and

WHEREAS, the County Council finds that encouraging PSTAA fund recipients to leverage partnerships with community based early learning organizations and agencies increases the likelihood of improving early learning outcomes; and

WHEREAS, the County Council defines early learning programs as those serving children from birth through the third grade; and

WHEREAS, the County Council finds that encouraging PSTAA fund recipients to expend a portion of their PSTAA funds on new programs will foster collaboration and innovation; and

WHEREAS, in order to allocate PSTAA funds to efforts demonstrating the highest level of success in improving educational outcomes, the County Council may choose to adjust on an annual basis the allocation percentages for distribution based the fund recipients' performance; and

WHEREAS, on March 10, 2021, the Snohomish County Council adopted Motion 20-089 providing direction for Council staff to work with the Snohomish County Executive to develop interlocal agreements to allocate funding; and

WHEREAS, the Snohomish County Council adopted interlocal agreements on September 22, 2021 for the 2021-2022 Program year; and

WHEREAS, there is a need to make administrative adjustments to the allocation methodology;

NOW, THEREFORE, ON MOTION, the Snohomish County Council provides direction to Council Staff to work with the Snohomish County Executive in the development of new interlocal agreements or amendments to existing interlocal agreements to allocate PSTAA funding, when it becomes available, consistent with the intent of this motion and the attached Exhibit A.

DATED this 13th day of July, 2022.

SNOHOMISH COUNTY COUNCIL
Snohomish County, Washington



Acting Council Chair

ATTEST:



Asst. Clerk of the Council

EXHIBIT A

Method of Allocating Revenues Appropriated by the State Legislature Pursuant to the Puget Sound Taxpayer Accountability Act (PSTAA) RCW 43.79.520

PSTAA funding appropriated and distributed by the State will be appropriated by the County Council as follows:

67% to School Districts

67% of the appropriation will be appropriated to school districts that include territory within the boundaries of Sound Transit. The amount appropriated will be based on the percentage of each school district's population within the boundaries of the Sound Transit Regional Transit Authority. Of the 67% appropriated to school districts, appropriations will be as follows:

<i>School District</i>	<i>Percent to be Appropriated</i>
Edmonds	36.9%
Everett	28.5%
Mukilteo	22.4%
Northshore	9.8%
Snohomish	2.3%
Marysville	0.1%

Appropriation percentages, which are based on population, may be revised following the 2020 and 2030 censuses.

Appropriated funds unused by the school district (school district did not submit reimbursement for the totality of appropriated funds) will remain in the PSTAA account and be included in the available balance to be appropriated in a future program year.

33% to Higher Education

33% of the appropriation will be allocated to higher education as follows:

<i>Institution</i>	<i>Percent to be Appropriated</i>
Edmonds Community College	33.33%
Everett Community College	33.33%
Washington State University, Everett Campus	33.33%

Appropriated funds unused by the higher education institution (higher education institution did not submit reimbursement for the totality of appropriated funds) will remain in the PSTAA account and be included in the available balance to be appropriated in a future program year.

Other Requirements

Agreements with these partners must include the following:

1. A notice to the effect that funding is subject to appropriation by both the State Legislature and the County Council.
2. A notice that Snohomish County will not provide funding to continue programs when appropriations from the State Legislature are not made including when funding ends.
3. A requirement that the administrative costs associated with the management and distribution of PSTAA allocations not exceed ten percent (10%) of the total allocation.
4. A requirement that a plan be submitted annually from each fund recipient to the County Council for the upcoming year's expenditures. This plan must include:

For School Districts:

- a. One hundred percent (100%) of funds allocated must be used on early learning;
- b. At least fifty percent (50%) of funds allocated shall be designated for use by community based early-learning providers; and
- c. An allocation by percentage or dollar amount for new and/or innovative early learning programs.

For Higher Education:

- a. At least ten percent (10%) of the allocation shall be designated for use by community based early-learning providers; and
- b. An allocation by percentage or dollar amount for new and/or innovative early learning programs.

5. A requirement that there be an annual report from fund recipients to the County Council on the use and effectiveness of the funds based on metrics as agreed to by the fund recipient and the County Executive.
6. A requirement that funds will be expended in compliance with the Puget Sound Taxpayers Accountability Act and any additional requirements that may be imposed by the County Council.
7. A prohibition from using PSTAA allocations from the County to supplant existing expenditures.