

HOUSE BILL ANALYSIS

PSHB 2101

Title: An act relating to the creation of a commission on school funding review.

Brief Description: Creating a commission on school funding review.

Sponsors: Representatives Haigh, Stensen, Miloscia, Poulsen, Kagi, Morris, Dunshee, Murray, Romero, Kessler, Eickmeyer, O'Brien, Rockefeller, Linville, Lovick, Kenney, Wolfe, Schual-Berke, Tokuda, Ruderman, McIntire, Edwards, Keiser and Lantz.

HOUSE COMMITTEE ON EDUCATION

Meeting Date: March 8, 1999.

Bill Analysis Prepared by: Susan Morrissey (786-7111).

Background: The Washington State Constitution establishes the education of all children as the paramount duty of the state, and requires the Legislature to provide for a system of public schools. The constitution is the foundation upon which three school funding decisions made in the 1970's and 80's rested. Those decisions, coupled with subsequent state laws and court decisions, have helped shaped the budget formulas used to determine the state support for the public education. In order to meet its paramount duty, the Legislature dedicates almost one-half of the state's general fund monies to support the education of children in the public schools.

The funding system begins with state-supervised school district budgeting, accounting, and financial reporting practices. State resources, supplemented by local and federal monies, are distributed through funding formulas to equalize educational opportunities throughout the state. Basic education and categorical programs are state supported through these formulas. State resources include State General Fund revenue, other state revenues, state property taxes, and timber excise taxes.

Every few years, the Legislature revisits various aspects of school funding. The 1998 Legislature directed the Joint Legislative Audit and Review Committee to study the financing system for the public schools. The study will include a review of school district revenue and expenditure practices, resource allocations within selected districts, and available data sources. The study will also address class size and personnel deployment issues. The report must be presented to the Legislature by June 30, 1999.

Summary of Bill: The Temporary Citizens' Commission on School Funding and Education Excellence is created. The committee will conduct a comprehensive review of the state's system of funding public schools using a two-stage process. The first stage will begin upon date that the act takes effect and will conclude with an interim report by December 31, 1999. The interim report will include information on the school finance system, the commission's work plan for phase two, and any preliminary recommendations the commission has developed. The second phase will conclude by December 31, 2000, when the commission presents a final report, including a set of recommendations on school finance.

The commission will review and consider a series of financing issues. These include the basic education act, recommendations of the Commission on Student Learning, the role of school levies, and the workings of the present financing system, including its alignment with the state's learning goals. The commission will also consider methods to assure the public that schools are spending their resources effectively, and financing systems in other governmental jurisdictions. The study will also include a review of successful programs in Washington, and an estimate of costs and benefits for any recommended financing system designed to improve student achievement.

The commission will be composed of 18 members. Of those members, eleven will be appointed by the governor. Three of the gubernatorial appointees will be professional educators. The other eight gubernatorial appointees will not be educators, but will be representative of the social and economic diversity of the state. Four members will be appointed by the Legislature; one appointed by each major caucus of the House and Senate. In addition, the commission will include the SPI, the chair of the State Board of Education, and the Director of the Office of Financial Management. Two members from the general public will serve as chair and vice-chair.

The commission will expire on June 30, 2001.

The commission may employ a staff director and other staff, and establish advisory or technical committees.

The sum of \$50,000 is appropriated to the commission for the 1998-99 fiscal year, and \$100,000 is appropriated for the 1999-2000 fiscal year. The act declares an emergency and takes effect immediately.

Appropriation: The sum of \$150,000.

Fiscal Note: Not requested.

Effective Date: The bill contains an emergency clause and takes effect immediately.