

Education Committee

HB 1146

Brief Description: *Creating a commission on school funding review.*

Sponsors: *Representatives Haigh, Cox, Hunt, Armstrong, Rockefeller, Fromhold, Linville, McDermott, Jackley, Quall, Lantz, O'Brien, Romero, Keiser, Benson and Eickmeyer.*

Hearing Date: *2/12/01*

Staff: *Susan Morrissey (786-7111).*

Background:

The 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 shape 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 included a review of school district revenue and expenditure practices, resource allocations within selected districts, and available data sources. The study also addressed class size and personnel deployment issues. It was presented to the Legislature in 1999.

Summary of Bill:

The Commission on School Funding Review is created. The commission will identify between 15 and 25 successful comprehensive school or school district program models operating within the state. In its identification process, the commission will place special emphasis on the results of the Washington Assessment of Student Learning. After reviewing the structure and operation of the successful program models, the commission will approve pilot performance-based funding programs that could be used in these schools and school districts. The pilots will implement either school-based or district-wide performance-based funding systems. The pilots may include, but are not limited to, weighted student formulas and systems that provide flexibility in determining expenditures of state and federal funds. In designing the pilot performance-based funding programs, the commission shall consider the actual cost of meeting the immediate and future needs of students served by participating schools or districts.

The commission will be composed of 18 members. Of those members, thirteen will be citizen members and one will be a representative of the governor or the Office of Financial Management, each appointed by the governor. Four members will be legislators appointed by legislative leadership from each major caucus of the House and Senate. The governor will appoint the commission's chair. In determining his appointments, the governor will consider the educational finance expertise of the citizens who apply for commission membership, and will attempt to appoint parents, business and community leaders and individuals with experience in various facets of education. He will also include members with expertise in special education and with transitional bilingual programs.

The commission will report its findings and recommendations to the governor and Legislature by January 1, 2003. In its final report, the commission will recommend steps for the implementation of a statewide system of performance-based financing for the common schools.

The commission may employ necessary staff and enter contracts for services. The commission will create technical advisory committees as needed.

The commission will expire on January 1, 2003.

Appropriation: *None.*

Fiscal Note: *Not Requested.*

Effective Date: *Ninety days after adjournment of session in which bill is passed.*