
Appropriations Committee

ESSB 6058

Brief Description: Modifying the distribution of state property taxes.

Sponsors: Senator Oke; by request of Office of Financial Management.

<p style="text-align: center;">Brief Summary of Engrossed Substitute Bill</p> <ul style="list-style-type: none">· Changes the per student allocations from the Student Achievement Fund (SAF).· Changes the SAF distribution schedule from 10 months to 12 months.
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Staff: Denise Graham (786-7137).

Background:

Under the law prior to enactment of Initiative 728 (I-728), lottery and state collected property tax revenues were deposited in the state general fund.

I-728 was approved by voters in the November 2000 general election. Under this initiative, lottery proceeds and a portion of the state property tax are dedicated for educational purposes by transferring revenues into the Student Achievement Fund and the Education Construction Account.

Under I-728, allowable uses of the Student Achievement Fund include: hiring more teachers to reduce class sizes and making necessary capital improvements; creating extended learning opportunities for students; providing professional development for educators; and providing early childhood programs.

Between school years 2001 and 2004, varying percentages of the lottery and a portion of the state property tax are deposited into the Student Achievement Fund.

Under I-728, the Student Achievement Funds provided to school districts are scheduled to increase in the 2004-05 school year through changes to property tax transfers into the account. These changes would increase the school district allocation from \$211.67 per FTE student in the 2003-04 school year to \$450 per FTE student in the 2004-05 school year. In subsequent school years, the \$450 per student allocation to school districts would increase by inflation measured by the implicit price deflator.

Student Achievement Fund distributions to school districts have been made over a ten-month period each year, from September through June. Basic education apportionment funds are distributed to districts according to a 12-month schedule required by statute.

Summary of Engrossed Substitute Bill:

The per student allocations from the Student Achievement Fund are: \$254 per FTE student in the 2004-05 school year; \$300 per FTE student in the 2005-06 school year; \$375 per FTE student in the 2006-07 school year; and \$450 per FTE student in the 2007-08 school year. In subsequent school years, the \$450 per student allocation to school districts increases by inflation measured by the implicit price deflator.

Beginning in the 2004-05 school year, Student Achievement Fund allocations will be distributed to school districts based on the state apportionment schedule.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of session in which bill is passed.