

# SENATE BILL REPORT

## SB 6297

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As of January 26, 2006

**Title:** An act relating to school district diesel prices.

**Brief Description:** Changing budget allocations for school district diesel fuel.

**Sponsors:** Senators Mulliken, Benton, Oke, Pflug, Schoesler, Schmidt, Delvin, Esser, Honeyford and Parlette.

**Brief History:**

**Committee Activity:** Ways & Means: 1/31/06.

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Bryon Moore (786-7726)

**Background:** The current student transportation funding formula provides allocations to school districts based on the number of students transported and the weighted radius distances between route stops and schools. The enacted 2005-07 biennial omnibus budget allocates approximately \$42.21 per weighted student mile in the 2005-06 school year and \$43.57 per weighted student mile in the 2006-07 school year.

As part of the transportation funding formula, there is an adjustment for increases in the costs of purchasing goods and services. The inflation factor used for making this adjustment has historically been the Implicit Price Deflator (IPD), which is one national measure of inflation. The current IPD forecast is estimating 2-3 percent inflation during fiscal years 2005 through fiscal year 2007. This is the basis for the inflation adjustment used in the current per weighted mile allocations included in the 2005-07 biennial omnibus budget.

The Washington State Ferries (WSF) System forecast indicates that diesel fuel prices increased by 48 percent in fiscal year 2005. The WSF forecasts that diesel fuel prices will increase by an additional 39 percent in fiscal year 2006 and then decrease by 18 percent from the fiscal year 2006 levels in fiscal year 2007.

**Summary of Bill:** An additional \$22.1 million from the state general fund is appropriated to the Office of Superintendent of Public Instruction. An additional \$3.05 per weighted student mile in the 2005-06 school year and \$1.79 per weighted student mile in the 2006-07 school year will be allocated to school districts.

**Appropriation:** \$22.1 million state general fund.

**Fiscal Note:** Not requested.

**Committee/Commission/Task Force Created:** No.

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