

SENATE BILL REPORT

2SHB 2759

As Reported by Senate Committee On:
Early Learning & K-12 Education, February 18, 2010
Ways & Means, March 1, 2010

Title: An act relating to adjusting local school finance related to nonresident students enrolled in online learning.

Brief Description: Adjusting local school finance related to nonresident students enrolled in online learning.

Sponsors: House Committee on Ways & Means (originally sponsored by Representatives Maxwell, Anderson, Roberts, White, Goodman, Clibborn, Kenney, Hunter, Morrell and Haigh).

Brief History: Passed House: 2/15/10, 98-0.

Committee Activity: Early Learning & K-12 Education: 2/17/10, 2/18/10 [DPA-WM].
Ways & Means: 3/01/10 [DPA].

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

Majority Report: Do pass as amended and be referred to Committee on Ways & Means.

Signed by Senators McAuliffe, Chair; Oemig, Vice Chair, K-12; King, Ranking Minority Member; Hobbs, Holmquist, McDermott and Roach.

Staff: Alicia Kinne (786-7784)

SENATE COMMITTEE ON WAYS & MEANS

Majority Report: Do pass as amended.

Signed by Senators Prentice, Chair; Fraser, Vice Chair, Capital Budget Chair; Tom, Vice Chair, Operating Budget; Zarelli, Ranking Minority Member; Brandland, Fairley, Hewitt, Hobbs, Honeyford, Keiser, Kline, Kohl-Welles, McDermott, Oemig, Parlette, Regala, Rockefeller and Schoesler.

Staff: Elise Greef (786-7708)

Background: For excess levies, a district's levy base must include the district's basic education allocation, state and federal allocations for transportation, special education,

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education of highly capable students, compensatory education, food services, statewide block grant programs, and any other federal allocations for elementary and secondary education. A district's levy base must not include local school district property tax levies, other local revenues, or other state or federal allocations not specified by statute as included.

An online school is defined as delivered primarily electronically using the Internet, taught by a teacher primarily from a remote location, or part-time or full-time sequential program with online lessons and tools for student and data management.

Summary of Bill (Recommended Amendments): Effective in calendar year 2011, a district's levy base must not include state or federal allocations for nonresident students enrolled in the district in an online school.

EFFECT OF CHANGES MADE BY WAYS & MEANS COMMITTEE (Recommended Amendments): Eliminates phase-in of exclusion of revenue attributable to nonresident online students from districts' levy bases, implementing the exclusion beginning calendar year 2011.

EFFECT OF CHANGES MADE BY EARLY LEARNING & K-12 EDUCATION COMMITTEE (Recommended Amendments): Technical correction to RCW references contained in the bill.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

Effective Date: The bill contains several effective dates. Please refer to the bill.

Staff Summary of Public Testimony on Second Substitute House Bill (Early Learning & K-12 Education): PRO: Students are choosing online learning for many reasons. Students enrolled in online learning are increasing the base making a district appear more property poor than it is while inducing the state to allocate more LEA. Basically, this closes a tax loophole. This bill recognizes the hardships districts would have encountered had online enrollments been removed from budgets.

CON: Students who are registered in an online school program are actually students in that district. More information is needed about why this group of students is being removed from the levy base.

Persons Testifying (Early Learning & K-12 Education): PRO: Representative Maxwell, prime sponsor; Teena Barnes, Steilacoom Historical School District.

CON: Barbara Mertens, Washington Association of School Administrators.

Staff Summary of Public Testimony (Ways & Means): None.

Persons Testifying (Ways & Means): No one.