

SENATE BILL REPORT

SB 6740

As Reported by Senate Committee On:
Early Learning & K-12 Education, February 4, 2010

Title: An act relating to a comprehensive K-12 education policy.

Brief Description: Concerning a comprehensive K-12 education policy.

Sponsors: Senators Hobbs, Oemig, Gordon, McAuliffe and Shin.

Brief History:

Committee Activity: Early Learning & K-12 Education: 2/04/10 [DPS-WM, w/oRec].

SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

Majority Report: That Substitute Senate Bill No. 6740 be substituted therefor, and the substitute bill do pass and be referred to Committee on Ways & Means.

Signed by Senators McAuliffe, Chair; Kauffman, Vice Chair, Early Learning; Oemig, Vice Chair, K-12; King, Ranking Minority Member; Brandland, Gordon, Hobbs and McDermott.

Minority Report: That it be referred without recommendation.

Signed by Senator Roach.

Staff: Kimberly Cushing (786-7421)

Background: In 2009 the Legislature created the Quality Education Council (QEC) to recommend and inform the ongoing legislative implementation of a program of basic education and necessary financing. The QEC is composed of eight legislative members, and one representative each from: the Office of the Governor, the Office of the Superintendent of Public Instruction (OSPI), the State Board of Education, the Professional Educator Standards Board, and the Department of Early Learning.

In addition, the Legislature directed the Office of Financial Management (OFM), with assistance from OSPI, to convene a technical working group to develop options for a new system of supplemental school funding local school levies and local effort assistance. The working group must consider the impact of overall school district revenues of the new basic education funding system, and recommend a phase-in plan for a new system of supplemental funding.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Summary of Bill (Recommended Substitute): The Legislature finds that public schools have been increasingly relying on excess property tax levies, which are not a dependable and regular source of financing.

The technical working group created in 2009 to develop options for a new system of supplemental school funding must also examine options for a comprehensive K-12 finance policy based on the following principles:

- increasing support for public schools through the statewide property tax;
- reducing reliance on property taxes from voter-approved excess levies;
- removing historical inequities caused by grandfathering of levy lids in certain school districts;
- providing a consistent source of financing to support K-12 capital facilities; and
- providing a fair and equitable means of adjusting tax burden for property-poor school districts.

The working group must consider innovative proposals that have previously been developed, identify possible alternatives, analyze their strengths and weaknesses, and examine the impact on taxpayers in various regions of the state.

The working group must report to the QEC and the Legislature on its findings and analysis by November 30, 2010.

The Department of Revenue (DOR) must provide technical assistance, including financial and legal analysis, for the working group's new tasks, in addition to the staff support provided by OFM and OSPI.

EFFECT OF CHANGES MADE BY EARLY LEARNING & K-12 EDUCATION COMMITTEE (Recommended Substitute): Changes the title to "An Act Relating to the local funding working group." Changes the working group's preliminary report to a report due to the QEC and the Legislature by November 30, 2010. Clarifies that the addition of support from the DOR is for the new tasks assigned to the working group.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: No.

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

Staff Summary of Public Testimony on Original Bill: PRO: We need to fund education reform. If we do not fully fund our schools, we cannot move forward with the schools themselves, let alone reform. The window of opportunity might close. Other countries are catching up. This is a bipartisan effort and a great way to begin discussion about K-12 finance. The working group can get a lot of work done in a given amount of time. It is an effective way to get people around the state with different perspectives. It sets up the framework to ask and answer questions. If there is a better solution, we will support it. Property taxes and excess levies hit at the heart of the matter; our funding source for schools

is inequitable and unstable. We fully support expanding a work group under the QEC to examine the issue. There are reservations concerning the implementation timeline.

Persons Testifying: PRO: Senator Hobbs, prime sponsor; David Iseminger, Lake Stevens School District; Dan Steele, Washington State School Directors' Association; Pat Montgomery, Auburn PTA; Barbara Mertens, Washington Association of School Administrators; Mitch Denning, Alliance of Educational Associations.