
Education Committee

HB 1325

Brief Description: Providing for statewide school district reorganization.

Sponsors: Representatives Hunt, Dammeier, Darneille, Lias, Carlyle, Roberts, Jinkins, Orwall, Kenney, Hasegawa, McCoy, Fitzgibbon and Tharinger.

Brief Summary of Bill

- Requires the Washington State School Directors' Association (WSSDA) to lead a district reorganization initiative to streamline and provide efficiencies in the operation of school districts and Educational Service Districts (ESDs).
- Establishes a Statewide School District Reorganization Commission (Commission) if the Superintendent of Public Instruction finds the WSSDA initiative has not resulted in sufficient cost savings or efficiencies by January 1, 2014.
- Directs the Commission to prepare a reorganization plan to result in no more than 150 school districts and a revised number and boundaries of the ESDs.
- Requires the reorganization plan to be submitted by December 1, 2016 in the form of proposed legislation.
- Provides that the proposed legislation containing the list of districts and their boundaries may be amended only by a two-thirds vote of each house of the Legislature.
- Provides for districts to appeal their reorganization to the Commission or submit an alternative proposal that will achieve significant efficiencies and reductions in operating costs.

Hearing Date: 2/10/11

Staff: Barbara McLain (786-7383).

Background:

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.

School districts are political subdivisions of the state, and the organization of school districts, including their powers, duties, and boundaries, are established by state laws. There are currently 295 school districts in Washington. Sixty-two percent of districts (184) enroll 2,000 or fewer students. There are also nine Educational Service Districts (ESDs) that provide a range of cooperative and support services to school districts.

Current laws regarding the organization of school districts emphasize voluntary and negotiated reorganization or changes in district boundaries. Boundary changes and district consolidations are initiated in one of three ways:

1. an agreement signed by the boards of directors of the affected districts;
2. a petition signed by the board of directors of one of the affected districts and sent to the superintendent of the ESD; or
3. a petition signed by a majority of the voters living in the part of the district that would be affected by the boundary change.

If a petitioned district does not agree with the proposed change, a Regional Committee appointed by the ESD has decision-making authority. Consolidations and transfers of territory that affect 10 percent or more of the student population require voter approval. Decisions of a Regional Committee may be appealed.

After a reorganization, the Regional Committee is charged with reallocation of assets and liabilities, including levies and bonded indebtedness. A new school district may result from a consolidation or reorganization of all or parts of two or more current districts, but the law does not provide for a division of a single current district into separate new districts.

In 2010 the Joint Legislative Audit and Review Committee (JLARC) conducted an analysis of the relationship between school district size and costs. The study found that the highest expenditures per pupil are found in small school districts with fewer than 1,000 students. However, this was due largely to state funding formulas which provide enhancements for small districts and districts with small high schools. Districts with the highest per pupil expenditures represent a small portion of all school district expenditures. The study could not find definitive conclusions in the research literature about the benefits of school and school district size, whether large or small.

The Washington State School Directors' Association (WSSDA) is established in statute and composed of the members of all school district boards of directors in the state. The WSSDA is authorized to prepare reports and recommendations to the Superintendent of Public Instruction (SPI) that pertain to increased efficiencies of the school system.

Summary of Bill:

District Reorganization Initiative. The WSSDA must lead a school district reorganization initiative to streamline and provide efficiencies in the operation of school districts and the ESDs. The WSSDA must work collaboratively with other statewide education associations in considering:

- district consolidation;
- consolidation of district administration;
- implementation of shared services;

- increased use of technology; and
- other efficiencies and consolidations.

The WSSDA must file an annual report starting September 1, 2011 with the Office of the Superintendent of Public Instruction (OSPI) documenting actual and projected cost savings under the reorganization initiative. Cost savings must remain in the school system to allow redirection toward activities that improve student learning.

Commission on Statewide School District Reorganization (Commission). If the SPI files a finding by January 1, 2014 with the Chief Clerk of the House of Representatives, the Secretary of the Senate, and the Office of the Code Reviser that the WSSDA reorganization initiative has not achieved sufficient cost savings and efficiencies, then the Commission takes effect.

The Commission has the following 11 members:

- a member of the State Board of Education;
- two school administrators from Eastern and Western Washington selected by the Washington Association of School Administrators;
- two school board members from Eastern and Western Washington selected by the WSSDA;
- one certificated school employee selected by Washington Education Association;
- a demographer or former participant in the state redistricting commission selected by the Governor; and
- four individuals from Eastern and Western Washington selected jointly by the Speaker of the House of Representatives and the President of the Senate.

The Chair is elected by the Commission members. Staff support is provided by the OSPI.

The Commission must develop a comprehensive school district reorganization plan resulting in no more than 150 school districts and a reorganization of the number and boundaries of the ESDs. First the Commission must adopt rules establishing objective criteria, ranked in priority order, for the reorganization. At least one public hearing must be held in each ESD on the proposed criteria.

Based on the criteria, the Commission then develops the reorganization plan. At least one public hearing must be held in each ESD on the reorganization plan. The JLARC conducts an independent review of the reorganization plan to assure that it is based on and follows the adopted criteria to the maximum extent possible. The JLARC submits findings and any recommendations for improvement to the Commission by September 1, 2016.

District Reorganization Plan. The Commission must submit its final district reorganization plan to the SPI, the Governor, and the Legislature by December 1, 2016. The reorganization plan must be submitted in the form of proposed legislation in two separate parts:

Part A is the list of recommended school districts, the ESDs, and their boundaries. Except for corrections of technical errors or omissions, the legislation implementing Part A may be amended only by a two-thirds vote of each house of the Legislature.

Part B is procedures and timelines for implementation of the reorganization plan, including:

- a phased-in implementation schedule;
- determination, adjustment, and transfer of assets and liabilities;
- determination and election of district boards of directors, including a transition period of up to two years where all school district boards continue to govern in any consolidated districts until the election of a new board;
- the process and a limited timeframe for appeals or alternatives to the plan; and
- amendments to current laws necessary to implement the plan and provide an ongoing process for addressing district organization and boundary issues.

Appeals and Alternatives. School districts whose organization is affected by legislation adopted to implement the Commission's reorganization plan may appeal to the Commission and propose an alternative organization. Appeals that affect more than one district must be submitted by all affected districts, with no more than one appeal per district. The Commission adopts rules regarding procedures, criteria, and a timeframe for making determinations of appeals. If the Commission sustains an appeal, it orders implementation of the alternative organization submitted in the appeal.

School districts whose organization is affected by the reorganization legislation may also submit a proposal to the Commission for achieving significant efficiencies and reductions in operating costs through consolidated services. The proposal must be in the form of a memorandum of understanding signed by the school directors of the participating districts and must include a proposed alternative organization of the districts. The Commission adopts rules regarding procedures, criteria, a timeframe for making determinations, and a definition of "significant efficiencies." If the Commission approves the proposal, it orders implementation of the alternative organization of the school districts.

If district reorganization legislation submitted by the Commission is not signed into law before June 30, 2018, the provisions of the bill pertaining to the Commission and the reorganization plan expire July 1, 2018.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Sections 2 through 5 establishing the Commission, requiring development and submittal of a district reorganization plan, and providing for appeals and alternatives to the plan take effect January 1, 2014, but only if the SPI files a finding that a reorganization initiative led by the WSSDA has not resulted in sufficient cost savings and efficiencies. The remainder of the bill takes effect 90 days after adjournment of the session in which the bill is passed.