

HOUSE BILL REPORT

HB 1354

As Reported by House Committee On: Ways & Means

Title: An act relating to apportionments to educational service districts and school districts for the 2010-11 school year.

Brief Description: Changing the apportionment schedule to educational service districts and school districts for the 2010-11 school year.

Sponsors: Representatives Hunt, Haigh, Hunter and Darneille; by request of Office of Financial Management.

Brief History:

Committee Activity:

Ways & Means: 1/31/11, 4/14/11 [DPS].

Brief Summary of Substitute Bill

- Changes the general apportionment payment schedule for school districts by reducing the June payment in the 2010-11 school year by \$253 million, and adds an additional apportionment payment on the first day of July 2011 in the same amount.

HOUSE COMMITTEE ON WAYS & MEANS

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 16 members: Representatives Hunter, Chair; Darneille, Vice Chair; Hasegawa, Vice Chair; Carlyle, Cody, Dickerson, Haigh, Hudgins, Hunt, Kagi, Kenney, Ormsby, Pettigrew, Seaquist, Springer and Sullivan.

Minority Report: Do not pass. Signed by 11 members: Representatives Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Chandler, Haler, Hinkle, Parker, Ross, Schmick and Wilcox.

Staff: Ben Rarick (786-7349).

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.

Background:

General apportionment is the primary means by which basic education funding is allocated to school districts. The basic education rate (BEA rate) is the per pupil allocation provided to districts for a general education student, and is the foundation of the general apportionment budget. In fiscal year 2011, general apportionment exceeds \$4.86 billion and represents about 75 percent of the total funding to school districts from the state. The BEA rate used to allocate special education funding for the 2009-10 school year was approximately \$4,978 per student full time equivalent.

General apportionment funding is allocated monthly to each district through each county treasurer. The amount provided varies by month. In the months of September, October, December, January, February, and March, districts receive 9 percent of their school year apportionment payment. In November and May they receive 5.5 percent. In June they receive 6 percent. In July and August they receive 10 percent.

Summary of Substitute Bill:

The bill changes the school apportionment payment schedule for the 2010-11 school year. It reduces the June apportionment payment by \$253 million. It also adds a payment of an equal, off-setting amount on the first day of July, in addition to the regularly scheduled payment. These changes have the effect of delaying \$253 million in school apportionment payments to fiscal year 2012.

Substitute Bill Compared to Original Bill:

The original bill changed the June 2011 apportionment payment from a 6 percent payment to a 0.7 percent payment, resulting in a shift of \$332 million in apportionment funds from fiscal year 2011 to fiscal year 2012. The substitute bill reduces the June 2011 apportionment payment by a flat dollar amount (rather than a percentage of the total) of \$253 million, and creates an additional apportionment payment on July 1, 2011, of an equal, off-setting amount.

Appropriation: None.**Fiscal Note:** Available.**Effective Date of Substitute Bill:** The bill contains an emergency clause and takes effect immediately.**Staff Summary of Public Testimony:**

(In support) None.

(Comments) The delay in apportionment payments is effectively a drain on reserve funds in the Bethel School District. Many districts that have the reserves will probably not have to take contingency funds, but it still has an impact on the bond rating that districts get. The apportionment payments are due June 30, not July 1, and the state should follow through on that schedule.

(Opposed) None.

Persons Testifying: Marianne Lincoln, Bethel School Board.

Persons Signed In To Testify But Not Testifying: None.