

# HOUSE BILL REPORT

## HB 2129

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### As Reported by House Committee On: Ways & Means

**Title:** An act relating to delaying apportionments to school districts for the 2012-13 school year.

**Brief Description:** Delaying apportionments to school districts for the 2012-13 school year.

**Sponsors:** Representatives Haigh and Hunter; by request of Office of Financial Management.

**Brief History:**

**Committee Activity:**

Ways & Means: 2/24/12, 3/3/12 [DPS].

**Brief Summary of Substitute Bill**

- Reduces the June 2013 apportionment payment to school districts by \$340 million and adds an offsetting apportionment payment of an equal amount on July 1, 2013.

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### 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 10 members: Representatives Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Orcutt, Assistant Ranking Minority Member; Chandler, Haler, Parker, Ross, Schmick and Wilcox.

**Staff:** Jessica Harrell (786-7349).

**Background:**

General apportionment is the primary means by which basic education funding is allocated to school districts. The basic education rate is the per pupil allocation provided to districts for a

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general education student, and is the foundation of the general apportionment budget. In fiscal year (FY) 2013, general apportionment exceeds \$5.2 billion. In addition to general apportionment, the state's total monthly apportionment payment to districts includes pupil transportation (\$0.6 billion in FY 2013), special education (\$0.7 billion in FY 2013), institutional education (\$0.02 billion in FY 2013), education of highly capable students (\$0.01 billion in FY 2013), transitional bilingual (\$0.07 billion in FY 2013), and learning assistance program (\$0.1 billion in FY 2013).

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.

The state's fiscal year begins July 1 and ends June 30. The school fiscal year begins September 1 and ends August 31. Due to this variance, payments made by the state to the school districts during the months of July and August will occur in the same fiscal year.

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**Summary of Substitute Bill:**

Payment of a portion of the June apportionment payment is delayed by one day, from June 30 to July 1. The reduction reduces the total state General Fund apportionment payment for the 2011-13 biennium by \$340 million. Due to the variance in the school and state fiscal years, the apportionment payment for the schools does not cross school fiscal years.

**Substitute Bill Compared to Original Bill:**

A null and void clause is added. The act is null and void if specific funding for a financial contingency fund is not provided by June 30, 2012, in the section providing for the Superintendent of Public Instruction for general apportionment in the omnibus appropriations act.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Substitute Bill:** The bill takes effect on September 1, 2012. However, the bill is null and void unless funded in the budget.

**Staff Summary of Public Testimony:**

(In support) None.

(Opposed) The shift in the school apportionment payment will have a negative fiscal impact on the school districts. Payroll occurs at the end of the month. If a school district needs to take a loan from the county treasurer, the school district would have to pay to borrow the funds for an entire weekend, not just one day.

**Persons Testifying:** Monty Cobb, Washington Association of County Officials.

**Persons Signed In To Testify But Not Testifying:** None.