

# HOUSE BILL REPORT

## SSB 5239

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### As Reported by House Committee On: Education

**Title:** An act relating to the allocation method used for the distribution of federal forest revenue to public schools.

**Brief Description:** Requiring a definition of "resident" for purposes of the allocation method used to distribute federal forest revenue to schools.

**Sponsors:** Senate Committee on Early Learning & K-12 Education (originally sponsored by Senators Honeyford, Morton, Swecker and Becker; by request of Superintendent of Public Instruction).

#### **Brief History:**

##### **Committee Activity:**

Education: 3/18/11, 3/22/11 [DPA].

#### **Brief Summary of Substitute Bill (As Amended by House)**

- Distributes federal forest revenues to school districts based on their proportion of resident enrolled students, rather than all enrolled students, compared to the total number of students in the county.
- Directs the Superintendent of Public Instruction to define resident students for this purpose and in doing so, address the impact of alternative learning experience students on federal funds distribution.

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### HOUSE COMMITTEE ON EDUCATION

**Majority Report:** Do pass as amended. Signed by 21 members: Representatives Santos, Chair; Lytton, Vice Chair; Dammeier, Ranking Minority Member; Anderson, Assistant Ranking Minority Member; Ahern, Angel, Billig, Dahlquist, Fagan, Finn, Haigh, Hargrove, Hunt, Klippert, Kretz, Ladenburg, Liias, Maxwell, McCoy, Probst and Wilcox.

**Staff:** Barbara McLain (786-7383).

#### **Background:**

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*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.*

Federal law requires that a portion of revenues from federal forests be distributed to the counties in which the forests are located, to be used for public roads and public schools. Washington law requires half of the funds to be distributed to school districts based on the proportion of students enrolled in each district compared to the total number of students in the county. However, the amount of the federal forest revenues is deducted from a school district's Basic Education allocation, so there is no financial advantage for school districts with federal forest lands.

One exception is the school districts in Skamania County, which retain 70 percent of any federal forest fund revenues under the terms of a legal settlement that occurred in 1989. Skamania County was singled out because of special terms under the federal Mt. St. Helen's Act of 1982.

There are four school districts in Skamania County, which split the federal forest fund revenues based on the proportional share of their enrollment. In recent years, one of the school districts has begun to offer an online learning program that has caused an increase in its enrollment from non-resident students. According to recent reports, 28 percent of the total enrollment in the Stevenson-Carson School District is from non-resident students in the online learning program. Online learning is one form of alternative learning experiences that provide a way for school districts to count, for funding purposes, students who are not enrolled in a traditional classroom-based instructional program.

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**Summary of Amended Bill:**

Federal forest revenues are distributed to school districts based on the proportion of resident students enrolled in the district compared to the total number of students in the county, rather than based on the proportion of all students enrolled in the district. The Superintendent of Public Instruction (SPI) must adopt rules that define a resident student for this purpose that take effect September 1, 2011. The rules must consider and address the impact of alternative learning experience students on federal funds distribution.

**Amended Bill Compared to Substitute Bill:**

The SPI must adopt rules that define a resident student that take effect September 1, 2011, rather than adopt rules by June 30, 2011. The section of the bill that implements the revised distribution of federal forest funds based on the rules takes effect September 1, 2011, rather than the entire bill taking effect on that date.

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**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date of Amended Bill:** The bill takes effect 90 days after adjournment of the session in which the bill is passed, except for section 1, relating to the definition of resident student based on rules adopted by the SPI, which takes effect September 1, 2011.

**Staff Summary of Public Testimony:**

(In support) This bill affects only the four school districts in Skamania County. There was an attempt to reach a compromise regarding the statutory language that all of the districts could agree to, but one of the districts does not agree. Therefore the bill directs the SPI to seek a distribution that is as fair and equitable as possible. The current law is outdated and precedes significant growth in online learning, which is occurring in one of the districts and adversely affecting the others. The intent of the bill is to be fair and equitable across all of the districts.

(Opposed) None.

**Persons Testifying:** Senator Honeyford, prime sponsor; and Shawn Lewis, Office of the Superintendent of Public Instruction.

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