

SENATE BILL REPORT

HB 1131

As of May 13, 2011

Title: An act relating to student achievement fund allocations.

Brief Description: Regarding student achievement fund allocations.

Sponsors: Representative Haigh; by request of Office of Financial Management.

Brief History: Passed House: 5/09/11, 71-25.

Committee Activity: Ways & Means: 5/10/11.

SENATE COMMITTEE ON WAYS & MEANS

Staff: Elise Greef (786-7708)

Background: Initiative 728 (I-728), approved by the voters in November 2000, created the Student Achievement Fund and dedicated certain state revenues to support various school reform activities in public schools. The allowable uses for I-728 funding include:

- reductions in K-4 class size;
- selected class size reduction in grades 5-12;
- extended learning opportunities for students;
- investments in educators and their professional development;
- early assistance for children who need pre-kindergarten support; and
- improvements or additions to facilities to support class size reductions and extended learning opportunities.

Allocations to school districts are based on the average number of full-time equivalent (FTE) students in the school district in the previous school year. The amount is designated in statute as \$450.00 per-student FTE in school year 2007-08, to be adjusted for inflation by the Implicit Price Deflator (IPD) annually, thereafter. In Chapter 541, Laws of 2009 the Legislature amended the statute to allow the value of the per-student allocation to be set in the Omnibus Appropriations Act for school years 2009-10 and 2010-11.

The funding sources for the Student Achievement Program have been modified several times by the Legislature. In 2009 the Legislature enacted Engrossed Substitute Senate Bill 5073, consolidating a number of near-General Fund State accounts into the General Fund, including the Student Achievement Fund. Statute currently provides that I-728 distributions be made from the General Fund-State.

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.

The history of Student Achievement Program per-student allocations, by school year, is as follows:

2001-02, \$190.19;
2002-03, \$219.84;
2003-04, \$211.67;
2004-05, \$254.00;
2005-06, \$300.00;
2006-07, \$375.00;
2007-08, \$450.00;
2008-09, \$458.10;
2009-10, \$131.16*; and
2010-11, zero.

*In school year 2009-10, I-728 allocations were funded with a combination of General Fund-State dollars and one-time federal fiscal stabilization funds available under the American Recovery and Reinvestment Act of 2009.

Allocations to school districts are estimated to total \$860.2 million for the upcoming 2011-13 biennium, which represents allocation rates of \$476.55 per-student FTE for school year 2011-12 and \$484.45 for school year 2012-13.

Summary of Bill: The act provides that per-student FTE allocations for school years 2011-12 and 2012-13 will be specified in the Omnibus Appropriations Act. The act further eliminates the current requirement to set I-728 allocations to be equal to what they would have been if allocations had not been reduced for school years 2009-10 and 2010-11.

Appropriation: None.

Fiscal Note: Available.

Committee/Commission/Task Force Created: None.

Effective Date: The bill contains an emergency clause and takes effect on July 1, 2011.

Staff Summary of Public Testimony: PRO: The bill was necessary to implement the Governor's budget. Now, with both the Senate and House budgets contemplating including this cut as part of the solution to the funding deficit, we would continue to recommend this bill to you. The suspension of I-728 accounts for \$861 million of the proposed cuts to K-12 funding.

CON: Although the suspension of I-728 has been expected, especially given the elimination of I-728 allocations for the current school year in the last supplemental budget, we oppose the action. We appreciate the rhetoric around the use of the word, "suspension" and hope that is what will happen, but it's hard to say how the funding comes back to its expected levels unless you add language explicitly directing that to occur.

Persons Testifying: PRO: Jim Crawford, Senior Budget Assistant to the Governor, Office of Financial Management.

CON: Dan Steele, Washington Association of School Administrators; Randy Parr, Washington Education Association.