

SENATE BILL REPORT

SB 5471

As of June 9, 2011

Title: An act relating to student achievement fund allocations.

Brief Description: Regarding student achievement fund allocations.

Sponsors: Senator Murray; by request of Office of Financial Management.

Brief History:

Committee Activity: Ways & Means: 2/17/11.

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
- providing improvement 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. I-728 funds are not part of the Legislature's definition of basic education. 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,

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including the Student Achievement Fund. Statute currently provides that I-728 distributions be made from the General Fund-State.

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 (ARRA).

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: CON: Districts are grappling with choices such as whether to raise class sizes and lay off teachers, to take away extracurricular and fine arts programs, to eliminate extra math support for struggling students, or decide to have children walk two miles to school. The state's paramount Constitutional duty is to amply fund basic education. We will lose vital programs that keep children engaged and in school unless you preserve basic education funding. Voters approved I-728 by a wide margin. The state has a responsibility that it needs to live up to. K-12 programs that are not Constitutionally protected are programs that tended to come in later to protect students who need particular attention. These cuts - including suspension of I-728, eliminating the K-4 class size funding, dropping the Learning Assistance Program concentration factors, delaying the phase-in of all-day K, dropping the National Board bonus - have a cumulative effect and are felt the hardest by communities that serve children in need, such as refugee and immigrant students. Please

prioritize highest-need school districts and schools when making budget reductions. Schools receive almost the same amount but vary widely in terms of poverty rates. The equity issue needs to be addressed. Title I allocations are affected by the state budget decisions. The state has a low measure of funding relative to GDP and that hurts the state's school districts when it comes to Title I federal allocations.

Persons Testifying: CON: Kathryn Simpson, President, South Kitsap School District School Board; Heather Miller, parent; Mary Fertakis, Tukwila School Board.