

# SENATE BILL REPORT

## SB 5472

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As of April 27, 2011

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

**Brief History:**

**Committee Activity:** Ways & Means:

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Elise Greef (786-7708)

**Background:** Apportionment funding to each school district is calculated on a per-pupil basis. Every enrolled K-12 student generates state funding under formulas determined by statute requiring certain staffing ratios and enhancements for particular student populations and on characteristics of individual districts – such as teacher experience, education level, and historical salary levels. Apportionment funding includes payments for the Basic Education Allocation (BEA), the bilingual program, Career and Technical Education (CTE), skills centers, the Learning Improvement Program (LAP), special education, institutions, and transportation operations.

Apportionment is allocated monthly to each district through the county treasurers. The percentage of the total distributed each month varies by month and is set in statute.

Total apportionment payments for school year 2010-11 are expected to exceed \$5.9 billion.

**Summary of Bill:** The bill as referred to committee not considered.

**Summary of Bill (Proposed First Substitute):** The June payment to school districts is reduced by \$253 million and an equivalent amount is paid in an additional apportionment payment made on the first business day of July. This payment is in addition to the regular June apportionment payment. The two steps reduce expenditures for the 2011 state fiscal year and increase expenditures by the same amount for the 2012 state fiscal year.

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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.*

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill contains an emergency clause and takes effect immediately.

**Staff Summary of Public Testimony:** PRO: This is a one-day shift in payments. Although it's not an easy step to contemplate, all three budgets - the Governor's, the House, and the Senate - assume the use of this mechanism rather than deeper cuts this fiscal year, and it is a wise thing to do at this stage.

OTHER: While we understand the necessity of making this shift, and school districts have been planning for months, the step is combined with other cuts. This is a cash flow issue, and the contingency fund is appreciated. We request that school districts be allowed to use an inter-fund loan within their own district accounts, rather than using the County Treasurers' inter-loan authority, for an interest-free option.

**Persons Testifying:** PRO: Marty Brown, Governor's Budget Director, Office of Financial Management.

OTHER: Marie Sullivan, Washington State School Directors' Association.