

# SENATE BILL REPORT

## E2SHB 2207

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As of Second Reading

**Title:** An act relating to eliminating the reduction in state basic education funding that occurs in counties with federal forest lands.

**Brief Description:** Eliminating the reduction in state basic education funding that occurs in counties with federal forest lands.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Haigh, Orcutt, Haler, Tharinger, Blake, Short, Van De Wege, Fagan, Magendanz and Buys).

**Brief History:** Passed House: 3/12/14, 97-0.

**Committee Activity:**

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**Staff:** Susan Mielke (786-7422)

**Background:** Over 21 percent of all of Washington land is in national forests. These lands are exempt from local property tax. The federal government shares a portion of the revenues from the management of these lands with public schools, universities, community colleges, and state institutions. The majority of the revenues are derived from the harvest of timber. The amount of funds varies greatly from year to year, depending on the harvesting activities in the federal forest lands within the various counties. It is additionally dependent on the federal reauthorization of the distribution of the revenues.

The federal government currently pays 25 percent of revenues from federal forest lands to the state. As per federal statute, the state Legislature determines how these revenues are spent for benefit of public schools and roads in the affected counties. As per state statute, 50 percent of the revenues are distributed to counties for roads and the remaining 50 percent is allocated to school districts within those counties. For counties in which there is more than one school district, the funds are distributed in proportion to the number of full-time equivalent students in each respective district.

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 general education student, and is the foundation of the general apportionment budget. State basic education funding to school districts in counties with federal forest lands is reduced by

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an amount equal to the federal forest revenue that the district receives. The total estimated federal forest revenue to be distributed to school districts in fiscal year 2014 is approximately \$8.3 million.

**Summary of Bill:** The reduction of districts' basic education allocations that offsets the receipt of the federal forest fund revenues is partially eliminated. The Superintendent of Public Instruction may continue to offset general apportionment allocations with federal forest revenues only for districts with poverty that is less than 57 percent. For districts with poverty levels of at least 57 percent, the Superintendent of Public Instruction may offset only the portion of the general apportionment allocations that exceed \$70,000.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Effective Date:** The bill takes effect on September 1, 2014.