

HOUSE BILL REPORT

HB 2862

As Reported by House Committee On: Education

Title: An act relating to preventing unfunded state mandates by requiring school district fiscal notes to identify revenue sources.

Brief Description: Preventing unfunded state mandates by requiring school district fiscal notes to identify revenue sources.

Sponsors: Representatives Rossetti, Santos, Reykdal, Magendanz, Riccelli, McCaslin, Hayes, Bergquist, Ortiz-Self, Moscoso and Ormsby.

Brief History:

Committee Activity:

Education: 2/2/16, 2/4/16 [DP].

Brief Summary of Bill

- Requires that, for all legislation where a school district fiscal note is required, the Legislature must appropriate the funds identified as necessary to fund the local costs of the legislation, or identify the revenue source that is available to districts to fund the local costs to implement the legislation.
- Provides that, if the legislation mandates any requirements that are a component of basic education, the Legislature may not rely on local levy funds or federal funds as a funding resource.

HOUSE COMMITTEE ON EDUCATION

Majority Report: Do pass. Signed by 20 members: Representatives Santos, Chair; Ortiz-Self, Vice Chair; Reykdal, Vice Chair; Magendanz, Ranking Minority Member; Muri, Assistant Ranking Minority Member; Stambaugh, Assistant Ranking Minority Member; Bergquist, Caldier, Griffey, Hargrove, Harris, Hayes, Kilduff, Klippert, Kuderer, McCaslin, Orwall, Pollet, Rossetti and Springer.

Minority Report: Do not pass. Signed by 1 member: Representative S. Hunt.

Staff: Ethan Moreno (786-7386) and Megan Wargacki (786-7194).

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.

Background:

Fiscal Notes.

A fiscal note is a statement that estimates the revenue and expenditure impact of proposed legislation. It is prepared under a statutory process coordinated by the Office of Financial Management (OFM). The OFM manages the development of fiscal notes with the affected state agencies and reviews the form, accuracy, and completeness of the fiscal notes. If the OFM approves the fiscal note, the OFM files it with the relevant committees of the Legislature. The Department of Commerce prepares local government fiscal notes to show the impact of proposed legislation on cities, counties, and other units of local government, which includes school districts to the extent that the legislation affects school districts in the same manner as it affects other local governments.

Fiscal notes for school districts are also prepared by the Office of the Superintendent of Public Instruction, where practicable within available resources. If practicable, the school district fiscal note must show the fiscal impact of the proposed legislation on each school district. If this is not practicable, then the school district fiscal note must show the effect of the legislation on a range of representative school districts. The school district fiscal note must set forth any assumptions made in selecting the representative districts, along with any other assumptions made about the fiscal impact.

Program of Basic Education.

Washington's program of basic education is defined as that which is necessary to provide the opportunity to develop the knowledge and skills necessary to meet the state-established high school graduation requirements that are intended to allow students to have the opportunity to graduate with a meaningful diploma that prepares them for postsecondary education, gainful employment, and citizenship. As specified in statute, Washington's program of basic education is an evolving program of instruction that is intended to reflect the changing educational opportunities that are needed to equip students for their role as productive citizens. The program includes:

- the instructional program of basic education, minimum components of which are specified in statute;
- programs of education for students in residential schools and juveniles in detention facilities;
- the program of education for individuals under the age of 18 who are incarcerated in adult correctional facilities; and
- transportation and transportation services to and from school for eligible students.

Summary of Bill:

For all legislation where a school district fiscal note is required, the Legislature must:

- appropriate the funds identified as necessary to fund the local costs of the legislation;
or
- identify the revenue source that is available to districts to fund the local costs to implement the legislation.

If the legislation mandates any requirements that are a component of basic education, the Legislature may not rely on local levy funds or federal funds as a funding resource.

Appropriation: None.

Fiscal Note: Available.

Effective Date: The bill takes effect 90 days after adjournment of the session in which the bill is passed.

Staff Summary of Public Testimony:

(In support) This bill represents an attempt to identify the ever-increasing burden of responsibilities to the education system resulting from state and federal levels of government. District requirements have increased significantly throughout recent decades, including through the federal No Child Left Behind Act. While these additions are noble causes, they have generally been added without accompanying funding. The state must do better to identify the impacts of unfunded mandates on districts.

Every session school administrators complain about unfunded mandates, and their repeal would be welcomed. This bill would require the Legislature, when legislation is introduced that proposes a new or expanded program, to find out what the costs of implementation would be for school districts, and to either identify the source of funds or to provide funds. School administrators believe this bill will help to prevent unfunded mandates and they appreciate the provision specifying that basic education costs may not be paid for with local levy funds.

The Spokane Public Schools board is particularly interested in this bill, especially the provisions related to basic education. As specified in the bill, once it has been determined that a requirement is a component of basic education, it must be funded with state funds. This bill does require the Legislature to fund every new education requirement, but if the Legislature does not fund the requirement with state funds, it must identify the revenue source that will be relied upon.

Fiscal notes and unfunded mandates have been a standing priority for the Washington State School Directors' Association (WSSDA) for decades. The WSSDA believes it is essential to require the identification of local costs of compliance for new program and service obligations related to educational services. Additionally, provisions in the bill requiring the Legislature to identify possible revenue sources strengthens the WSSDA's position on the Legislation. All districts are struggling to meet the staffing and instructional needs required for basic education and this bill will help to address this problem.

(Opposed) None.

Persons Testifying: Representative Rossetti, prime sponsor; Dan Steele, Washington Association of School Administrators; Shawn Lewis, Spokane Public Schools; and Jessica Vavrus, Washington State School Directors' Association.

Persons Signed In To Testify But Not Testifying: None.