

# SENATE BILL REPORT

## SB 5664

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As of February 9, 2017

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

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

**Sponsors:** Senators Braun, Takko, Hawkins and King.

**Brief History:**

**Committee Activity:** Ways & Means: 2/08/17.

**Brief Summary of Bill**

- Eliminates the reduction of school district basic education allocations due to receipt of federal forest revenues.

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### SENATE COMMITTEE ON WAYS & MEANS

**Staff:** Jeffrey Mitchell (786-7438)

**Background:** Federal forests comprise over 21 percent of all of Washington land. The federal government provides a portion of the revenues from the management of these lands to the counties in which the lands are located. The majority of the revenues come from the harvest of timber. A portion of the federal forest revenue must be distributed to the public school district within the county. If there is more than one school district within the county, then the funds are distributed in proportion to the number of full-time equivalent students in each respective district.

Prior to 2014, the state basic education allocation to school districts in counties with federal forest lands was reduced by an amount equal to the federal forest revenue that the school district received. Under legislation enacted in 2014, the state basic education allocation to a school district with a poverty level of at least 57 percent is reduced only by the portion of federal forest revenues that exceeds \$70,000. A school district's poverty level is determined by the percentage of students eligible for free and reduced-price lunch in the previous school 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.*

The 2015-17 biennial budget included a proviso that school districts receiving federal forest funds must not have their basic education allocation reduced during the 2015-17 biennium.

**Summary of Bill:** The reduction of a school district's basic education allocation due to receipt of federal forest revenue is eliminated.

**Appropriation:** None.

**Fiscal Note:** Not requested.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.

**Staff Summary of Public Testimony:** PRO: We appreciate the action the legislature has taken in the past couple of years to eliminate the deduction. It should be permanent. About 215 school districts benefit from federal forest revenues. The school districts that benefit the most are the ones in the more remote, forested areas of the state. With the decline in federal forest revenues this legislation is even more important. The original intent of federal forest revenues was to provide support to the school districts in areas with a large amount of federal property that is exempt from property tax. The school districts in the North Olympic region fit that description. These districts would receive an additional \$1 million. Our school district purchased portables with the extra money to house all-day kindergarten.

**Persons Testifying:** PRO: Senator John Braun, Prime Sponsor; Jim Stoffer, Sequim School District, School Board Director; Russ Pfeiffer-Hoyt, Washington State School Directors' Association Trust Land Task Force Chair, Mt. Baker School Board.

**Persons Signed In To Testify But Not Testifying:** No one.