

# SENATE BILL REPORT

## HB 1757

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As of February 17, 2010

**Title:** An act relating to establishing a small school district contingency fund.

**Brief Description:** Establishing a small school district contingency fund.

**Sponsors:** Representatives Haigh, Haler, Kessler, Takko, Hinkle, Sullivan, McCune, Hunter, Cox, Finn, Priest and Van De Wege.

**Brief History:** Passed House: 3/03/09, 97-0; 2/13/10, 90-0.

**Committee Activity:** Early Learning & K-12 Education: 2/17/10.

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### SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

**Staff:** Alicia Kinne (786-7784)

**Background:** Currently, 41 school districts in Washington have fewer than 100 students. In the most recent fiscal year, 2008, one of those districts ended the year with a negative fund balance.

The operating budget includes formula enhancements for small school districts. The enhancements provide additional staff units for small school districts and for remote-and-necessary schools that meet specific enrollment criteria.

Currently, districts in financial need may request an advance on the payment of state allocations from the Office of the Superintendent of Public Instruction. This is a short-term advance of a district's general apportionment money that must be repaid by June 30. In the past three years, no district with fewer than 100 students has received an advance.

**Summary of Bill:** A Small School District Contingency Fund is created to provide loans to small school districts in financial distress, to be repaid within three years. Small school districts are those with fewer than 100 students. A Contingency Fund Oversight Committee is also created to administer the account and establish loan application procedures and eligibility maximums. The committee is made up of the superintendents of the nine educational service districts.

**Appropriation:** None.

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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.*

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** Yes.

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

**Staff Summary of Public Testimony:** PRO: This fund would provide needed financial relief to small school districts that may be facing financial insolvency.

**Persons Testifying:** PRO: Representative Haigh, prime sponsor.