H-4010.1	

HOUSE BILL 2746

State of Washington 61st Legislature 2010 Regular Session

By Representatives Hope, Priest, and Sullivan

Read first time 01/13/10. Referred to Committee on Education Appropriations.

- AN ACT Relating to a comprehensive K-12 education policy; amending
- 2 2009 c 548 s 302 (uncodified); and creating a new section.
- 3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 4 <u>NEW SECTION.</u> **Sec. 1.** The legislature finds that:

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- (1) The Washington supreme court has determined that the state must rely on dependable and regular tax sources to support basic education;
- (2) Washington, like most states across the country, relies on the property tax to provide financial support for public schools;
- (3) Property tax support for public schools has been shifting from the statewide, uniform tax to increasing reliance on excess property tax levies that are not dependable and vary widely from school district to school district;
- 13 (4) A dependable and regular source of financing for K-12 capital facilities has not been identified; and
- 15 (5) Individual citizens have proposed innovative, comprehensive 16 solutions to provide ongoing, substantial financial support for K-12 17 public schools, and these solutions should be thoughtfully considered 18 for their possible adoption as a new state education finance policy.

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1 **Sec. 2.** 2009 c 548 s 302 (uncodified) is amended to read as follows:

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- (1) Beginning July 1, 2010, the office of financial management, with assistance and support from the office of the superintendent of public instruction, shall convene a technical working group to develop options for a new system of supplemental school funding through local school levies and local effort assistance.
- (2) The working group shall consider the impact on overall school district revenues of the new basic education funding system established under this act and shall recommend a phase-in plan that ensures that no school district suffers a decrease in funding from one school year to the next due to implementation of the new system of supplemental funding.
- 14 (3)(a) The working group shall also examine options for a

 15 comprehensive K-12 finance policy based on the following principles:
- 16 <u>(i) Increasing support for public schools through the statewide</u>
 17 property tax;
- (ii) Reducing reliance on property taxes from voter-approved excess
 levies;
- 20 <u>(iii) Removing historical inequities caused by grandfathering of</u> 21 <u>levy lids in certain school districts;</u>
- (iv) Providing a consistent source of financing to support K-12 capital facilities; and
- 24 <u>(v) Providing a fair and equitable means of adjusting tax burden</u> 25 for property-poor school districts.
 - (b) The working group shall consider innovative proposals that have previously been developed, identify possible alternatives, analyze their strengths and weaknesses, and examine the impact on taxpayers in various regions of the state. The working group shall make a preliminary report to the quality education council and the legislature on its findings and analysis of options under this subsection (3) by December 1, 2010.
- 33 (4) The working group shall be composed of representatives from the 34 department of revenue, the legislative evaluation and accountability 35 program committee, school district and educational service district 36 financial managers, and representatives of the Washington association 37 of school business officers, the Washington education association, the 38 Washington association of school administrators, the association of

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Washington school principals, the Washington state school directors' 1 2 association, the public school employees of Washington, and other interested stakeholders with expertise in education finance. 3 4 working group may convene advisory subgroups on specific topics as necessary to assure participation and input from a broad array of 5 6 diverse stakeholders. <u>In addition to the staff support provided by the</u> office of financial management and the office of the superintendent of 7 public instruction, the department of revenue shall provide technical 8 assistance, including financial and legal analysis, to support the 9 10 working group.

((4))) (5) The local funding working group shall be monitored and overseen by the legislature and by the quality education council created in ((section 114 of this act)) RCW 28A.290.010. The working group shall submit a final report to the legislature by December 1, 2011.

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