

FINAL BILL REPORT

HB 1131

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Synopsis as Enacted

Brief Description: Regarding student achievement fund allocations.

Sponsors: Representative Haigh; by request of Office of Financial Management.

House Committee on Education Appropriations & Oversight
House Committee on Ways & Means
Senate Committee on Ways & Means

Background:

Initiative 728 (I-728), approved by the voters in November 2000, created the Student Achievement Fund and dedicated certain state revenues to support various school reform activities in public schools.

The allowable uses for I-728 funding include:

- reductions in K-4 class size;
- selected class size reduction in grades 5-12;
- extended learning opportunities for students;
- investments in educators and their professional development;
- early assistance for children who need pre-kindergarten support; and
- providing improvement or additions to facilities to support class size reductions.

The funding sources for the Student Achievement Fund have been modified several times by the Legislature. Beginning in 2001, portions of state property tax and state lottery revenues were dedicated to the Student Achievement Fund. Beginning in 2004, I-728 directed that the state property tax contribution to the Student Achievement Fund was to increase to \$450 per student full-time equivalent (FTE) and that lottery revenues would be deposited in the School Construction Fund. The 2003 Legislature revised the property tax per student contributed to the Student Achievement Fund to \$254 for 2004, \$300 for 2005, \$375 for 2006, \$450 for 2007, and an amount adjusted annually for inflation thereafter. By law, \$278 of the per pupil allocations must be supported with state property tax revenues, with the remainder supported by the Education Legacy Trust Account, which is supported by cigarette taxes and the estate tax.

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.

Each year, school districts must submit a plan to the Office of Superintendent of Public Instruction outlining plans for the expenditure of I-728 revenues. Additionally, before every May 1, school boards must hold a public hearing on the proposed use of the new money. During the 2007-08 school year, about 52 percent of the funding was used for class size reduction, about 20 percent was used for professional development, about 10 percent was used for extended learning programs, and the remainder was used for a variety of initiatives such as early childhood programs and facilities improvements.

During the 2009 legislative session, the Student Achievement Fund was brought into the State General Fund and accordingly was renamed the Student Achievement Program. The 2009-11 base budget included a \$131 per student allocation in the 2009-10 school year, which was funded by \$200 million in federal funding from the American Recovery and Reinvestment Act. No funding was provided in the 2010-11 school year.

Chapter 541, Laws of 2009 (Substitute House Bill 2356) made 2009-11 allocations from the Student Achievement Program subject to appropriations in the state omnibus operating appropriations act (operating budget), and further, required per student allocations to return to their original value adjusted for inflation, had they not been suspended during the 2009-11 biennium. In the 2011-12 school year, that allocation would be approximately \$476 per eligible student FTE.

Summary:

Per student allocations from the Student Achievement Program in 2011-13 are made subject to appropriations in the operating budget. Additionally, the requirement is eliminated to fund per student funded rates beginning in the 2011-12 school year that are equal to what they would be if rates had not been reduced during the 2009-11 biennium. (Based on November economic forecast data, the per student rate would be about \$476 per eligible student beginning September 1, 2011.)

Votes on Final Passage:

First Special Session

House	71	25
Senate	27	17

Effective: July 1, 2011