

# HOUSE BILL REPORT

## EHB 3117

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**As Passed House:**  
February 19, 2008

**Title:** An act relating to transparency in state funding for K-12 public schools.

**Brief Description:** Requiring LEAP to prepare and post on a web site a presentation that provides estimates of educational programs and services for each publicly proposed budget document.

**Sponsors:** By Representatives Hunter, Sullivan and McIntire.

**Brief History:**

**Committee Activity:**

Appropriations: 2/6/08, 2/11/08 [DP].

**Floor Activity:**

Passed House: 2/19/08, 95-0.

### Brief Summary of Engrossed Bill

- Requires that a Legislative Evaluation and Accountability Program (LEAP) Committee document be developed that illustrates the level of educational programs and services supported by appropriation levels in the budget, and posted on LEAP's website.
- Declares intent to add transparency to the state budgeting process, and to enhance public debate on appropriate funding levels for public schools.

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** Do pass. Signed by 32 members: Representatives Sommers, Chair; Dunshee, Vice Chair; Alexander, Ranking Minority Member; Bailey, Assistant Ranking Minority Member; Haler, Assistant Ranking Minority Member; Anderson, Chandler, Cody, Conway, Darneille, Ericks, Fromhold, Grant, Green, Haigh, Hinkle, Hunt, Kagi, Kenney, Kessler, Kretz, Linville, McIntire, Morrell, Pettigrew, Priest, Ross, Schmick, Schual-Berke, Seaquist, Sullivan and Walsh.

**Staff:** Ben Rarick (786-7349).

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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.*

**Background:**

Transparency in public school finance has been the subject of much discussion in the recent proceedings of task forces and expert panels established to examine Washington school finance structures.

The Washington Learns final report issued in November 2006 included an assertion that "a meaningful accountability system is focused on the right goals and requires a culture of transparency and shared responsibility." The final report also stated that any new funding model under development must "be clear and transparent to taxpayers."

The K-12 Advisory Committee contained within Washington Learns developed a model for increasing budget transparency titled: Transparency and a Vision for Resources. Drawing on the academic work of Dr. Larry Picus and others, the recommendations attempt to display current state budgeting categories in terms that educators, parents, and interested stakeholders can understand.

Engrossed Substitute House Bill 5627, which created The Basic Education Funding Task Force, established a goal of developing "a unique, transparent, and stable educational funding system for Washington."

The state budget currently appropriates approximately \$13.5 billion per biennium to fund public schools. The public schools budget makes up about 40 percent of the total state Near-General Fund Budget.

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**Summary of Engrossed Bill:**

House Bill 3117 would require each proposed state budget to include a Legislative Evaluation and Accountability Program (LEAP) Committee document that displays appropriation levels for K-12 public schools in clearly understood categories. The bill lists a number of categories which must be included. They include average class size, average state-funded teacher salary and total compensation, average salaries for administrators and classified staff, detailed categories of expenditure within non-employee related costs (NERC), average hours of additional instruction per week funded by the learning assistance, highly capable, and transitional bilingual programs, and estimated staffing levels of administrators, classified staff, and educational staff associates in typically-sized public schools.

The bill declares that the purpose of the LEAP committee document is to make transparent to the public the types of programs and services supported by proposed appropriation levels, and to thereby enhance public debate on appropriate funding levels for the public school system.

The LEAP document would be for informational purposes only. It would have no impact on how much the state allocates, how it allocates the funding, or how school districts may spend the allocations. The LEAP document would be prepared for the school year immediately following the legislative session in which the bill is considered.

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**Appropriation:** None.

**Fiscal Note:** Not requested.

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

**Staff Summary of Public Testimony:**

(In support) The school finance formulas are hard to understand. This bill removes some of the mystery behind those formulas. The bill provides a very useful tool. There is a working group that has collaborated with the Office of the Superintendent of Public Instruction to add transparency to some of what the K-12 budget funds. It's pleasing to see the Legislature take steps in this direction.

This could help explain the funding methods to parents and citizens. That may also help us pass levies locally. When someone can't explain the basis for allocations, people think the system is hiding something. People do not understand categories like NERC (non-employee related costs). This tool creates categories that are intuitive to people, which means that information can get to citizens in plain language.

(Opposed) None.

**Persons Testifying:** Bill Freund, Washington Education Association; Neil Sullivan, Spokane School District; and Doug Matson, Washington Association of School Business Officials.

**Persons Signed In To Testify But Not Testifying:** None.