
Appropriations Committee

HB 1615

Brief Description: Revising the state funding formula for nonemployee related costs.

Sponsors: Representatives Anderson, Priest, Rodne, Haigh and Hunter.

Brief Summary of Bill

- Directs that the Legislative Evaluation & Accountability Program Committee (LEAP) make recommendations for revising the state allocation for non-employee related costs (NERCs) in the K-12 general apportionment funding formula.
- Directs that LEAP recommend new NERCs allocations in a report to the fiscal committees of the Legislature by December 1, 2007.

Hearing Date: 2/6/07

Staff: Ben Rarick (786-7349).

Background:

The State provides funding to school districts for non-employee related costs (NERCs) through its general apportionment formula. The formula provides for a NERCs allocation for each allocated certificated staff unit generated in the general apportionment formulas.

Nonemployee-related costs are those costs incurred by school districts other than salary and benefits. They include instructional supplies, textbooks, staff travel, equipment, and contractual services such as heat, lights, and computer services.

For the 2006–07 school year, the NERCs allocation for the basic education program is \$9,476 per certificated staff unit, \$23,272 per certificated staff unit for the vocational-secondary allocation, and \$18,056 per certificated staff unit for the skills center allocation. These amounts are specified in each biennial operating budget.

These amounts are adjusted for inflation by the Implicit Price Deflator (IPD) in the Budget each fiscal year.

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.

Summary of Bill:

The bill directs that the LEAP conduct a study of non employee-related costs based on a review of school district expenditures.

The purpose of the study is make recommendations for revising and updating the amount of the state allocation for nonemployee-related costs, including the enhanced allocation for vocational programs. The review should include analysis of expenditure data on such items as textbooks, fuel, utilities, vocational program equipment, computer technology, and other common educational costs.

The bill also directs that the study recommend a division of the nonemployee-related cost allocation into three components, each separately adjusted for inflation as follows:

- an energy component, to be annually adjusted by the index for fuels and utilities from the consumer price index for all urban consumers, published by the United States Bureau of Labor Statistics;
- an instructional materials component, to be annually adjusted by an aggregate index for educational books and supplies and information technology from the consumer price index for all urban consumers, published by the United States Bureau of Labor Statistics; and
- a component for all other nonemployee-related costs covered by the allocation, to be adjusted by the index for all items from the consumer price index for all urban consumers, published by the United States Bureau of Labor Statistics.

Requires the LEAP to recommend the new allocations for nonemployee-related costs based on the study findings to the fiscal committees of the Legislature by December 1, 2007.

Appropriation: None.

Fiscal Note: Requested on February 3, 2007.

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