

# SENATE BILL REPORT

## 2SHB 2759

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As of February 17, 2010

**Title:** An act relating to adjusting local school finance related to nonresident students enrolled in online learning.

**Brief Description:** Adjusting local school finance related to nonresident students enrolled in online learning.

**Sponsors:** House Committee on Ways & Means (originally sponsored by Representatives Maxwell, Anderson, Roberts, White, Goodman, Clibborn, Kenney, Hunter, Morrell and Haigh).

**Brief History:** Passed House: 2/15/10, 98-0.

**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:** For excess levies, a district's levy base must include the districts basic education allocation, state and federal allocations for transportation, special education, education of highly capable students, compensatory education, food services, statewide block grant programs, and any other federal allocations for elementary and secondary education. A district's levy base must not include local school district property tax levies, other local revenues, or other state or federal allocations not specified as included.

An online school is defined as delivered primarily electronically using the Internet, taught by a teacher primarily from a remote location, or part-time or full-time sequential program with online lessons and tools for student and data management.

**Summary of Bill:** The bill excludes districts with levies approved by their voters prior to January 1, 2011, from the provisions of the bill that exclude funds attributable to non-resident students enrolled in an Online Learning program from a district's levy base for the term of those levies.

For school levies collected in calendar year 2012, a school district's levy base may not include more than \$500,000 of state or federal allocations that are based on nonresident students enrolled in an online school program. For calendar year 2013, and thereafter, no

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state or federal allocations from nonresident students enrolled in an online school program may be included in the levy base. Because the Local Levies and Local Effort Assistance (LEA) is based on a district's levy base, the LEA calculation would also exclude revenues attributable to these nonresident students.

**Appropriation:** None.

**Fiscal Note:** Available.

**Committee/Commission/Task Force Created:** No.

**Effective Date:** The bill contains several effective dates. Please refer to the bill.

**Staff Summary of Public Testimony:** PRO: Students are choosing online learning for many reasons. Students enrolled in online learning are increasing the base making a district appear more property poor than it is while inducing the state to allocate more LEA. Basically, this closes a tax loophole. This bill recognizes the hardships districts would have encountered had online enrollments been removed from budgets.

CON: Students who are registered in an online school program are actually students in that district. More information is needed about why this group of students is being removed from the levy base.

**Persons Testifying:** PRO: Representative Maxwell, prime sponsor; Teena Barnes, Steilacoom Historical School District.

CON: Barbara Mertens, Washington Association of School Administrators.