

# HOUSE BILL REPORT

## EHB 1703

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### As Passed Legislature

**Title:** An act relating to fiscal notes for legislation that uniquely affects school districts.

**Brief Description:** Addressing fiscal notes for legislation that uniquely affects school districts.

**Sponsors:** Representatives Dammeier, Haigh, Anderson, Probst, Parker, Alexander, Zeiger and Smith.

#### **Brief History:**

##### **Committee Activity:**

Education Appropriations & Oversight: 2/10/11, 2/17/11 [DP].

##### **Floor Activity:**

Passed House: 3/2/11, 97-0.

Passed Senate: 4/6/11, 47-1.

Passed Legislature.

#### **Brief Summary of Engrossed Bill**

- Directs the Office of the Superintendent of Public Instruction to prepare school district fiscal notes for legislation that uniquely affects school districts when it is practicable to do so within available resources.

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### HOUSE COMMITTEE ON EDUCATION APPROPRIATIONS & OVERSIGHT

**Majority Report:** Do pass. Signed by 19 members: Representatives Haigh, Chair; Probst, Vice Chair; Anderson, Ranking Minority Member; Dammeier, Assistant Ranking Minority Member; Dahlquist, Fagan, Frockt, Hargrove, Hope, Maxwell, Nealey, Orwall, Reykdal, Rolfes, Santos, Seaquist, Sells, Short and Stanford.

**Staff:** Kristen Fraser (786-7148).

#### **Background:**

##### Fiscal Notes.

A fiscal note is an estimate of the fiscal impact of proposed legislation. Fiscal notes are prepared by the executive branch for use during the legislative process. For legislation that

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has a fiscal impact on state agencies, fiscal notes are prepared under a process coordinated by the Office of Financial Management (OFM). Pursuant to instructions issued by the OFM, affected agencies estimate the bill's impacts on state revenues and expenditures and work with the OFM to produce the fiscal note. For legislation that affects counties, cities, and other units of local government, the Department of Commerce produces local government fiscal notes, which are also subject to coordination by the OFM.

#### School Districts.

Washington has 295 school districts, each governed by a locally elected school board. School districts deliver the state's K-12 educational program and receive 67.1 percent of their funding from the state (statewide basis, 2009-10 school year). In addition to providing educational services, school districts are municipal corporations subject to many of the various laws that apply to local governments generally.

#### **Summary of Engrossed Bill:**

When it is practicable to do so within available resources, the Office of the Superintendent of Public Instruction (OSPI) must prepare school district fiscal notes for proposed legislation that uniquely affects school districts. Where practicable, the school district fiscal note must show the fiscal impact of the proposed legislation on each school district. Where it is not practicable to show the impact on each school district, the school district fiscal note must show the fiscal impact of the legislation on a range of representative school districts. The school district fiscal note must set forth any assumptions used in selecting the representative districts and in the fiscal note generally.

**Appropriation:** None.

**Fiscal Note:** Available.

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

#### **Staff Summary of Public Testimony:**

(In support) Funding for school districts is a huge percentage of the state budget, but information about how legislation affects school districts is inadequate. This bill will provide the Legislature with information about "unfunded mandates," and it will also provide standardized information. This bill would formalize the work already done by the Washington School Business Officers and the OSPI. The flexible language will be useful, and the intent is appreciated. The OSPI will need funding to provide this information—good ideas have stretched school districts' budgets thin, and right now the Legislature does not get full information about district costs and capacities. Providing more information about how legislation affects school districts will mean that school district funds are used for their best use. Districts hope that funding is provided in the OSPI to staff this process—it takes time for districts to participate in cost analyses but this helps districts in the end.

(Opposed) None.

**Persons Testifying:** Representative Dammeier, prime sponsor; Marie Sullivan, Washington State School District Association; Jim Kowalkowski, Davenport School District; Mitch Denning, Alliance of Education Association; Kim Brodie, Bethel School District; and Charlie Brown, Puget Sound School Coalition.

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