



Office of Superintendent of Public Instruction
K-12 Financial Resources

State and Federal Forest Funding

Presentation to the QEC

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September 21, 2010



Background

- The portion of timber revenues sent to school districts is deducted from state general apportionment for K-12 education.
- For districts that receive timber revenue, increasing or decreasing timber sales from state forest board lands is primarily a revenue neutral event.
- Skamania County schools only deduct 30% of their timber revenue



Timber Revenue Issue

- Timber revenue districts perceive that the current system is not appropriate and fair:
 - Timber revenue is deducted from basic apportionment
 - The timber land that generates this funding is generally not subject to excess property levies
 - The timber revenue is not included in the calculation of state and federal funds for determining the levy based of a district.



Timber Revenue Impact

- In 2010, 214 districts received either federal or state timber revenue that was at least partially deducted from their apportionment payments.
- Total federal and state timber revenue is \$24.5 million per year. The cost to the state of not deducting this revenue would be \$25.4 million in total, due to an increase in levy equalization costs (see QEC materials).



School District Impact if Timber Revenue not Deducted

Greater than \$500K in Timber Revenue

Sedro-Woolley	1,716,273
Mount Baker	1,140,244
Centralia	1,054,484
Arlington	954,068
Stevenson-Carson	798,778
Sultan	748,871
Port Townsend	666,929
Wenatchee	662,419
Port Angeles	534,018
Crescent	525,818
Chimacum	507,046

Greater than \$500 per student impact by not deducting Revenue

Crescent	\$ 1,869
Pe Ell	\$ 1,617
Boistfort	\$ 1,070
Quilcene	\$ 1,048
Willapa Valley	\$ 857
Skamania	\$ 781
Stevenson-Carson	\$ 729
Mount Pleasant	\$ 719
Mill A	\$ 711
Mount Baker	\$ 612
Queets-Clearwater	\$ 580
Adna	\$ 562



Analysis of Timber Revenue Issue

- No significant correlation exists between the state or local revenue per pupil a district receives and the timber revenue that is received.
- The variation between state and local revenue per pupil is due primarily to other factors than the deduction of timber revenue.
- If the method were changed to non-deduction, an example of the impact by school district is shown in the QEC materials.



Fire Protection District Payments

- School Districts that are located within fire protection districts are governed by RCW 52.30.020 and WAC 392-121-460 with respect to the arrangement for fire protection services.
- OSPI presents an amount sufficient to reimburse affected school districts for money necessary to pay the costs of the uniform rates established to pay for services.
- School Districts then pay the established rate to the appropriate fire protection district.



Fire Protection District Issue

- While OSPI and school districts have been utilized as a conduit to provide state funds to fire protection districts, it is not the most efficient mechanism for the distribution of the funding.
- Several other state agencies are included in the development of the uniform rates and could provide the funding directly to fire districts.
- In 2010, the total payments amounted to \$576,000 distributed to 207 districts.



Other Miscellaneous Funding Issues

- Legislative staff along with OFM and OSPI continue to work collaboratively to determine implementation issues that need to be addressed in the new funding formula.
- OFM has discussed convening the Funding Formula Technical Working Group to provide feedback and counsel regarding issues that arise. Decisions that are made before December will be communicated to the QEC prior to the Legislative session.

