

Multiple Agency Fiscal Note Summary

Bill Number: 5563 SB	Title: Relating to enrollment stabilization funding to address enrollment declines due to the COVID-19 pandemic
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Estimated Cash Receipts

NONE

Agency Name	2021-23		2023-25		2025-27	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI		644,529,989		33,958,357		
Local Gov. Other						
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Superintendent of Public Instruction	.0	625,200,039	628,535,039	628,535,039	.0	15,767,072	15,767,072	15,767,072	.0	0	0	0
Total \$	0.0	625,200,039	628,535,039	628,535,039	0.0	15,767,072	15,767,072	15,767,072	0.0	0	0	0

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI			644,529,989			33,958,357			
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Superintendent of Public Instruction	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

NONE

Prepared by: Val Terre, OFM	Phone: (360) 280-3973	Date Published: Final 1/31/2022
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Individual State Agency Fiscal Note

Bill Number: 5563 SB	Title: Relating to enrollment stabilization funding to address enrollment declines due to the COVID-19 pandemic	Agency: 350-Superintendent of Public Instruction
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
Account					
General Fund-State 001-1	459,655,245	165,544,794	625,200,039	15,767,072	0
WA Opportunity Pathways Account-State 17F-1	2,584,625	750,375	3,335,000	0	0
Total \$	462,239,870	166,295,169	628,535,039	15,767,072	0

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

Check applicable boxes and follow corresponding instructions:

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If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete entire fiscal note form Parts I-V.

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If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia , complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Alex Fairfortune	Phone: 360-786-7416	Date: 01/05/2022
Agency Preparation: Michelle Matakas	Phone: 360 725-6019	Date: 01/27/2022
Agency Approval: TJ Kelly	Phone: 360 725-6301	Date: 01/27/2022
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/31/2022

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency .

Section 2 provides a local education agency a proportional amount of additional state revenue if the combined state generated revenue in the 2021-22 school year is less than what its combined state revenue would be using 2019-20 annual average enrollment values and formulas in place for the 2021-22 school year.

“Combined state revenue” means the combined amount allocated to LEAs as :

- General apportionment
- Special education allocations based on a 0.995 multiplier
- Learning assistance program allocation based on 2019-20 enrollments including the prior years’ free or reduced priced lunch meal percentages used for allocation in the 2020-21 school year.
- Transitional Bilingual Program
- Highly Capable Program
- CTE and Skill Center Allocations
- Allocations to support institutional education
- Dropout reengagement
- Alternative Learning Experience
- Running Start

Local education agency (LEA) is defined as a school district, charter school, or state-tribal education compact school.

Local education agency low enrollment impact is equal to an LEAs combined state revenue that would be generated using the 2019-20 annual average enrollment and formulas in place for the 2021-22 school year minus its combined state revenue generated in the 2021-22 school year if the difference is greater than zero.

Proportional enrollment stabilization amount for a local education agency is equal to the statewide net enrollment impact multiplied by its local education agency low enrollment impact divided by the statewide low enrollment impact.

Statewide low enrollment impact is the sum of local education agency low enrollment impacts for all local education agencies.

Statewide net enrollment impact is equal to the combined state revenue that would be generated statewide using 2019-20 annual average enrollment values and formulas in place for the 2021-22 school year minus the combined state revenue generated in the 2021-22 school year.

Enrollment stabilization amounts allocated under this section are not part of the state’s basic education but may be used for any allowable cost within any of these programs.

Section 3 allows for average annual equivalent full-time student enrollment (AAFTE) from the 2019-20 school year to be used as “prior school year” enrollment for 2023 and 2024 calendar year levy collections provided that the 2019-20 school year AAFTE is greater than the actual prior school year enrollment.

Section 4 allows for the same substitution of enrollment as “prior year” if the same conditions are met in section 3 described above for the purposes of local effort assistance calculations in calendar year 2022 and 2023.

Section 5 provides an emergency clause to make the bill effective immediately.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

None.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Section 2 (refer to attached table 1 for further detail):

Initial Stabilization amounts are calculated through SY 2021-22 apportionment system SY 2019-20 AAFTE enrollment as of October and compared using the same enrollment assumptions to SY 2021-22 apportionment as of October 2021.

As required by the bill, all special education enrollment is calculated using 0.995 excess cost multiplier for both years.

SY 2021-22 AAFTE enrollments as of January 2022 were compared to SY 2019-20 AAFTE enrollment as of January 2020. The total enrollment variance from October comparison to January comparison is 0.2%. Due to this small variance and the staffing and contractor effort required to re-run full calculations through apportionment system, enrollment percentage adjustment was applied to initial stabilization calculations to adjust for an updated January AAFTE stabilization estimated cost.

Section 4 (refer to attached table 2 for further details):

Local Effort Assistance was calculated using January enrollment for SY 2020-21 compared to SY 2019-20 and inflated based on CPI. See attached tables for further detail.

See attached table 3 for full fiscal impact detail.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	459,655,245	165,544,794	625,200,039	15,767,072	0
17F-1	WA Opportunity Pathways Account	State	2,584,625	750,375	3,335,000	0	0
Total \$			462,239,870	166,295,169	628,535,039	15,767,072	0

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	462,239,870	166,295,169	628,535,039	15,767,072	
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	462,239,870	166,295,169	628,535,039	15,767,072	0

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part I and Part IIIA*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact**IV. A - Capital Budget Expenditures**

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Table 1: SB 5563 Fiscal Impacts Section 2		
School Year	2021-22	2022-23
GFS-001 - District & Tribal	\$ 561,752,000	\$ -
GFS-17F - Charters	\$ 3,335,000	\$ -
Total School Year	\$ 565,087,000	\$ -
State Fiscal Year	2022	2023
GFS-001 - District & Tribal	\$ 435,357,800	\$ 126,394,200
GFS-17F - Charters	\$ 2,584,625	\$ 750,375
Total	\$ 437,942,425	\$ 127,144,575
Biennium	2021-23	
GFS-001 - District & Tribal	\$ 561,752,000	
GFS-17F - Charters	\$ 3,335,000	
Total	\$ 565,087,000	

Table 2: SB 5563 Fiscal Impacts Section 4			
Calendar Year	2022	2023	2024
Local Effort Assistance	\$ 44,177,172	\$ 35,037,938	\$ -
State Fiscal Year	2022	2023	2024
Local Effort Assistance	\$ 24,297,445	\$ 39,150,594	\$ 15,767,072

Table 3: SB 5563 Total Fiscal Impacts - By Fiscal Year				
State Fiscal Year	2022	2023	2024	2025
GFS - 001 Section 2 & 4	\$ 459,655,245	\$ 165,544,794	\$ 15,767,072	\$ -
GFS - 17F - Section 2	\$ 2,584,625	\$ 750,375	\$ -	\$ -
Total	\$ 462,239,870	\$ 166,295,169	\$ 15,767,072	\$ -
Biennium	2021-23		2025-27	
GFS - 001 Section 2 & 4	\$ 625,200,038		\$ 15,767,072	
GFS - 17F - Section 2	\$ 3,335,000		\$ -	
Total	\$ 628,535,038		\$ 15,767,072	

Individual State Agency Fiscal Note

Bill Number: 5563 SB	Title: Relating to enrollment stabilization funding to address enrollment declines due to the COVID-19 pandemic	Agency: SDF-School District Fiscal Note - SPI
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2022	FY 2023	2021-23	2023-25	2025-27
school district local-Private/Local new-7	462,239,870	182,290,119	644,529,989	33,958,357	
Total \$	462,239,870	182,290,119	644,529,989	33,958,357	

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
Account					
school district local-Private/Local new-7	462,239,870	182,290,119	644,529,989	33,958,357	0
Total \$	462,239,870	182,290,119	644,529,989	33,958,357	0

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact . Factors impacting the precision of these estimates , and alternate ranges (if appropriate) , are explained in Part II.

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Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Alex Fairfortune	Phone: 360-786-7416	Date: 01/05/2022
Agency Preparation: Michelle Matakas	Phone: 360 725-6019	Date: 01/28/2022
Agency Approval: TJ Kelly	Phone: (360) 725-6301	Date: 01/28/2022
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Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 2 provides a local education agency a proportional amount of additional state revenue if the combined state generated revenue in the 2021-22 school year is less than what its combined state revenue would be using 2019-20 annual average enrollment values and formulas in place for the 2021-22 school year.

“Combined state revenue” means the combined amount allocated to LEAs as :

- General apportionment
- Special education allocations based on a 0.995 multiplier
- Learning assistance program allocation based on 2019-20 enrollments including the prior years’ free or reduced priced lunch meal percentages used for allocation in the 2020-21 school year.
- Transitional Bilingual Program
- Highly Capable Program
- CTE and Skill Center Allocations
- Allocations to support institutional education
- Dropout reengagement
- Alternative Learning Experience
- Running Start

Local education agency (LEA) is defined as a school district, charter school, or state-tribal education compact school.

Local education agency low enrollment impact is equal to an LEAs combined state revenue that would be generated using the 2019-20 annual average enrollment and formulas in place for the 2021-22 school year minus its combined state revenue generated in the 2021-22 school year if the difference is greater than zero.

Proportional enrollment stabilization amount for a local education agency is equal to the statewide net enrollment impact multiplied by its local education agency low enrollment impact divided by the statewide low enrollment impact.

Statewide low enrollment impact is the sum of local education agency low enrollment impacts for all local education agencies.

Statewide net enrollment impact is equal to the combined state revenue that would be generated statewide using 2019-20 annual average enrollment values and formulas in place for the 2021-22 school year minus the combined state revenue generated in the 2021-22 school year.

Enrollment stabilization amounts allocated under this section are not part of the state’s basic education but may be used for any allowable cost within any of these programs.

Section 3 allows for average annual equivalent full-time student enrollment (AAFTE) from the 2019-20 school year to be used as “prior school year” enrollment for 2023 and 2024 calendar year levy collections provided that the 2019-20 school year AAFTE is greater than the actual prior school year enrollment.

Section 4 allows for the same substitution of enrollment as “prior year” if the same conditions are met in section 3 described above for the purposes of local effort assistance calculations in calendar year 2022 and 2023.

Section 5 provides an emergency clause to make the bill effective immediately.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

School district revenue is equal to state expenditures plus additional revenue from enrichment levy estimated using SY 2020-21 compared to SY 2019-21 and inflated based on CPI. See Attached tables for further detail.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

OSPI assumes that LEAs will spend these funds in full.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
new-7	school district local	Private/Local	462,239,870	182,290,119	644,529,989	33,958,357	0
Total \$			462,239,870	182,290,119	644,529,989	33,958,357	0

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	462,239,870	182,290,119	644,529,989	33,958,357	
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	462,239,870	182,290,119	644,529,989	33,958,357	0

III. C - Operating FTE Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA
NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Table 1: SB 5563 Fiscal Impacts Revenue Section 2		
School Year	2021-22	2022-23
GFS-001 - District & Tribal	\$ 561,752,000	\$ -
GFS-17F - Charters	\$ 3,335,000	\$ -
Total School Year	\$ 565,087,000	\$ -
State Fiscal Year	2022	2023
GFS-001 - District & Tribal	\$ 435,357,800	\$ 126,394,200
GFS-17F - Charters	\$ 2,584,625	\$ 750,375
Total	\$ 437,942,425	\$ 127,144,575
Biennium	2021-23	
GFS-001 - District & Tribal	\$ 561,752,000	
GFS-17F - Charters	\$ 3,335,000	
Total	\$ 565,087,000	

Table 2: SB 5563 Fiscal Impacts Revenue Section 3 & 4			
Calendar Year	2022	2023	2024
Local Effort Assistance	\$ 44,177,172	\$ 35,037,938	
Enrichment Levy - Local Revenue		\$ 30,397,094	\$ 19,556,214
Total	\$ 44,177,172	\$ 65,435,032	\$ 19,556,214

Table 3: SB 5563 Total Fiscal Impacts - By Fiscal Year				
State Fiscal Year	2022	2023	2024	2025
Prototypical Funding	\$ 437,942,425	\$ 127,144,575	\$ -	\$ -
Local Effort Assistance	\$ 24,297,445	\$ 39,150,594		
Enrichment Levy		\$ 15,994,951	\$ 24,692,623	\$ 9,265,734
Total	\$ 462,239,870	\$ 182,290,119	\$ 24,692,623	\$ 9,265,734
Biennium	2021-23		2025-27	
Prototypical Funding	\$ 565,087,000		\$ -	
Local Effort Assistance	\$ 63,448,038		\$ -	
Enrichment Levy	\$ 15,994,951		\$ 33,958,357	
Total	\$ 644,529,989		\$ 33,958,357	