

Multiple Agency Fiscal Note Summary

Bill Number: 5311 S SB	Title: Special education funding
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Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI		302,977,000		673,824,000		832,283,000
Local Gov. Other						
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of Financial Management	.0	0	0	0	.0	0	0	0	.0	0	0	0
Superintendent of Public Instruction	.0	301,227,000	302,977,000	302,977,000	.0	670,004,000	673,824,000	673,824,000	.0	827,603,000	832,283,000	832,283,000
Total \$	0.0	301,227,000	302,977,000	302,977,000	0.0	670,004,000	673,824,000	673,824,000	0.0	827,603,000	832,283,000	832,283,000

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI			302,977,000			673,824,000			832,283,000
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Financial Management	.0	0	0	.0	0	0	.0	0	0
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
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Individual State Agency Fiscal Note

Bill Number: 5311 S SB	Title: Special education funding	Agency: 105-Office of Financial Management
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

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:

- 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.
- 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: Kayla Hammer	Phone: 360-786-7400	Date: 01/27/2023
Agency Preparation: Keith Thunstedt	Phone: 360-810-1271	Date: 01/31/2023
Agency Approval: Jamie Langford	Phone: 360-902-0422	Date: 01/31/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/31/2023

Part II: Narrative Explanation

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

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

Section 1 amends the formula used by the Superintendent of Public Instruction to submit its programmed budget request for special education programs for students with disabilities. Section 2 amends the average per-pupil expenditure used by the Superintendent of Public Instruction to determine safety net award eligibility. These changes could be incorporated utilizing OFM's current practices and resources, and therefore have no fiscal impact.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5311 S SB	Title: Special education funding	Agency: 350-Superintendent of Public Instruction
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
Account					
General Fund-State 001-1	102,485,000	198,742,000	301,227,000	670,004,000	827,603,000
WA Opportunity Pathways Account-State 17f-1	596,000	1,154,000	1,750,000	3,820,000	4,680,000
Total \$	103,081,000	199,896,000	302,977,000	673,824,000	832,283,000

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:

- 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.
- 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: Kayla Hammer	Phone: 360-786-7400	Date: 01/27/2023
Agency Preparation: Michelle Matakas	Phone: 360 725-6019	Date: 01/31/2023
Agency Approval: TJ Kelly	Phone: 360 725-6301	Date: 01/31/2023
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 02/01/2023

Part II: Narrative Explanation

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

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

Section one increases the special education prototypical funding multipliers for all enrollment tiers and raises the enrollment funding CAP from 13.5% to 15%.

Section two changes the safety net calculation so that the threshold will be the lesser of the statewide threshold, or the threshold calculated for each group of districts grouped by regionalization factor.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

none.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Section One: Using November 2022 caseload forecast, OSPI estimates that the multiplier fiscal impacts are expected to drive approximately \$82 million through the prototypical funding formula in school year 2023-24. OSPI assumes that a raised enrollment CAP from 13.5% to 15% will drive approximately 0.54% higher special education enrollment based on January 2023 special education enrollment reported to OSPI. Using this percentage and statewide caseload forecasted enrollment projections, OSPI estimates that the enrollment CAP increase will drive an additional \$49 million through the prototypical funding formula in school year 2023-24. For more details, see attached tables.

Section Two: It is unknown which districts will apply for safety net funding in the future. However, applying the new calculation methodology to applications that were received in SY 2021-22, OSPI estimates that approximately \$2M more funding would be released by grouping by regionalization. However, this does not take into account any applications that districts did not submit because they were under the threshold.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	102,485,000	198,742,000	301,227,000	670,004,000	827,603,000
17f-1	WA Opportunity Pathways Account	State	596,000	1,154,000	1,750,000	3,820,000	4,680,000
Total \$			103,081,000	199,896,000	302,977,000	673,824,000	832,283,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
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	103,081,000	199,896,000	302,977,000	673,824,000	832,283,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	103,081,000	199,896,000	302,977,000	673,824,000	832,283,000

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

School Year	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Sec 1: SpEd Multiplier	\$ 81,670,000	\$ 166,236,000	\$ 255,502,000	\$ 349,805,000	\$ 356,801,000	\$ 363,937,000
Sec 1: SpEd Enrollment CAP	\$ 49,338,000	\$ 51,079,000	\$ 52,495,000	\$ 53,978,000	\$ 55,058,000	\$ 56,159,000
Sec 2: Safety Net	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Total School Year	\$ 133,008,000	\$ 219,315,000	\$ 309,997,000	\$ 405,783,000	\$ 413,859,000	\$ 422,096,000
School Year by Fund	2024	2025	2026	2027	2028	2029
GFS-001 - District & Tribal	\$ 132,239,000	\$ 218,049,000	\$ 308,230,000	\$ 403,501,000	\$ 411,531,000	\$ 419,722,000
GFS-17F - Charters	\$ 769,000	\$ 1,266,000	\$ 1,767,000	\$ 2,282,000	\$ 2,327,000	\$ 2,373,000
Total by School Year	\$ 133,008,000	\$ 219,315,000	\$ 309,997,000	\$ 405,783,000	\$ 413,858,000	\$ 422,095,000

State Fiscal Year	2024	2025	2026	2027	2028	2029
General Fund	\$ 102,485,000	\$ 198,742,000	\$ 287,939,000	\$ 382,065,000	\$ 409,724,000	\$ 417,879,000
Opportunities Pathway	\$ 596,000	\$ 1,154,000	\$ 1,654,000	\$ 2,166,000	\$ 2,317,000	\$ 2,363,000
Total Fiscal Year	\$ 103,081,000	\$ 199,896,000	\$ 289,593,000	\$ 384,231,000	\$ 412,041,000	\$ 420,242,000
Biennium	2023-2025		2025-2027		2027-2029	
General Fund	\$ 301,227,000		\$ 670,004,000		\$ 827,603,000	
Opportunities Pathway	\$ 1,750,000		\$ 3,820,000		\$ 4,680,000	
Total Biennium	\$ 302,977,000		\$ 673,824,000		\$ 832,283,000	

Individual State Agency Fiscal Note

Bill Number: 5311 S SB	Title: Special education funding	Agency: SDF-School District Fiscal Note - SPI
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
school district local-Private/Local new-7	103,081,000	199,896,000	302,977,000	673,824,000	832,283,000
Total \$	103,081,000	199,896,000	302,977,000	673,824,000	832,283,000

Estimated Operating Expenditures from:

Account	FY 2024	FY 2025	2023-25	2025-27	2027-29
school district local-Private/Local new-7	103,081,000	199,896,000	302,977,000	673,824,000	832,283,000
Total \$	103,081,000	199,896,000	302,977,000	673,824,000	832,283,000

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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Legislative Contact: Kayla Hammer	Phone: 360-786-7400	Date: 01/27/2023
Agency Preparation: Michelle Matakas	Phone: 360 725-6019	Date: 01/31/2023
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Part II: Narrative Explanation

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Section one increases the special education multipliers for all age groups and moves the enrollment CAP from 13.5% to 15%.

Section two changes the safety net calculation so that the threshold will be the lesser of the statewide threshold, or the threshold calculated for each group of districts grouped by regionalization factor.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

OSPI assumes District revenue to equal State expenditures, see state fiscal note for SSB 5311.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

OSPI assumes that LEAs expenditures will equal revenue.

Section One: Using November 2022 caseload forecast, OSPI estimates that the multiplier fiscal impacts are expected to drive approximately \$82 million through the prototypical funding formula in school year 2023-24. OSPI assumes that a raised enrollment CAP from 13.5% to 15% will drive approximately 0.54% higher special education enrollment based on January 2023 special education enrollment reported to OSPI. Using this percentage and statewide caseload forecasted enrollment projections, OSPI estimates that the enrollment CAP increase will drive an additional \$49 million through the prototypical funding formula in school year 2023-24. For more details, see attached tables.

Section Two: It is unknown which districts will apply for safety net funding in the future. However, applying the new calculation methodology to applications that were received in SY 2021-22, OSPI estimates that approximately \$2M more funding would be released by grouping by regionalization. However, this does not take into account any applications that districts did not submit because they were under the threshold.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
new-7	school district local	Private/Local	103,081,000	199,896,000	302,977,000	673,824,000	832,283,000
Total \$			103,081,000	199,896,000	302,977,000	673,824,000	832,283,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
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	103,081,000	199,896,000	302,977,000	673,824,000	832,283,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	103,081,000	199,896,000	302,977,000	673,824,000	832,283,000

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

School Year	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
Sec 1: SpEd Multiplier	\$ 81,670,000	\$ 166,236,000	\$ 255,502,000	\$ 349,805,000	\$ 356,801,000	\$ 363,937,000
Sec 1: SpEd Enrollment CAP	\$ 49,338,000	\$ 51,079,000	\$ 52,495,000	\$ 53,978,000	\$ 55,058,000	\$ 56,159,000
Sec 2: Safety Net	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Total School Year	\$ 133,008,000	\$ 219,315,000	\$ 309,997,000	\$ 405,783,000	\$ 413,859,000	\$ 422,096,000
School Year by Fund	2024	2025	2026	2027	2028	2029
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GFS-17F - Charters	\$ 769,000	\$ 1,266,000	\$ 1,767,000	\$ 2,282,000	\$ 2,327,000	\$ 2,373,000
Total by School Year	\$ 133,008,000	\$ 219,315,000	\$ 309,997,000	\$ 405,783,000	\$ 413,858,000	\$ 422,095,000

State Fiscal Year	2024	2025	2026	2027	2028	2029
General Fund	\$ 102,485,000	\$ 198,742,000	\$ 287,939,000	\$ 382,065,000	\$ 409,724,000	\$ 417,879,000
Opportunities Pathway	\$ 596,000	\$ 1,154,000	\$ 1,654,000	\$ 2,166,000	\$ 2,317,000	\$ 2,363,000
Total Fiscal Year	\$ 103,081,000	\$ 199,896,000	\$ 289,593,000	\$ 384,231,000	\$ 412,041,000	\$ 420,242,000
Biennium	2023-2025		2025-2027		2027-2029	
General Fund	\$ 301,227,000		\$ 670,004,000		\$ 827,603,000	
Opportunities Pathway	\$ 1,750,000		\$ 3,820,000		\$ 4,680,000	
Total Biennium	\$ 302,977,000		\$ 673,824,000		\$ 832,283,000	