

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 2215 HB	<b>Title:</b> Enrichment levies limit
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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		26,505,811		99,300,436		76,802,578
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
Department of Revenue	.0	0	0	0	.0	0	0	0	.0	0	0	0
Superintendent of Public Instruction	.0	0	0	0	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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			26,505,811			99,300,436			76,802,578
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
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Superintendent of Public Instruction	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Breakout

<b>Prepared by:</b> Brian Fechter, OFM	<b>Phone:</b> (360) 688-4225	<b>Date Published:</b> Final 1/29/2024
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# Department of Revenue Fiscal Note

<b>Bill Number:</b> 2215 HB	<b>Title:</b> Enrichment levies limit	<b>Agency:</b> 140-Department of Revenue
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## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated 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: James Mackison	Phone: 60-786-7104	Date: 01/09/2024
Agency Preparation: Frank Wilson	Phone: 60-534-1527	Date: 01/26/2024
Agency Approval: Valerie Torres	Phone: 60-534-1521	Date: 01/26/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/28/2024

Request # 2215-1-1

## 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.*

#### CURRENT LAW:

The maximum local school enrichment levy is the lessor of \$2.50 per \$1,000 assessed value in the school district or the maximum per-pupil limit of:

- An amount of \$2,500 per full-time equivalent (FTE) student, annually adjusted by inflation for taxes due in 2020, and after, for districts with fewer than 40,000 full-time students.
- An amount of \$3,000 per FTE student, adjusted by inflation for taxes due in 2020, and after, for districts with 40,000 or more full-time students.

#### PROPOSAL:

This bill increases a school district's enrichment levy maximum per-pupil limit by a regionalization factor in districts with fewer than 40,000 full-time students for collections in calendar years 2025-2031.

It also requires the Office of the Superintendent of Public Instruction to submit a report to the Governor and the Legislature by December 1, 2025, providing recommendations to remedy school funding challenges.

#### EFFECTIVE DATE:

The bill takes effect 90 days after the final adjournment of the session.

### 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.*

This legislation results in no revenue impact on the state property tax levy.

The Office of the Superintendent of Public Instruction's fiscal note includes any impact on local school district levies.

### 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.*

The Department of Revenue will not incur any costs with the implementation of this legislation.

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

NONE

**III. B - Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

**III. C - 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

**Part V: New Rule Making Required**

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2215 HB	<b>Title:</b> Enrichment levies limit	<b>Agency:</b> 350-Superintendent of Public Instruction
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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: James Mackison	Phone: 360-786-7104	Date: 01/09/2024
Agency Preparation: Melissa Jarmon	Phone: 360 725-6302	Date: 01/14/2024
Agency Approval: Michelle Matakas	Phone: 360 725-6019	Date: 01/14/2024
OFM Review: Brian Fechter	Phone: (360) 688-4225	Date: 01/15/2024

## 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 states the intent to align levy funded school district staff salaries, like the current school salary model, beginning in calendar year 2025.

Section 2 (2)(b)(i)(B) Regionalization factor for the district will be multiplied to taxes levied for collection from calendar year 2025 through 2031.

(9) OSPI must submit a report providing recommendations to remedy outstanding school funding challenges by December 1, 2025.

### 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.*

None

## 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

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.*



# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

**Bill Number:** 2215 HB

**Title:** Enrichment levies limit

## Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

### Legislation Impacts:

- Cities:
- Counties:
- Special Districts: school districts with less than 40,000 students
- Specific jurisdictions only:
- Variance occurs due to:

## Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time:

### Estimated revenue impacts to:

None

### Estimated expenditure impacts to:

None

## Part III: Preparation and Approval

Fiscal Note Analyst: Tammi Alexander	Phone: 360-725-5038	Date: 01/29/2024
Leg. Committee Contact: James Mackison	Phone: 360-786-7104	Date: 01/09/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/29/2024
OFM Review: Brian Fechter	Phone: (360) 688-4225	Date: 01/29/2024

## **Part IV: Analysis**

### **A. SUMMARY OF BILL**

*Description of the bill with an emphasis on how it impacts local government.*

This bill would amend RCW 84.52.0531 to multiply the regionalization factor for the district to taxes levied for collection from calendar year 2025 through 2031.

The bill also requires the superintendent of public instruction to submit a report by December 1, 2025 that would provide recommendations to the governor and the legislature to remedy outstanding school funding challenges.

The intent is to remedy the current enrichment levy model by aligning state and local levy-funded school district staff salaries beginning in 2025.

### **B. SUMMARY OF EXPENDITURE IMPACTS**

*Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.*

This bill would not impact local government expenditures because no action is required.

### **C. SUMMARY OF REVENUE IMPACTS**

*Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.*

This bill would result in more tax revenue for the school districts. Please see the Office of the Superintendent of Public Instruction's fiscal note for any impact on local school district levies.

#### **SOURCES:**

Department of Revenue fiscal note, HB 2215

School District fiscal note, HB 2215 (2024)

Superintendent of Public Instruction fiscal note, HB 2215 (2024)

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2215 HB	<b>Title:</b> Enrichment levies limit	<b>Agency:</b> 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		26,505,811	26,505,811	99,300,436	76,802,578
<b>Total \$</b>		26,505,811	26,505,811	99,300,436	76,802,578

### Estimated Operating Expenditures from:

Account	FY 2024	FY 2025	2023-25	2025-27	2027-29
school district local-Private/Local new-7	0	26,505,811	26,505,811	99,300,436	76,802,578
<b>Total \$</b>	0	26,505,811	26,505,811	99,300,436	76,802,578

### 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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- Capital budget impact, complete Part IV.
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Legislative Contact: James Mackison	Phone: 360-786-7104	Date: 01/09/2024
Agency Preparation: Melissa Jarmon	Phone: 360 725-6302	Date: 01/15/2024
Agency Approval: Michelle Matakas	Phone: 360 725-6019	Date: 01/15/2024
OFM Review: Brian Fechter	Phone: (360) 688-4225	Date: 01/15/2024

## 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 states the intent to align levy funded school district staff salaries, like the current school salary model, beginning in calendar year 2025.

Section 2 (2)(b)(i)(B) Regionalization factors to be added to the maximum per-pupil limit of \$2500, as increased by inflation, for taxes levied for collection in calendar year 2025 through 2031.

(9) OSPI must submit a report providing recommendations to remedy outstanding school funding challenges by December 1, 2025.

### 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 Levy funds to school districts begin with the 2025 calendar year levy collection.

### 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 local education agencies will expend all revenue received in full.

Attached table assumes existing voter approved levy amounts and demonstrates levy revenue available to districts immediately with change to policy in this bill. For CY 2025, OSPI anticipates 21 districts to be able to collect an increased revenue of approximately \$50M statewide immediately without going back to their voters. However, if approved, this policy would also increase the levy authority and allow a total of 82 districts to return to their voters for the potential additional revenue up to \$228M statewide in CY 2025 if approved by their voters locally.

## 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	0	26,505,811	26,505,811	99,300,436	76,802,578
<b>Total \$</b>			0	26,505,811	26,505,811	99,300,436	76,802,578

**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		26,505,811	26,505,811	99,300,436	76,802,578
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	0	26,505,811	26,505,811	99,300,436	76,802,578

**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

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.*

Table 1: HB 2215 Fiscal Impacts Section 2						
Calendar Year	2024	2025	2026	2027	2028	2029
Local Effort Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Enrichment Levy - Local Revenue	\$ -	\$ 293,047,000	\$ 303,234,000	\$ 308,311,000	\$ 309,065,000	\$ 311,273,000
<b>Total</b>	<b>\$ -</b>	<b>\$ 293,047,000</b>	<b>\$ 303,234,000</b>	<b>\$ 308,311,000</b>	<b>\$ 309,065,000</b>	<b>\$ 311,273,000</b>

Table 2: HB 2215 Total Fiscal Impacts - By Fiscal Year						
State Fiscal Year	2024	2025	2026	2027	2028	2029
Prototypical Funding	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Local Effort Assistance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Enrichment Levy	\$ -	\$ 154,201,000	\$ 298,407,000	\$ 305,906,000	\$ 308,708,000	\$ 310,227,000
<b>Total</b>	<b>\$ -</b>	<b>\$ 154,201,000</b>	<b>\$ 298,407,000</b>	<b>\$ 305,906,000</b>	<b>\$ 308,708,000</b>	<b>\$ 310,227,000</b>
Biennium	2023-25		2025-27		2027-2029	
Prototypical Funding	\$ -		\$ -		\$ -	
Local Effort Assistance	\$ -		\$ -		\$ -	
Enrichment Levy	\$ 154,201,000		\$ 604,313,000		\$ 618,935,000	
<b>Total</b>	<b>\$ 154,201,000</b>		<b>\$ 604,313,000</b>		<b>\$ 618,935,000</b>	