

Multiple Agency Fiscal Note Summary

Bill Number: 5956 S SB	Title: 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		40,383,000		137,483,000		96,714,000
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
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
Total \$	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

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			40,383,000			137,483,000			96,714,000
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
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
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Prepared by: Brian Fechter, OFM	Phone: (360) 688-4225	Date Published: Final 2/12/2024
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Department of Revenue Fiscal Note

Bill Number: 5956 S SB	Title: Enrichment levies limit	Agency: 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: Richard Ramsey	Phone: (360) 786-7412	Date: 02/05/2024
Agency Preparation: Kari Kenall	Phone: (360) 534-1508	Date: 02/07/2024
Agency Approval: Valerie Torres	Phone: (360) 534-1521	Date: 02/07/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/08/2024

Request # 5956-1-1

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 lesser of \$2.50 per \$1,000 assessed value of property located in the school district or the maximum per-pupil limit 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 enrolled in the school district in the prior school year.
- \$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 enrolled in the school district in the prior school year.

PROPOSAL:

Beginning with property taxes due for calendar year 2025, this legislation allows a regionalization factor, pursuant to the Omnibus Appropriations Act for the prior school year, to be used in the calculation of the maximum per-pupil limit used for calculating school district enrichment levies.

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.

ASSUMPTIONS:

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

REVENUE ESTIMATES:

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

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 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

Bill Number: 5956 S SB	Title: Enrichment levies limit	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:

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: Richard Ramsey	Phone: (360)786-7412	Date: 02/05/2024
Agency Preparation: Melissa Jarmon	Phone: 360 725-6302	Date: 02/05/2024
Agency Approval: Michelle Matakas	Phone: 360 725-6019	Date: 02/05/2024
OFM Review: Brian Fechter	Phone: (360) 688-4225	Date: 02/06/2024

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.

Substitute bill adds regionalization to districts with 40,000 or more annual full-time equivalent students.

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 (B) Regionalization factor for the districts will be multiplied to the maximum per-pupil limit amount for beginning with taxes levied for collection in calendar year 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.

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: 5956 S SB	Title: Enrichment levies limit
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Part I: Jurisdiction—Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☐ Cities:
- ☐ Counties:
- ☒ Special Districts: school districts
- ☐ 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: 02/12/2024
Leg. Committee Contact: Richard Ramsey	Phone: (360)786-7412	Date: 02/05/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/12/2024
OFM Review: Brian Fechter	Phone: (360) 688-4225	Date: 02/12/2024

Part IV: Analysis

A. SUMMARY OF BILL

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

This bill would provide that a school district's maximum per-pupil limit for enrichment levy purposes must be multiplied by the district's regionalization factor.

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, SSB 5956 (2024)

School District fiscal note, HB 2215 (2024)

Senate Bill Report, Ways and Means Committee (02/03/2024)

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

Individual State Agency Fiscal Note

Bill Number: 5956 S SB	Title: Enrichment levies limit	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		40,383,000	40,383,000	137,483,000	96,714,000
Total \$		40,383,000	40,383,000	137,483,000	96,714,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
Account					
school district local-Private/Local NEW-7	0	40,383,000	40,383,000	137,483,000	96,714,000
Total \$	0	40,383,000	40,383,000	137,483,000	96,714,000

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: Richard Ramsey	Phone: (360)786-7412	Date: 02/05/2024
Agency Preparation: Melissa Jarmon	Phone: 360 725-6302	Date: 02/05/2024
Agency Approval: Michelle Matakas	Phone: 360 725-6019	Date: 02/05/2024
OFM Review: Brian Fechter	Phone: (360) 688-4225	Date: 02/05/2024

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 (b) Regionalization factor for the district will be multiplied to taxes levied for collection in calendar year 2025 for school districts with either fewer than or greater than 40,000 annual full-time equivalent students.

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 22 districts to be able to collect an increased revenue of approximately \$77M statewide immediately without going back to their voters. However, if approved, this policy would also increase the levy authority and allow a total of 83 districts to return to their voters for the potential additional revenue up to \$264M statewide 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	40,383,000	40,383,000	137,483,000	96,714,000
Total \$			0	40,383,000	40,383,000	137,483,000	96,714,000

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		40,383,000	40,383,000	137,483,000	96,714,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	40,383,000	40,383,000	137,483,000	96,714,000

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

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: SSB 5956 Fiscal Impacts Section 2						
Calendar Year	2024	2025	2026	2027	2028	2029
Enrichment Levy - Local Revenue	\$ -	\$ 76,745,000	\$ 72,369,000	\$ 54,642,000	\$ 51,645,000	\$ 36,450,000
Total	\$ -	\$ 76,745,000	\$ 72,369,000	\$ 54,642,000	\$ 51,645,000	\$ 36,450,000

Table 2: SSB 5956 Total Fiscal Impacts - By Fiscal Year						
State Fiscal Year	2024	2025	2026	2027	2028	2029
Enrichment Levy	\$ -	\$ 40,383,000	\$ 74,442,000	\$ 63,041,000	\$ 53,065,000	\$ 43,649,000
Biennium	2023-25		2025-27		2027-2029	
Total	\$ 40,383,000		\$ 137,483,000		\$ 96,714,000	