

Multiple Agency Fiscal Note Summary

Bill Number: 1338 S HB	Title: School operating costs
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Estimated Cash Receipts

NONE

Agency Name	2025-27		2027-29		2029-31	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI	Fiscal note not available					
Local Gov. Other						
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Superintendent of Public Instruction	.0	48,530,000	48,726,000	48,726,000	.0	64,064,000	64,344,000	64,344,000	.0	67,614,000	67,911,000	67,911,000
Total \$	0.0	48,530,000	48,726,000	48,726,000	0.0	64,064,000	64,344,000	64,344,000	0.0	67,614,000	67,911,000	67,911,000

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI	Fiscal note not available								
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	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

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI	Fiscal note not available								
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Shea Hamilton, OFM	Phone: (360) 229-4774	Date Published: Preliminary 3/ 6/2025
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Individual State Agency Fiscal Note

Revised

Bill Number: 1338 S HB	Title: School operating costs	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 2026	FY 2027	2025-27	2027-29	2029-31
Account					
General Fund-State 001-1	21,006,000	27,524,000	48,530,000	64,064,000	67,614,000
WA Opportunity Pathways Account-State 17F-1	82,000	114,000	196,000	280,000	297,000
Total \$	21,088,000	27,638,000	48,726,000	64,344,000	67,911,000

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: James Mackison	Phone: 360-786-7104	Date: 03/04/2025
Agency Preparation: Melissa Jarmon	Phone: 360 725-6302	Date: 03/05/2025
Agency Approval: Shawn Lewis	Phone: (360) 725-6019	Date: 03/05/2025
OFM Review: Shea Hamilton	Phone: (360) 229-4774	Date: 03/05/2025

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.

This bill changes the MSOC values for 2025-26 and adjusted annually for inflation:

Basic Ed per pupil \$1,584.56

9-12 per pupil \$210.15

Small Schools per pupil \$14,141.10

Career and technical education and skill center per pupil \$1,810.11

Removes the definition of inflation to mean the implicit price deflator for the previous calendar as the beginning of the school year.

Original bill:

Section 1; Amends RCW 28A.150.260 and 2024 c 262 s 2 and 2024 c 191 s 2

(4)(c)(i) Amends skill center class size from 19.00 to 16.67.

(8)(a) Amended: Increases Basic Education per pupil amount for materials, supplies and operating costs (MSOC) to \$1,879.76 for the 2025-26 school year. The values will be adjusted annually for inflation.

(b) Amended: Increases Basic Education grades 9-12 per pupil amount for MSOC to \$250.72 for the 2025-26 school year. The values will be adjusted annually for inflation.

(c) Amended: Removes language specifying \$21 within (a) is intended to address growing costs. States MSOC for small schools is \$16,870.44 for the 2025-26 school year. The values will be adjusted annually for inflation.

(d) New: Defines inflation to mean the implicit price deflator for the previous calendar as the beginning of the school year.

(e) New: States Legislature shall review and rebase MSOC compared to school districts' actual operating costs and revise as necessary beginning in the 2029-30 school year and every four years thereafter.

(9) Amended: Career and technical education per pupil amount for MSOC to \$1,799.57 for the 2025-26 school year. Skill center per pupil amount for MSOC to \$2,159.48 for the 2025-26 school year. These values will be adjusted annually for inflation.

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.

There is no impact to cash receipts.

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.

Substitute bill:

OSPI costs for Section 1:

Basic Education estimated MSOC increase of \$19,626,000 for 2025-26 school year.

Career and technical education estimated MSOC increase of \$1,004,000 for the 2025-26 school year.

Skill center estimated MSOC increase and class size reduction of \$6,580,000 for the 2025-26 school year. The amount for the class size revision for skills centers has changed from the underlying bill due to a calculation error and not due to a change in the substitution bill.

Original bill:

OSPI costs for Section 1:

Basic Education estimated MSOC increase of \$382,550,000 for 2025-26 school year.

Career and technical education estimated MSOC increase of \$143,000 for the 2025-26 school year.

Skill center estimated MSOC increase and class size reduction of \$8,690,000 for the 2025-26 school year.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
001-1	General Fund	State	21,006,000	27,524,000	48,530,000	64,064,000	67,614,000
17F-1	WA Opportunity Pathways Account	State	82,000	114,000	196,000	280,000	297,000
Total \$			21,088,000	27,638,000	48,726,000	64,344,000	67,911,000

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
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	21,088,000	27,638,000	48,726,000	64,344,000	67,911,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	21,088,000	27,638,000	48,726,000	64,344,000	67,911,000

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.

School Operating Costs SHB1338						
School Year	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
VOC MSOC Increase	\$ 1,004,000	\$ 1,025,000	\$ 1,346,000	\$ 1,375,000	\$ 1,404,000	\$ 1,433,000
Basic Ed MSOC Increase	\$ 19,626,000	\$ 19,990,000	\$ 24,219,000	\$ 24,670,000	\$ 25,189,000	\$ 25,718,000
Skill Center MSOC & Class Size	\$ 6,580,000	\$ 6,747,000	\$ 6,908,000	\$ 7,020,000	\$ 7,167,000	\$ 7,317,000
Total School Year	\$ 27,210,000	\$ 27,762,000	\$ 32,473,000	\$ 33,065,000	\$ 33,760,000	\$ 34,468,000
State Fiscal Year	2026	2027	2028	2029	2030	2031
VOC MSOC Increase	\$ 778,000	\$ 1,020,000	\$ 1,274,000	\$ 1,368,000	\$ 1,397,000	\$ 1,426,000
Basic Ed MSOC Increase	\$ 15,210,000	\$ 19,908,000	\$ 23,267,000	\$ 24,569,000	\$ 25,072,000	\$ 25,599,000
Skill Center MSOC & Class Size	\$ 5,100,000	\$ 6,709,000	\$ 6,872,000	\$ 6,995,000	\$ 7,134,000	\$ 7,283,000
Total Fiscal Year	\$ 21,088,000	\$ 27,637,000	\$ 31,413,000	\$ 32,932,000	\$ 33,603,000	\$ 34,308,000
Biennium	2025-2027		2027-2029		2029-2031	
Total Biennium	\$ 48,725,000		\$ 64,345,000		\$ 67,911,000	

State Fiscal Year Funding	2026	2027	2028	2029	2030	2031
001-1 GF Total School Dist and Tribal	\$ 21,006,000	\$ 27,524,000	\$ 31,277,000	\$ 32,787,000	\$ 33,456,000	\$ 34,158,000
17F Opp Pathway Charter	\$ 82,000	\$ 114,000	\$ 136,000	\$ 144,000	\$ 147,000	\$ 150,000
Total Fiscal Year	\$ 21,088,000	\$ 27,638,000	\$ 31,413,000	\$ 32,931,000	\$ 33,603,000	\$ 34,308,000
Biennium	2025-2027		2027-2029		2029-2031	
Total Biennium	\$ 48,726,000		\$ 64,344,000		\$ 67,911,000	