

# SENATE BILL REPORT

## SB 5956

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As of January 11, 2024

**Title:** An act relating to enrichment levies.

**Brief Description:** Concerning the maximum per-pupil limit for enrichment levies.

**Sponsors:** Senators Wellman, Lovelett, Kuderer, Nobles, Valdez and Wilson, C.; by request of Superintendent of Public Instruction.

**Brief History:**

**Committee Activity:** Early Learning & K-12 Education: 1/15/24.

**Brief Summary of Bill**

- Provides that a school district's maximum per-pupil limit for enrichment levy purposes is \$2,500 per-pupil multiplied by the district's regionalization factor if the school district has fewer than 40,000 students.

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### SENATE COMMITTEE ON EARLY LEARNING & K-12 EDUCATION

**Staff:** Alex Fairfortune (786-7416)

**Background:** Regionalization Factor. The Legislature allocates money to each school district for state-funded employee salaries and associated fringe benefits. Salary funding is allocated to school districts based on minimum statewide average salaries for each of the three school staffing categories: certificated instructional staff, certificated administrative staff, and classified staff.

Salary allocations are adjusted to reflect regional differences in the cost of hiring staff. The regionalization factor for each school district is based, in part, on differences in the median residential value of each school district as well as all neighboring districts within a 15-mile radius. Districts whose median residential values exceed the statewide average receive

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upward adjustments of 6, 12, or 18 percent. Some school districts receive additional regionalization based on proximity to higher regionalized school districts or higher ratios of instructional staff with experience and advanced degrees. The operating budget may include additional regionalization adjustments.

Enrichment Levies. The state constitution limits regular property tax levies to a maximum of 1 percent of the property's value. Upon voter approval, school districts are authorized to collect excess levies above the 1 percent constitutional property tax limit. School district voters may approve enrichment levies for up to four years, capital levies for up to six years, and bond levies for the life of the bonds.

A district's maximum enrichment levy is the lesser of \$2.50 per \$1,000 of assessed value or the maximum per pupil limit, which is \$2,500 per pupil for districts with fewer than 40,000 students and \$3,000 per pupil for districts with 40,000 or more students. Before a school district may submit an enrichment levy to the voters, it must receive approval of its expenditure plan from the Office of the Superintendent of Public Instruction (OSPI). OSPI may approve the plan if it determines the district will spend enrichment levy revenues only for permitted enrichment activities.

**Summary of Bill:** Beginning with taxes levied for collection in calendar year 2025, a district's maximum per-pupil limit for enrichment levy purposes must be calculated by multiplying the statutory limit of \$2,500 per-pupil by the district's regionalization factor as defined in the omnibus appropriations act for the prior school year. This regionalization adjustment is only applicable to the maximum per-pupil limit for school districts with fewer than 40,000 students.

**Appropriation:** None.

**Fiscal Note:** Requested on January 9, 2024.

**Creates Committee/Commission/Task Force that includes Legislative members:** No.

**Effective Date:** Ninety days after adjournment of session in which bill is passed.