

Revised Estimated State Impact from SSB 5607

(Dollars in Millions)

<u>State Budget Impact</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>2017-19</u>	<u>FY 2020</u>	<u>FY 2021</u>	<u>2019-21</u>
New Weighted Student Model*	\$0	\$658	\$658	\$816	\$843	\$1,658
Levy Equalization Impact from Cliff Extension	\$59	\$48	\$107	\$0	\$0	\$0
Required Action District Funding	\$0	\$10	\$10	\$10	\$10	\$20
Junior Taxing District Backfill	\$0	\$0	\$0	\$35	\$4	\$40
State Budget Impact	\$59	\$716	\$775	\$861	\$857	\$1,718
<u>Other States Funds</u>						
Local Effort Levy (Ed Legacy Acct)**	\$0	\$1,706	\$1,706	\$2,232	\$2,351	\$4,582
Subtotal of State Impact	\$59	\$2,422	\$2,481	\$3,092	\$3,208	\$6,300
Repeal of Initiative 1351	\$0	\$0	\$0	(\$811)	(\$1,055)	(\$1,866)
Total State Impact	\$59	\$2,422	\$2,481	\$2,281	\$2,153	\$4,434

Notes

* The amount reflected here is a preliminary estimate of the weighted student formula from current law projections. Further work will need to be conducted to fully estimate the impact into the current K-12 budgeting system. Additionally, as part of the overall repeal of the prototypical model, Initiative 732 and other funding components are subsumed in the new weighted student formula funding level. This is why there is no negative amount reflecting these savings or offsets. Some components of the legislation are not estimated in the state impact depicted here because the data is not available that would allow a calculation or because it is subject to appropriation. Some example of the data not available are the impacts of reductions based on the % of chronically absent students or the number of teachers agreeing to an extended school year compensation plan. An example of a program subject to appropriation is the excellent educator compensation program.

** The proposal specifies that a priority use of revenue growth in Near GF-S and Opp Pathways is towards: (1) meeting the required K-12 basic education obligations in the new per pupil funding formulas including enrollment and inflation increases; and (2) to buy-down the local effort contribution levy to \$1.25 per \$1,000 of assessed value over time. Once this is achieved, the specified priority use of increased revenue would no longer apply. Since the "buy-down" of the rate is subject to legislative appropriation, the amount depicted here is at the \$1.80 rate (adjusted by a state property valuation ratio), but it could be reduced in subsequent years. Additionally, the amounts in FY 2019 include a transition tax rate of \$45 cents (adjusted by a state property valuation ratio) per \$1,000 of value in CY 2018.