

---

## Education Committee

---

### HB 2862

**Brief Description:** Preventing unfunded state mandates by requiring school district fiscal notes to identify revenue sources.

**Sponsors:** Representatives Rossetti, Santos, Reykdal, Magendanz, Riccelli, McCaslin, Hayes, Bergquist, Ortiz-Self, Moscoso and Ormsby.

#### Brief Summary of Bill

- Requires that, for all legislation where a school district fiscal note is required, the Legislature must appropriate the funds identified as necessary to fund the local costs of the legislation, or identify the revenue source that is available to districts to fund the local costs to implement the legislation.
- Provides that, if the legislation mandates any requirements that are a component of basic education, the Legislature may not rely on local levy funds or federal funds as a funding resource.

**Hearing Date:** 2/2/16

**Staff:** Ethan Moreno (786-7386) and Megan Wargacki (786-7194).

#### Background:

A fiscal note is a statement that estimates the revenue and expenditure impact of proposed legislation. It is prepared under a statutory process coordinated by the Office of Financial Management (OFM). The OFM manages the development of fiscal notes with the affected state agencies and reviews the form, accuracy, and completeness of the fiscal notes. If the OFM approves the fiscal note, the OFM files it with the relevant committees of the Legislature. The Department of Commerce prepares local government fiscal notes to show the impact of proposed legislation on cities, counties, and other units of local government, which includes school districts to the extent that the legislation affects school districts in the same manner as it affects other local governments.

---

*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

Fiscal notes for school districts are also prepared by the Office of the Superintendent of Public Instruction (OSPI), where practicable within available resources. If practicable, the school district fiscal note must show the fiscal impact of the proposed legislation on each school district. If this is not practicable, then the school district fiscal note must show the effect of the legislation on a range of representative school districts. The school district fiscal note must set forth any assumptions made in selecting the representative districts, along with any other assumptions made about the fiscal impact.

**Summary of Bill:**

For all legislation where a school district fiscal note is required, the Legislature must:

- appropriate the funds identified as necessary to fund the local costs of the legislation, or
- identify the revenue source that is available to districts to fund the local costs to implement the legislation.

If the legislation mandates any requirements that are a component of basic education, the Legislature may not rely on local levy funds or federal funds as a funding resource.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.