
Appropriations Committee

HB 1338

Brief Description: Concerning school operating costs.

Sponsors: Representatives Berg, Bergquist, Ramel, Stonier, Santos, Tharinger, Taylor, Alvarado, Wylie, Berry, Nance, Ryu, Donaghy, Street, Goodman, Doglio, Mena, Kloba, Pollet, Paul, Walen, Shavers, Duerr, Davis, Salahuddin, Macri, Reed, Callan and Fosse.

Brief Summary of Bill

- Updates and increases per pupil amounts for several materials, supplies, and operating costs (MSOC) categories in state prototypical school funding formulas.
- Lowers class sizes for skill centers from 19 to 16.67.
- Requires a review and rebase of MSOC every four years beginning the 2029-30 school year.

Hearing Date: 2/3/25

Staff: James Mackison (786-7104).

Background:

State school funding formulas include allocations per annual average full-time equivalent student for materials, supplies, and operating costs (MSOC). There are several categories of MSOC specified in state formulas. For the 2024-25 school year, total general education MSOC per pupil is \$1,533.02. The 2024-25 MSOC amounts by category are below:

- \$182.37 for technology;
- \$438.43 for utilities and insurance;
- \$167.61 for curriculum and textbooks;
- \$332.74 for other supplies;

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- \$23.09 for library materials;
- \$29.50 for instructional professional development for certified and classified staff;
- \$210.13 for facilities maintenance; and
- \$149.15 for security and central office.

MSOC amounts are increased for inflation annually in the operating budget by a measure of the Implicit Price Deflator (IPD), which is published by the United States Department of Commerce's Bureau of Economic Analysis. Additional increases above inflation of \$25 were added to MSOC each year in the 2022-23 and the 2023-24 school years.

Additional MSOC amounts of \$204.03 per pupil are provided for students in grades 9 through 12 in the following categories:

- \$44.88 for technology;
- \$48.97 for curriculum and textbooks;
- \$95.86 for other supplies;
- \$6.16 for library materials; and
- \$8.16 for instructional professional development for certified and classified staff.

Separate MSOC amounts are provided in the operating budget for students enrolled in career and technical education (CTE) and skill center programs. Both CTE and skill center students generated an MSOC amount of \$1,757.39 in 2024-25. Class sizes are also defined separately for CTE programs and skill centers, with skill centers receiving allocations for a class size of 19.

Additional MSOC allocations are provided to school districts that receive small school adjustments in the operating budget on a per certificated staff unit basis.

Summary of Bill:

Per pupil amounts for MSOC defined in state prototypical formulas are increased in several categories by approximately 20 percent above current law.

General education MSOC is updated in statute to the 2025-26 school year and includes a 20 percent per pupil increase, from approximately \$1,570 to \$1,879.76 per pupil. The new 2025-26 general education MSOC per pupil amounts by category are below:

- \$224.11 for technology;
- \$538.74 for utilities and insurance;
- \$205.95 for curriculum and textbooks;
- \$408.87 for other supplies;
- \$28.37 for library materials;
- \$32.24 for instructional professional development for certified and classified staff;
- \$258.21 for facilities maintenance; and
- \$183.27 for security and central office.

Additional MSOC for grades 9 through 12 is increased from approximately \$209 to \$250.72 per

pupil in 2025-26:

- \$55.14 for technology;
- \$60.18 for curriculum and textbooks;
- \$117.79 for other supplies;
- \$7.58 for library materials; and
- \$10.03 for instructional professional development for certified and classified staff.

Skill center MSOC is increased from approximately \$1,800 per pupil to \$2,159.48 in 2025-26, and is codified rather than defined in the operating budget. Other CTE MSOC amounts are also codified, but not increased above what projected 2025-26 amounts would be without the bill.

Skill center class sizes are lowered from 19 to 16.67 in state formulas.

The MSOC per certificated staff unit generated by small school factors is increased from approximately \$14,060 to \$16,870.44 in 2025-26, and is codified rather than defined in the operating budget.

Inflation for MSOC is defined as the IPD for the previous calendar year as of the beginning of the school year, which aligns with the inflation factor used for state salary allocations.

Beginning in the 2029-30 school year, the Legislature must review and rebase MSOC compared to school districts' actual operating costs and adjust MSOC amounts as necessary.

Appropriation: None.

Fiscal Note: Requested on January 17, 2025.

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