



Making the Grade: Grading school impact fees

How school districts rank on impact fees

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Prepared by Riley Helean

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Background

When it comes to assessing school impact fees, some school districts make the honor roll. Others need to go to detention. The Building Industry Association of Washington (“BIAW”) recently launched a new study about how school districts levy impact fees due to their considerable impact on housing affordability. Find out who made the grade.

Local governments and school districts levy impact fees on new development projects to help cover the costs of providing public services and infrastructure necessary to support the growth that comes with that development. When builders bring a new housing development to market, the local school district may need to accommodate additional students. School districts can use impact fees for capital projects related to that growth, such as constructing a new school building, or expanding existing facilities to increase classroom capacity. However, they can’t use these fees for operational expenses, such as paying salaries for teachers or staff, purchasing educational materials or covering ongoing maintenance costs for existing schools.

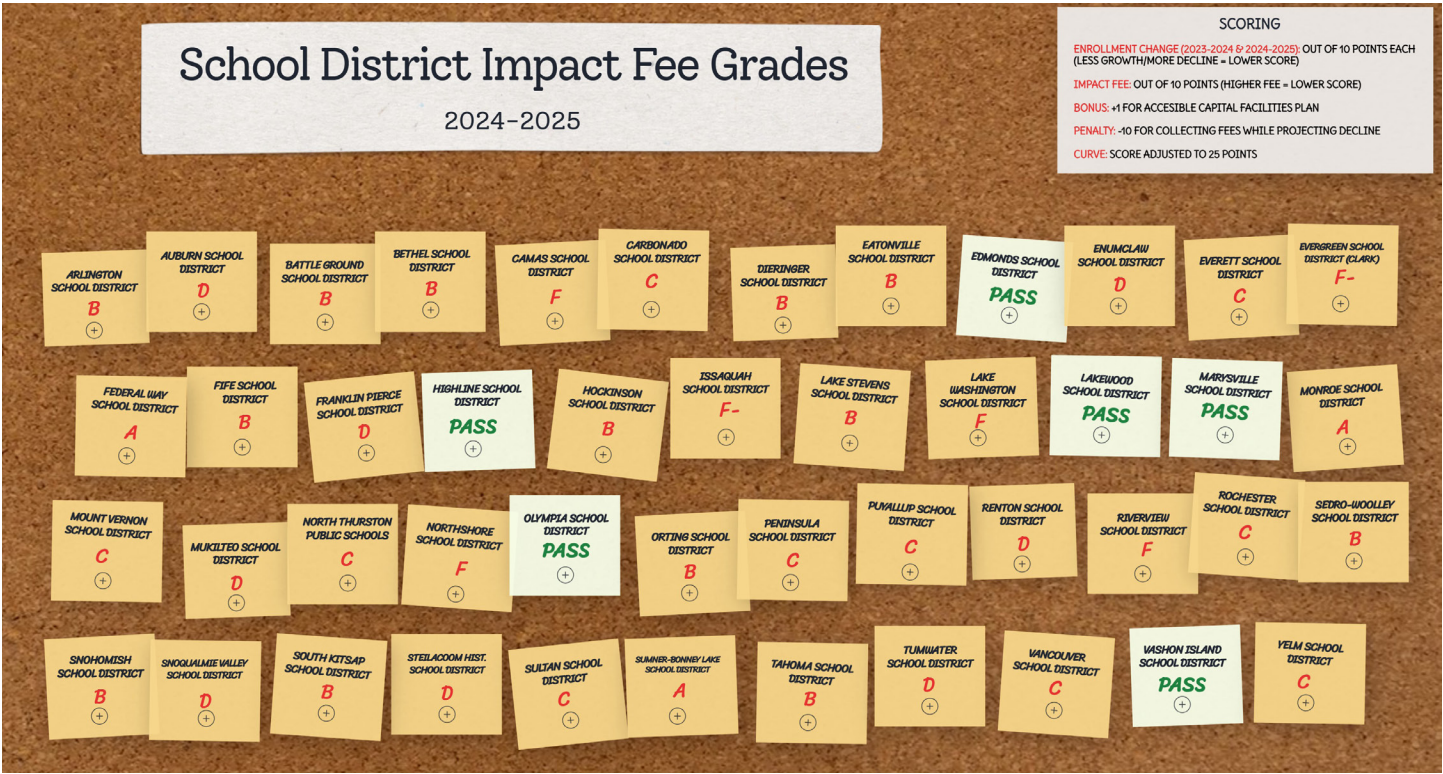
School impact fees often represent the largest impact fees imposed on new residential developments. These fees increase the cost of new homes, compounding the affordability crisis in Washington state. BIAW supports strong public schools and recognizes their vital role in our communities. However, imposing school impact fees on new development is neither effective nor equitable. That’s because districts may only use school impact fees for specific uses and they do not provide stable or long-term funding to accommodate growth.

Even worse, school impact fees actively discourage desperately needed housing, especially for marginalized communities. These fees are often applied despite stagnant or declining enrollment – contrary to their intended function – leading to unjustified increased housing costs that disproportionately affect low- and middle-income families. We believe that financial support for public schools should come from more equitable, sustainable, and predictable funding sources, rather than placing an additional burden on new housing developments.

It’s no secret that BIAW generally opposes school impact fees. But that’s not enough to justify a poor grade in this study.

This analysis grades districts on overall implementation of our current, flawed impact fee system. Districts receive higher grades based solely on their performance within that flawed system. This study also only grades districts that have recently, or actively, collected school impact fees. Consequently, the resulting grades in this study are intentionally designed with an inherent curve. While districts that historically have not collected impact fees are not included in this report, they receive the highest grades and most favorable view.

Report Card



School District Impact Fee Grades

School District	Enrollment Change 22-23 to 23-24	Enrollment Change 23-24 to 24-25	Online Projections Available	Projected a Decrease for 24-25	Impact Fee Amount	Grade
Arlington	6	9	Yes	No	7	B
Auburn	7	9	Yes	No	3	D
Battle Ground	7	10	Yes	No	3	B
Bethel	8	5	Yes	No	8	B
Camas	4	5	Yes	No	4	F
Carbonado	7	4	No	No	7	C
Dieringer	5	8	No	No	7	B
Eatonville	5	8	No	No	7	B

Continued

School District	Enrollment Change 22-23 to 23-24	Enrollment Change 23-24 to 24-25	Online Projections Available	Projected a Decrease for 24-25	Impact Fee Amount	Grade
Edmonds	8	7	No	No	N/A	PASS
Enumclaw	9	5	Yes	No	1	D
Everett	5	7	Yes	No	5	C
Evergreen (Clark)	2	5	Yes	Yes	5	F-
Federal Way	7	8	Yes	No	9	A
Fife	6	7	Yes	No	8	B
Franklin Pierce	4	3	Yes	No	7	D
Highline	4	7	Yes	No	N/A	PASS
Hockinson	9	6	Yes	No	5	B
Issaquah	5	3	Yes	Yes	3	F-
Lake Stevens	7	10	Yes	No	4	B
Lake Washington	5	6	Yes	No	1	F
Lakewood	7	8	Yes	No	N/A	PASS
Marysville	3	1	Yes	No	N/A	PASS
Monroe	5	11	Yes	No	8	A
Mount Vernon	5	4	Yes	No	9	C
Mukilteo	7	5	Yes	No	4	D
North Thurston	6	6	Yes	No	6	C
Northshore	6	4	Yes	No	6	F
Olympia	5	6	Yes	No	6	PASS

School District	Enrollment Change 22-23 to 23-24	Enrollment Change 23-24 to 24-25	Online Projections Available	Projected a Decrease for 24-25	Impact Fee Amount	Grade
Orting	8	7	No	No	7	B
Peninsula	7	5	No	No	7	C
Puyallup	4	7	Yes	No	7	C
Renton	4	4	Yes	No	8	D
Riverview	3	4	Yes	No	6	F
Rochester	5	7	Yes	No	5	C
Sedro-Woolley	4	9	Yes	No	7	B
Snoqualmie	7	6	Yes	No	1	D
South Kitsap	7	6	No	No	9	B
Steilacoom Hist.	3	4	Yes	No	8	D
Sultan	5	13	Yes	No	0	C
Sumner-Bonney Lake	8	8	Yes	No	7	A
Tahoma	7	7	Yes	No	6	B
Tumwater	4	5	Yes	No	7	D
Vancouver	6	5	No	No	8	C
Vashon Island	1	5	Yes	No	N/A	PASS
Yelm	7	4	Yes	No	7	C

■ Explainer

This study evaluates school district impact fees in Washington state for the 2024–2025 school year, analyzing their collection amounts and assessing their justification based on historical and projected enrollment trends. Specifically, we examine:

1. Whether school districts received enrollment growth between 2022–2023 and 2023–2024. This historical data provides a basis for districts to project future increases, which in turn justifies the collection of impact fees.
2. Whether school districts received enrollment growth from 2023–2024 to 2024–2025. Since impact fees are intended to accommodate new student growth, a school district should not be collecting the fees if they are in fact currently experiencing a decline in enrollment. Collection, despite declining growth, often indicates an over-projection by the district.
3. The online availability of recent Capital Facilities Plans (CFP), which outline projected growth and facility needs.
4. If an enrollment decrease was projected for the 24-25 School Year. The fundamental purpose of impact fees is to fund infrastructure expansion to accommodate new growth from development; collecting fees despite stagnant or declining enrollment contradicts their intended purpose. Simply failing to achieve projected growth is a serious issue, but actively projecting a decline while still imposing impact fees represents a material misalignment of policy and practice.
5. The average amount of the impact fee collected within the school district per dwelling unit constructed.

To illustrate these findings thematically, we have created a “report card” for all school districts included in the analysis. This report evaluates districts based on their enrollment trends, and impact fee collection practices.

■ Methodology

Data Collection

This study began by utilizing our Impact Fees in Washington State for 2024 study. We identified all school districts in Washington state that were eligible to collect impact fees. From there, we determined which districts had actively calculated and imposed fees. Some districts had calculated impact fees but are not currently collecting them; these districts were assigned an “N/A” for fee amount and received an automatic pass in the scoring process.

Impact fee collection schedules were sourced from local fee schedules and municipal codes. Enrollment data was obtained from the Washington State Office of Superintendent of Public Instruction (“OSPI”).

■ Scoring Criteria

Each school district was evaluated on a 30-point scale, with three primary components:

1. Enrollment Change (2022–2023 to 2023–2024) – 10 points

2. Enrollment Change (2023–2024 to 2024–2025) – 10 points

Enrollment Growth Scoring

For both enrollment change periods, districts received points based on the percentage change in enrollment:

- -4.0% to -3.2% = 1 point
- -3.2% to -2.4% = 2 points
- -2.4% to -1.6% = 3 points
- -1.6% to -0.8% = 4 points
- -0.8% to 0% = 5 points
- 0% to 0.8% = 6 points
- 0.8% to 1.6% = 7 points
- 1.6% to 2.4% = 8 points
- 2.4% to 3.2% = 9 points
- 3.2% to 4.0% = 10 points

For districts that exceeded or declined 4% growth, we awarded or subtracted additional points in 0.8% increments. For example, a district that grew by 5.6% would receive 2 extra points.

3. Impact Fee Amount - 10 Points

Districts scored points based on the amount of their impact fees:

- \$1 – \$1,000 = 10 points
- \$1,000 – \$2,000 = 9 points
- \$2,000 – \$3,000 = 8 points
- \$3,000 – \$4,000 = 7 points
- \$4,000 – \$5,000 = 6 points
- \$5,000 – \$6,000 = 5 points
- \$6,000 – \$7,000 = 4 points
- \$7,000 – \$8,000 = 3 points
- \$8,000 – \$9,000 = 2 points
- \$10,000 – \$12,000 = 1 point
- \$12,000+ = 0 points

If a district calculated impact fees but did not actively collect them, it received an automatic pass.

Additionally, we offered:

1. Capital Facilities Plan Availability Bonus

Districts that had an easily accessible, recently updated CFP received 1 point of extra credit.

2. Enrollment Decline Penalty

Districts that projected an enrollment decrease and collected impact fees for 2024–2025 were automatically penalized 10 points. This penalty reflects the fundamental issue of collecting impact fees while anticipating a decline in student population, which runs counter to the purpose of these fees.

3. Grading Curve

We graded on a curve by adjusting the total available score to 25 instead of 30, to account for the fact that, under our scoring system, even the best-performing districts did not achieve a perfect score.

Letter Grading Scale:

A: 90% - 100%

B: 80% - 89%

C: 70% - 79%

D: 60% - 69%

F: 25% - 59%

F-: <25%

■ Analysis

The grading results reveal a troubling trend: 30% of districts received a D or F—even with a 5-point curve and opportunities for extra credit. These results suggest that there are significant problems with justifying impact fees across many districts. Oftentimes these low scoring school districts received a six or lower for enrollment grades, meaning they collected impact fees despite OSPI reporting they had declining enrollment. The presence of multiple F- grades, Evergreen SD and Issaquah SD, highlights the most egregious cases where district impose fees with no clear growth rationale.

The results suggest that many school districts impose impact fees without strong justification, driving up housing costs without a clear need for increased capacity.

■ Suggestions

Given the appearance of widespread misalignment between impact fees and actual enrollment trends, it is worth considering the elimination of school impact fees altogether. Washington state should implement accountability measures such as consistent and transparent reporting, standardized fee calculations, clear limits on what percentage of school expansion can be funded by impact fees, strict deadlines for using collected funds, and proper tracking to ensure fees are spent only on authorized purposes.

Local governments allowing and encouraging development, new homes, and new economic development increase the tax base for all local services, including schools.

The state should also address the overall cost of school construction and take an aggressive approach to lowering overall construction costs that include the ever-increasing energy code compliance costs and labor costs.

At minimum, policymakers should establish basic oversight to ensure that impact fees are only levied when there is a demonstrable need and cease when enrollment growth stagnates or declines.

■ Limitations

Enrollment data was obtained from OSPI, as this data is commonly used to inform state funding decisions as well as a range of government and policy-making initiatives. However, we often observed discrepancies between OSPI's reported enrollment figures and the figures stated for prior enrollment published in school district's CFPs. While the raw numbers did not always align, the general trends (percentage increases or decreases) appeared to be fairly consistent across data sources.

Additionally, some OSPI records presented inconsistencies where district-wide total enrollment figures did not match the sum of enrollments from individual schools within the district. These discrepancies were minor, typically ranging up to 30 students. In such cases, we averaged the two figures to ensure fairness in our analysis.

It is also worth noting that OSPI enrollment data for 2024–2025 was updated in January 2025, midway through the academic year. This timing may introduce some minor fluctuations when comparing it to the 2023–2024 data, which was last updated in June 2024.

■ Sources

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Building Industry Association of Washington
300 Deschutes Way SW, Ste. 300 | Tumwater, WA 98501
(360) 352-7800 | BIAW.com