

Multiple Agency Fiscal Note Summary

Bill Number: 3127 E S HB	Title: Education
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Estimated Cash Receipts

Agency Name	2005-07		2007-09		2009-11	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost. Please see discussion."					
Total \$	0	0	0	0	0	0

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

Estimated Expenditures

Agency Name	2005-07			2007-09			2009-11		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Superintendent of Public Instruction	6.5	907,799	1,330,053	13.0	1,135,598	1,960,106	13.0	1,135,598	1,960,106
Total	6.5	\$907,799	\$1,330,053	13.0	\$1,135,598	\$1,960,106	13.0	\$1,135,598	\$1,960,106

Local Gov. Courts *									
Local Gov. Other **									
Local Gov. Total									

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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 14033

Individual State Agency Fiscal Note

Bill Number: 3127 E S HB	Title: Education	Agency: 090-Office of State Treasurer
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
Fund					
Total \$					

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 02/15/2006
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 02/17/2006
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 02/17/2006
OFM Review: Deborah Feinstein	Phone: 360-902-0614	Date: 02/17/2006

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

ESHB 3127 creates the education ombudsman account. Earnings from investments will be credited to the general fund.

Earnings from investments:

The amount of earnings by an account is a function of the average daily balance of the account and the earnings rate of the investment portfolio. The average daily balance is a function of the beginning balance in the account and the timing & amount of receipts, disbursements, & transfers during the time period in question. Accordingly, even with a beginning balance of zero, two accounts with the same overall level of receipts, disbursements, and transfers can have different average balances, and hence differing earnings.

There will be an impact to the earnings; however, the actual earnings will be determined more by the impact to the average daily balance than the amount of increases or decreases in receipts, disbursements, and transfers. Currently, estimated earnings are indeterminable. Without projected monthly estimates of receipts, disbursements, and transfers, OST is unable to estimate the changes to the average balance of the account and the impact to earnings.

Based on the February 2006 Revenue Forecast, the net rate for estimating earnings for FY 06 is 3.72% and FY 07 is 4.08%. Approximately \$37,200 in FY 06 and \$40,800 in FY 07 in net earnings and \$5,000 in OST management fees would be gained or lost annually for every \$1 million increase or decrease in average daily balance.

Debt Limit:

There may be an impact on the debt service limitation calculation. Any change to the earnings credited to the general fund will change, by an equal amount, general state revenues.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

ESHB 3127 creates the education ombudsman account. Earnings from investments will be credited to the general fund.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years					
Total:					

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 3127 E S HB	Title: Education	Agency: 350-Supt of Public Instruction
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years	0.0	13.0	6.5	13.0	13.0
Fund					
General Fund-State 001-1	0	907,799	907,799	1,135,598	1,135,598
Center Improvement Of Student Learn-State 763-1	0	422,254	422,254	824,508	824,508
Total \$	0	1,330,053	1,330,053	1,960,106	1,960,106

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 02/15/2006
Agency Preparation: Renee Lewis	Phone: 360-725-6181	Date: 02/15/2006
Agency Approval: Renee Lewis	Phone: 360-725-6181	Date: 02/16/2006
OFM Review: Denise Graham	Phone: 360-902-0572	Date: 02/17/2006

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Sec. 1. reads,"The legislature finds that the center for the improvement of student learning (CISL), created by the legislature in 1993 under the auspices of the superintendent of public instruction, has not been allocated funding since the 2001-2003 biennium and in effect no longer exists. It is the intent of the legislature to reactivate the center for the improvement of student learning, and to create an educational ombudsman to serve as a resource for parents and students and as an advocate for students in the public education system."

Sec. 2. (1) reads, "To facilitate access to information and materials on educational improvement and research, the superintendent of public instruction, to the extent funds are appropriated, shall establish the center for the improvement of student learning. The center shall work in conjunction with parents, educational service districts, institutions of higher education and education, parent, community and business organizations."

(2)(a) "Serve as a clearinghouse for information regarding successful educational improvement and parental involvement programs in schools and districts....."

(e) "Provide training and consultation services, including conducting regional summer institutes;

(f) Identify strategies for improving the success rates of ethnic and racial student groups with disproportionate academic achievement.

(3) The superintendent of public instruction shall select and employ a director for the center.

(4) The superintendent may enter into contracts.....to accomplish the duties and responsibilities of the center.

(5) The office of the superintendent of public instruction shall report to the legislature by September 1, 2007 and thereafter biennially, regarding the effectiveness of the center for improvement of student learning....."

Sec. 3. (1) "The state board of education shall establish an education ombudsman for all common school students in this state. The purpose of the education ombudsman is to provide information to parents, students and others regarding their rights and responsibilities with respect to the state's public elementary and secondary education system, to monitor and ensure compliance with administrative acts.....and to advocate on behalf of elementary and secondary students.

(2)(a) The state board of education, in consultation with the advisory committee established in section 10 of this act, shall conduct a request for proposals process and select the entity that will operate the education ombudsman's program.

(3) The state board of education shall enter into a contract with the entity selected pursuant to this section to establish and operate the education ombudsman's program.

(4) The education ombudsman shall contract with educational service districts, nonprofit education or community organizations or federally recognized tribes to provide education ombudsman services throughout the state."

Sec. 10. establishes a committee with at least eleven and no more than fifteen members appointed by the governor.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Carrying out the statutory responsibilities of CISL will require the following: A director to manage the center and to work with stakeholders, a research analyst to gather information concerning best practices and successful education programs, an outreach officer to develop parental involvement materials and to work with communities and school officials to

develop programs to increase parental and community involvement in education; an Information Technology Application Specialist (ITAS) 4 position for maintaining information systems, connectivity and a website; and one administrative assistant. The total cost for salaries and benefits per year is \$334,254. There are one time costs for equipment, furniture of \$35,000. In addition, the legislation says that the superintendent may enter into contracts with individuals or organizations to accomplish the duties and responsibilities of the center which includes identifying strategies for improving the success rates of ethnic and racial student groups with disproportionate academic achievement. It is estimated that a contractor would be hired to accomplish this responsibility. The estimated cost of the contract is \$50,000. The total estimated expenditures for the first fiscal year are \$419,254.

The office of superintendent of public instruction is also charged with providing training and consultation services, including conducting regional summer institutes. Currently, the office of superintendent of public instruction receives an appropriation for \$250,000 per year for providing summer institutes. In addition, fees are charged to the participants of the institutes and various programs within the agency have provided some federal funds for the institutes. However, federal programs have been severely cut for the next fiscal year so the number of summer institutes will decline and the fees will increase for 2006. The total cost for summer institutes 2005 was \$1.1 million. No costs have been included in the fiscal note for summer institutes above the \$250,000 already appropriated.

The model for the ombudsman position was the Office of Family and Children's Ombudsman (OFCO) in the office of the governor. One ombudsman can investigate an average of 120 complaints per year. There is little basis on which to estimate the number of complaints that might come to a new education ombudsman. There are approximately 1,000,000 students in Washington's K-12 education system. Local school districts have procedures and processes to deal with complaints and it is assumed that most parents would continue to direct complaints to their local school boards as a first step. If complaints were generated for one percent of the student population, the office would deal with 10,000 complaints per year. If we assume that 90% of these complaints can be handled over the phone or through short correspondence, 1,000 complaints per year would require more time intensive investigation and resolution. If the rate of resolution were the same as that of the OFCO, 8 ombudsmen would be required to handle this workload.

In the absence of a reasonable basis for projecting workload, this fiscal note estimates the costs for the ombudsman functions based on three regional ombudsman offices, one in Seattle, one in eastern Washington and one in Olympia, each with one ombudsman and one support staff. There is also a need for a database to track investigation data to create reports; these functions would be served by the ITAS position identified in the CISL estimates above.

Therefore, it is assumed that the office of ombudsman would be staffed by one manager, 3 ombudsman positions and 4 support staff. The costs for salaries and benefits would be \$473,838. There would be one time startup costs of \$80,000. It is assumed there would be rent for space in the three regional offices. It is estimated rent would be approximately \$500 per month per facility for a total cost of \$18,000. The estimated contract cost to build the system is \$300/hr @ 1,000 hours for a total contract of \$300,000. The estimated cost of the ombudsman based on the above assumptions is \$871,838.

The estimated costs for the advisory council are based on the following assumptions: It is assumed that the council would have 15 members, each of whom would be reimbursed for travel expenses and would meet once a month. The estimated cost of the meetings is \$38,961.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years		13.0	6.5	13.0	13.0
A-Salaries and Wages		648,864	648,864	1,297,728	1,297,728
B-Employee Benefits		159,228	159,228	318,456	318,456
C-Personal Service Contracts		350,000	350,000	100,000	100,000
E-Goods and Services		137,500	137,500	175,000	175,000
G-Travel		34,461	34,461	68,922	68,922
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$0	\$1,330,053	\$1,330,053	\$1,960,106	\$1,960,106

III. B - Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA

Job Classification	Salary	FY 2006	FY 2007	2005-07	2007-09	2009-11
ITAS4	59,088		1.0	0.5	1.0	1.0
Research Analyst III	45,036		1.0	0.5	1.0	1.0
Secretary Administrative	36,948		5.0	2.5	5.0	5.0
WMS1	50,000		4.0	2.0	4.0	4.0
WMS3	80,000		2.0	1.0	2.0	2.0
Total FTE's			13.0	6.5	13.0	13.0

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.