

Multiple Agency Fiscal Note Summary

Bill Number: 1779 HB	Title: GET ready for math & science
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Estimated Cash Receipts

Agency Name	2007-09		2009-11		2011-13	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost. Please see discussion."					
Higher Education Coordinating Board	0	14,000,000	0	14,000,000	0	14,000,000
Total \$	0	14,000,000	0	14,000,000	0	14,000,000

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

Estimated Expenditures

Agency Name	2007-09			2009-11			2011-13		
	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
Higher Education Coordinating Board	5.5	14,903,600	28,903,600	4.8	14,646,000	28,646,000	5.8	14,786,200	28,786,200
Superintendent of Public Instruction	.3	75,048	75,048	.3	57,974	57,974	.3	57,974	57,974
Total	5.8	\$14,978,648	\$28,978,648	5.1	\$14,703,974	\$28,703,974	6.1	\$14,844,174	\$28,844,174

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

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Prepared by: Marc Webster, OFM	Phone: 360-902-0650	Date Published: Final 2/ 6/2007
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 15606

Individual State Agency Fiscal Note

Bill Number: 1779 HB	Title: GET ready for math & science	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 2008	FY 2009	2007-09	2009-11	2011-13
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: 02/01/2007
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 02/02/2007
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 02/02/2007
OFM Review: Theo Yu	Phone: 360-902-0548	Date: 02/06/2007

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.

HB 1779 creates the GET ready for math and science scholarship account and allows the account to retain its earnings from investments.

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 different 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 November 2006 Revenue Forecast, the net rate for estimating earnings for FY 08 is 4.18% and FY 09 is 4.21%. Approximately \$41,800 in FY 08 and \$42,100 in FY 09 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.

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.

HB 1779 creates the GET ready for math and science scholarship account and allows the account to retain its earnings from investments.

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 2008	FY 2009	2007-09	2009-11	2011-13
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

Revised

Bill Number: 1779 HB	Title: GET ready for math & science	Agency: 343-Higher Education Coordinating Board
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2008	FY 2009	2007-09	2009-11	2011-13
private donations-Private/Local NEW-7	7,000,000	7,000,000	14,000,000	14,000,000	14,000,000
Total \$	7,000,000	7,000,000	14,000,000	14,000,000	14,000,000

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	5.5	5.5	5.5	4.8	5.8
Fund					
General Fund-State 001-1	7,471,500	7,432,100	14,903,600	14,646,000	14,786,200
private donations-Private/Local NEW-7	7,000,000	7,000,000	14,000,000	14,000,000	14,000,000
Total \$	14,471,500	14,432,100	28,903,600	28,646,000	28,786,200

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:

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- ☐ 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: 02/01/2007
Agency Preparation: Julie Japhet	Phone: 360-753-7840	Date: 02/02/2007
Agency Approval: Jim Reed	Phone: 360-753-7865	Date: 02/02/2007
OFM Review: Marc Webster	Phone: 360-902-0650	Date: 02/05/2007

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.

This bill establishes a scholarship for 10th grade students who score a level 4 on the math or science WASL to study and graduate from college in a math, science, or related program and after receiving a bachelor's degree, commit to work at least 3 years in a related math or science occupation in WA state

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.

Assumption: The College Success Foundation will raise and contribute \$7,000,000 per year in matching donations on an ongoing basis.

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.

Fiscal impacts are estimated, by section of the bill, in the following discussion. For some sections, estimates of the fiscal impact are not yet available.

Program Costs

Assumptions:

1. \$14 million annual funding. (Per Governor's budget: \$7 million in funding from state; \$7 million from private foundation).
2. Assuming the GET program charges a fee of 1% of the funding and assuming the private foundation charges a fee of 3% of the funding, the remaining difference of \$13, 440,000 would be available annually to purchase GET units.
3. Based on the Governor's budget recommendation, the goal is that approximately 500 students would be served.
4. The current GET unit price is \$70 and is estimated to increase 7% per year. (The unit price is subject to change on May 1 and/or September 1 of each year).
5. 100 GET units is equivalent to one year of college tuition at the highest priced research institution.
6. If 500 students were served, each would have approximately 358 units for four years of college. (Note: Not all students will attend research or private institutions that require 400 units for four years of college.)
7. Fewer students would be served if more units were awarded.
8. As the unit price increases, either fewer students could be served or the units awarded would decrease. (See attachment, option 1 and 2).
9. In the second year, if the program continued to serve 500 students at a level of approximately 358 units, it is estimated funding would need to increase from \$14,000,000 to \$14,980,000. (See attachment, option 3).

Administrative costs: GET Division

The GET division would charge application and transfer fees equal to 1% of funds received. These fees cover the cost to set up accounts and transfer funds. Based on funding of \$14 million annually over the next six years, the total fees collected would be \$140,000 per year. These fees would be used to pay for an additional 1.5 FTEs along with associated goods and services, and travel. Additionally, there would be one-time equipment costs for 1.5 FTE's for desks, chairs, computers, etc. along with additional equipment costs in FY 2011 for computer replacement. Finally, approximately \$5,000 is needed for contract services to provide additional database management support. The added FTE would be used to develop policies and procedures, set up and maintain the new accounts, manage payments to schools, provide customer assistance and work as the liaison between the GET program and other stakeholders. Approximately \$840,000 would be used to administer the GET scholarship accounts during the six-year period from FYE 2007 to FYE 2013.

Administrative costs: Student Financial Assistance Division (SFA)

Assumptions:

1. Future automated system in place
2. Payments will be made quarterly
3. Repayment rate will be at least 10%
4. Payments to students will not begin until FY 10
5. Schools will send payment requests in electronic file format
6. College Success Foundation selects participants
7. College Success Foundation will provide participant information electronically
8. Automated system will be functional and produce the following:
 - Automated mailings
 - Automated invoicing
 - Automated E-mailing
 - Fund management reports

Conditional scholarship and loan repayment programs require significantly more staff resources proportionately than grant programs (e.g., State Need Grant) administered by our agency. In addition to compiling and reporting on program outcomes, program administration includes, the monitoring of their educational and service obligations, the documentation of eligibility for participation and forgiveness, and (for some recipients) the monitoring of repayment requirements.

Roughly \$1,500 per year will be needed for contracted services for billing agencies and collection agencies.

For GET Ready for Math and Science operations purposes we are requesting additional staffing as follows:

Years 1 & 2-.5 FTE Program Manager (planning and implementation)

Year 3- 1 FTE Program Manager

Year 4 -1 FTE Program Manager, .5 FTE Program Coordinator

Years 5-1 FTE Program Manager, 1 FTE Program Coordinator

Years 6-1 FTE Program Manager, 1.5 FTE Program Coordinator

Note: If the IT system when developed does not provide all assumed function in #1 above, additional staffing will be needed.

Administrative Costs-Information Technology division:

For the GET Ready for Math and Science Scholarship there is not an application process that the HECB will need to manage, however there will be significant modifications needed for the GET system to accommodate the third party management of account distributions and the student view into those accounts. In addition there will be a service tracking component that will need to be developed to ensure the recipients are employed for the committed time in valid careers.

Assumption:

1. College Success Foundation will send an electronic file of selected participants to the HECB for processing through the award, reconciliation and service tracking process.

For this application the following components apply:

1. The ability for the existing GET system to allow third parties (internal or external to the HECB) to track initial commitments of GET credits and eventual distribution of GET credits to groups of applicants. In order to accomplish this in GET, which has been oriented only to people managing their own personal account would entail:
 - a. New authentication, role management and menu systems because GET is role based with no role available for third party management.
 - b. Administrator modules for Scholarship administrators – for third parties (outside of the traditional account owner) to manage groups of accounts.
 - c. Administrator modules for GET Benefits administrators – For third parties to manage the award of GET credits based on qualifications and selected college.
 - d. Student access modules – for students to receive statement and status information which differs from traditional reports on deposits and distributions from individual GET accounts.
2. Reporting from institutions on attendance and reconciliation – unlike GET where the award is made regardless of continued attendance, for a scholarship the award must be returned if the student drops out or fails. Reconciliation and collection systems need to be developed to manage this verification process similar to the State Need Grant Interim

Reporting process.

3. Systems to track the students' commitment to employment in the Math/Science field. Again, the collection system needs to be developed to manage Accounts Receivable. Collection processes to track funds that need to be returned due to dropping out or failing students.

The best application of resources would entail a combination of contract assistance for gathering and documenting requirements and use cases at each step of the process. To separate out step 1 above since it affects mostly the GET portion of the HECB infrastructure: \$120,000 in start-up contract services to develop use cases and detailed requirements

Summary of IT FTE needs:

Year 1-1.5 FTE IT Analyst, 1 FTE SQL Programmer, 1 FTE regular programmer

Year 2-1.5 FTE IT Analyst, 1 FTE SQL Programmer, 1 FTE regular programmer

Year 3-1 FTE SQL programmer, 1 FTE regular programmer

Year 4-1 FTE SQL programmer, 1 FTE regular programmer

Year 5-1 FTE SQL programmer, 1 FTE regular programmer

Year 6-1 FTE SQL programmer, 1 FTE regular programmer

Administrative Costs: Accounting Division

Accounting staff are at capacity and cannot absorb the additional workload. Additional workload for accounting staff will include processing payments and other accounting duties related to travel, accounts payable/contracts and payroll. The additional work associated with this proposal will require 0.3 FTE Fiscal Analyst II each year and 1.3 FTE FA II in FY 2013 as scholarships begin to be paid out.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	5.5	5.5	5.5	4.8	5.8
A-Salaries and Wages	326,900	326,900	653,800	507,700	583,300
B-Employee Benefits	43,000	43,000	86,000	66,900	76,800
C-Personal Service Contracts	6,500	6,500	13,000	13,000	13,000
E-Goods and Services	198,600	191,200	389,800	324,300	383,900
G-Travel	4,500	4,500	9,000	7,600	9,200
J-Capital Outlays	32,000		32,000	6,500	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	13,860,000	13,860,000	27,720,000	27,720,000	27,720,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$14,471,500	\$14,432,100	\$28,903,600	\$28,646,000	\$28,786,200

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 2008	FY 2009	2007-09	2009-11	2011-13
Benefits coordinator	38,436	1.5	1.5	1.5	1.5	1.5
IT - analyst	71,000	1.5	1.5	1.5		
Program coordinator	37,748				0.3	1.3
Program manager	48,036	0.5	0.5	0.5	1.0	1.0
Programmer	63,000	2.0	2.0	2.0	2.0	2.0
Total FTE's		5.5	5.5	5.5	4.8	5.8

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: 1779 HB	Title: GET ready for math & science	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 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	0.3	0.3	0.3	0.3	0.3
Fund					
General Fund-State 001-1	46,061	28,987	75,048	57,974	57,974
Total \$	46,061	28,987	75,048	57,974	57,974

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:

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- ☒ 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: 02/01/2007
Agency Preparation: Veronica Schindler	Phone: 360-725-6297	Date: 02/02/2007
Agency Approval: Melissa Beard	Phone: (360) 725-6019	Date: 02/02/2007
OFM Review: Denise Graham	Phone: 360-902-0572	Date: 02/02/2007

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.

HB 1779, creates the GET ready for Math and Science Scholarship Program.

Section 6 requires the Office of the Superintendent of Public Instruction (OSPI) to notify elementary, middle, junior high, and high school students, parents, teachers, counselors, and principals about the GET Ready for Math and Science Scholarship Program.

OSPI is also required to notify students who achieve level four of the mathematics or science Washington Assessment of Student Learning (WASL) in tenth grade that they may be eligible to apply for a GET ready for Math and Science Scholarship and provide them with contact information for the program administrator.

OSPI is also required to notify the program administrator and the board, as early as possible during the fall of the student's junior year in high school, of the names and contact information of all students who achieved level four on the mathematics or science WASL during the tenth grade.

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.

STATE EXPENDITURES

This bill requires the Office of the Superintendent of Public Instruction (OSPI) to notify elementary, middle, junior high, and high school students, parents, teachers, counselors, and principals about the GET ready for Math and Science Scholarship Program. OSPI will need to develop guidelines or a brochure that will be sent to the schools. The schools will need to distribute the information to parents, teachers, etc.

OSPI is also required to notify students who achieve level four of the mathematics or science Washington Assessment of Student Learning (WASL) in tenth grade that they may be eligible to apply for a GET ready for Math and Science Scholarship and provide them with contact information for the program administrator.

OSPI is also required to notify the program administrator and the board, as early as possible during the fall of the student's junior year in high school, of the names and contact information of all students who achieved level four on the mathematics or science WASL during the tenth grade. Federal law permits sharing of student information under narrow circumstances. Creating a system of sharing will require .10 FTE attorney consultation and data sharing agreement development for a cost of \$15,000.

OSPI will need .25 Professional FTE, .01 Support FTE, and all normal operating expenses. Cost \$31,061 in FY 2008 and \$26,987 on-going.

The total impact on OSPI for this bill is estimated to be \$46,061 in FY 2008 with an estimated \$26,987 on-going cost.

LOCAL SCHOOL DISTRICT EXPENDITURES

The impact on Schools would be the cost of distributing the information. This could be done in a variety of ways; Website, Paper, Parent Information Meetings. Depending upon the method chosen by the district there could or could not be a cost to this bill.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	0.3	0.3	0.3	0.3	0.3
A-Salaries and Wages	15,825	15,825	31,650	31,650	31,650
B-Employee Benefits	3,950	3,950	7,900	7,900	7,900
C-Personal Service Contracts					
E-Goods and Services	23,786	6,712	30,498	13,424	13,424
G-Travel	2,500	2,500	5,000	5,000	5,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$46,061	\$28,987	\$75,048	\$57,974	\$57,974

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 2008	FY 2009	2007-09	2009-11	2011-13
Secretary Senior	32,544	0.0	0.0	0.0	0.0	0.0
WMS 1	62,000	0.3	0.3	0.3	0.3	0.3
Total FTE's		0.3	0.3	0.3	0.3	0.3

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.