

Individual State Agency Fiscal Note

Bill Number: 1383 HB	Title: School salary allocations	Agency: 350-Supt of Public Instruction
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
Fund					
General Fund-State 001-1	64,600,000	142,400,000	207,000,000	436,000,000	655,500,000
Total \$	64,600,000	142,400,000	207,000,000	436,000,000	655,500,000

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 greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

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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).

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Capital budget impact, complete Part IV.

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Requires new rule making, complete Part V.

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Agency Preparation: cal brodie	Phone: 360 725-6301	Date: 02/02/2009
Agency Approval: Berge JoLynn	Phone: 360725-6293	Date: 02/02/2009
OFM Review: Amy Skei	Phone: 360-902-0572	Date: 02/02/2009

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.

The proposed bill in section 1 would implement a six year process to equalize the school districts' state funded salary allocations. Each year's incremental increase in cost would become a continuing cost in the future years.

- The first two years would equalize certificated instructional salaries at school year cost of \$72M additional each year.
- The next two years would equalize classified staff at a school year cost of \$47M each year,
- The final two year would equalize administrative salaries at a school year cost of \$59M each year.

The proposed bill in section 2 provides the school districts additional levy authority as if the funding formula had equalized all salary funding in the first year. The section would increase the levy authority of school districts \$88M and drive a state cost for additional Levy Equalization Assistance at \$12.6M per year.

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.

The proposed bill in section 1 would implement a six year process to equalize the school districts' state funded salary allocations. Each year's incremental increase in cost would become a continuing cost in the future years.

- The first two years would equalize certificated instructional salaries at school year cost of \$72M additional each year.
- The next two years would equalize classified staff at a school year cost of \$47M each year,
- The final two year would equalize administrative salaries at a school year cost of \$59M each year.

The proposed bill in section 2 provides the school districts additional levy authority as if the funding formula had equalized all salary funding in the first year. The section would increase the levy authority of school districts \$88M and drive a state cost for additional Levy Equalization Assistance at \$12.6M per year. This assumption is based upon school districts' currently approved levy authorities. As it is difficult to predict the districts' future levy request amounts and their ability to pass them, no attempt has been made to do so in this fiscal note.

- OSPI would absorb the work involved in implementing this bill within its current staffing for the School Apportionment and Financial Services section. As currently written this would not require programming modifications to systems that perform the apportionment payment and levy calculations.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	64,600,000	142,400,000	207,000,000	436,000,000	655,500,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$64,600,000	\$142,400,000	\$207,000,000	\$436,000,000	\$655,500,000

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.

OSPI would be required to modify WAC 392-139 Finance – Maintenance and Operation Levies for the change in the levy calculation performed by its office.