

MultipleAgencyFiscalNoteSummary

BillNumber: 1562SHB

Title: Academcachievemntcommissn

EstimatedCashReceipts

AgencyName						
	GF-State	Total	GF-State	Total	GF-State	Total
Total:						
LocalGov.Courts*						
LocalGov.Other**						
LocalGov.Total						

EstimatedExpenditures

AgencyName	2001-03			2003-05			2005-07		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
PublicEmployment RelationsCommission	Indeterminate								
Superintendentof PublicInstruction	Indeterminate								
Total:	0.0	\$0	\$0	0.0	\$0	\$0	0.0	\$0	\$0

LocalGov.Courts*									
LocalGov.Other**									
LocalGov.Total									

Preparedby: JulieSalvi,OFM

Phone:

360-902-0542

DatePublished:

Final3/21/2001

* SeeOfficeoftheAdministratorfortheCourtsjudicialfiscalnote

** Seelocalgovernmentfiscalnote

IndividualStateAgencyFiscalNote

BillNumber: 1562SHB	Title: Academcachievementmntcommissn	Agency: 275-PublicEmployment RelationsComm
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PartI:Estimates

☐ NoFiscalImpact

EstimatedCashReceiptsto:

Fund					
Total					

EstimatedExpendituresfrom:

IndeterminateImpact

Thecashreceiptsandexpenditureestimatesonthispagerepresentthemostlikelyfiscalimpact.Factorsimpactingtheprecisionoftheseestimates, andalternateranges(ifappropriate),areexplainedinPartII.

Checkapplicableboxesandfollowcorrespondinginstructions:

- ☐ Iffiscalimpactisgreaterthan\$50,000perfiscalyearinthecurrentbienniumorinsubsequentbiennia,completeentirefiscalnote formPartsI-V.
- ☒ Iffiscalimpactislessthan\$50,000perfiscalyearinthecurrentbienniumorinsubsequentbiennia,completethispageonly(PartI).
- ☐ Capitalbudgetimpact,completePartIV.
- ☐ Requiresnewrulemaking,completePartV.

LegislativeContact:	Phone:	Date: 03/05/2001
AgencyPreparation: JimLohr	Phone: 360-586-7862	Date: 03/20/2001
AgencyApproval: MarvinSchurke	Phone: (360)586-7858	Date: 03/21/2001
OFMReview: LesMyhre	Phone: 360-902-0614	Date: 03/21/2001

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 Public Employment Relations Commission (PERC) administers the labor relations statutes being amended in sections 12 and 13. These amendments require a new collective bargaining agreement be mutually agreed upon whenever a sanction is in conflict with the existing collective bargaining agreement.

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 assumption translates 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 assumption translates into cost estimates. Distinguish between one time and ongoing functions.

The workload estimate for the Public Employment Relations Commission is dependent upon the number and nature of sanctions levied by OSPI via the Commission. At this time, OSPI (citing Assumption 6 in their fiscal note) states “The number of schools needing intervention and the degree of intervention is not predictable at the time this fiscal note is written...”

Sections 12 and 13 do not go into effect until July 1, 2004. Therefore:

The fiscal impact for PERC is zero until July 1, 2004. There is no fiscal impact in the 2001-03 biennium and fiscal year 2003-04.

The fiscal impact for PERC beginning 2004-05 and the 2005-07 biennium cannot, at this time, be estimated.

Further Discussion:

Twenty three states currently have some form of K-12 education reform legislation in effect, two of which (New York and Illinois) have collective bargaining statutes similar to Washington law and administrative agencies similar to PERC. Contact with PERC’s counterpart agency in New York failed to yield any meaningful case load estimates based on their limited experience. Contact with PERC’s counterpart agency in Illinois yielded information that case load resulting from their already-implemented education reform legislation may provide some guidance:

- The Illinois agency processes 400 to 500 cases per year.
- The case load resulting from the educational reform legislation accounts for up to 33% of their current case load = up to 150 cases per year.

While PERC can estimate that there would be some case load resulting from education reform legislation, precise (or even sophisticated) workload estimates cannot be made at this time, in the absence of estimates from OSPI concerning the number and type of sanctions affecting the wages, hours and working conditions of bargaining unit employees subject to PERC jurisdiction.

A new PERC staff member may close an estimated 50 cases per year. A new staff member and clerical support cost \$104,000 per year: Salary: 54,000 for a Labor Relations Adjudicator/Mediator I (1.0 fte) 7,000 for Clerical Support (0.3 fte)

Employee benefits: 17,000

Travel:6,000
Attorney Gen& Court Reporting8,000
Equipment(computer,desk)5,000
Training,officespace/supplies7,000

OSPI estimates beginning in FY2004, 50 schools enter phase 2 which is when a "performance plan" is implemented and collective bargaining agreements can be renegotiated. Some schools may not require PERC's assistance to successfully renegotiate while others may file multiple cases. To assume one case per sanction would be filed with PERC, then the annual cost for PERC would be \$99,000 after first year equipment purchases.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

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

IndividualStateAgencyFiscalNote

BillNumber: 1562SHB	Title: Academcachievemntcommissn	Agency: 350-SuptofPublic Instruction
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PartI:Estimates

☐ NoFiscalImpact

EstimatedCashReceiptsto:

Fund					
Total					

EstimatedExpendituresfrom:

IndeterminateImpact

Thecashreceiptsandexpenditureestimatesonthispagerepresentthemostlikelyfiscalimpact.Factorsimpactingtheprecisionoftheseestimates, andalternateranges(ifappropriate),areexplainedinPartII.

Checkapplicableboxesandfollowcorrespondinginstructions:

- ☒ Iffiscalimpactisgreaterthan\$50,000perfiscalyearinthecurrentbienniumorinsubsequentbiennia,completeentirefiscalnote formPartsI-V.
- ☐ Iffiscalimpactislessthan\$50,000perfiscalyearinthecurrentbienniumorinsubsequentbiennia,completethispageonly(PartI).
- ☐ Capitalbudgetimpact,completePartIV.
- ☐ Requiresnewrulemaking,completePartV.

LegislativeContact:	Phone:	Date: 03/05/2001
AgencyPreparation: TomCase	Phone: 360-586-8841	Date: 03/06/2001
AgencyApproval: JenniferPriddy	Phone: 360-586-2356	Date: 03/07/2001
OFMReview: JulieSalvi	Phone: 360-902-0542	Date: 03/12/2001

PartII:NarrativeExplanation

II.A-BriefDescriptionOfWhatTheMeasureDoesThatHasFiscalImpact

Brieflydescribe,bysectionnumber,thesignificantprovisionsofthebill,andanyrelatedworkloadorpolicyassumptions,thathaverevenueor expenditureimpactontherespondingagency.

Thisproposedlegislationrequires:

InSection2--TheAcademicAchievementandAccountabilityCommission(Commission)toadoptandrevisegoalsfor dropoutratesandgoalstoacceleratestudentachievement.AttherequestoftheCommission,theSuperintendentof PublicInstruction(OSPI)istoimplementstatesanctionsauthorizedbytheLegislature;

InSection3--OSPItoannuallyanalyzeassessmentresultsandprovidedatatotheCommission;

InSection4--OSPIshallnotifyschooldistricts(districts)ofeligibilityforfocusedassistance;conveneteamstoconduct academicauditsofandneedsassessmentsforschools;assistdistrictswithdevelopmentofimprovementplans;andadopt performanceagreementswithdistricts.OSPIandtheCommissionshallmonitordistrictprogressintheimplementation ofperformanceagreements;

InSection5--Focusedassistancetobeavailabletodistrictsonbehalfofschoolstocompleteacademicaudits,needs assessments,developimprovementplans,andimplementperformanceagreements;

InSection6--OSPIandtheCommissionaretojointlyanalyzeassessmentresultsofschoolsthatareeligibleforanddid notreceivefocusedassistance.Iftheschooldoesnotmakesatisfactoryprogressaperformanceagreementshallbe negotiatedandiftheschooldoesnotcooperate,OSPIshallrecommendtothecommissionthatsanctionsbeimposed;

InSection7--OSPIandtheCommissionaretoanalyzeprogressonperformanceagreements,OSPIistomade recommendationstotheCommission,incaseswhereunsatisfactoryprogressismade,OSPIshallrecommendsanctions andnotifydistricts;

InSection8--TheCommissionshallanalyzeinterventionstrategiesusedbyotherstatesandnations;recommenda processandspecificstrategiesforsanctions,andreporttherecommendationstotheGovernorandtheLegislature;and

InSection15--OSPIshallrecognizeandhonoreachschoolthatmeetsorexceedsminimumfourthgradereadinggoals onthe2001WASL.

II.B-CashreceiptsImpact

Brieflydescribeandquantifythecashreceiptsimpactofthelegislationontherespondingagency,identifyingthecashreceiptsprovisionsbysection numberandwhenappropriatethedetailoftherevenuesources.Brieflydescribethefactualbasisoftheassumptionsandthemethodbywhichthe cashreceiptsimpactisderived.Explainhowworkloadassumptionstranslateintoestimates.Distinguishbetweenonetimeandongoingfunctions.

II.C-Expenditures

Brieflydescribetheagencyexpendituresnecessarytoimplementthislegislation(orsavingsresultingfromthislegislation),identifyingbysection numbertheprovisionsofthelegislationthatresultintheexpenditures(orsavings).Brieflydescribethefactualbasisoftheassumptionsandthe methodbywhichtheexpenditureimpactisderived.Explainhowworkloadassumptionstranslateintocostestimates.Distinguishbetweenonetime andongoingfunctions.

SeeAttachmentsentitled"ExpenditureNarrative"and"TablesforExpenditureNarrative"

PartIII:ExpenditureDetail

PartIV:CapitalBudgetImpact

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.

Expenditure Narrative

The language in this proposed legislation is written in a manner that allows **flexibility** in how to implement it's various provisions. Because many **different methods and actions** with **different cost impacts** could theoretically be employed; and performance agreements are to be **negotiated or prescribed** at some **future** date and be **tailored to meet varying situations**; and the costs of some provisions of the proposed legislation cannot be reasonably estimated, the overall total impact of this proposed legislation is **indeterminate**.

This fiscal note is an attempt to provide insight on the **possible costs** that may be incurred. Therefore, certain assumptions had to be employed. The major assumptions are listed below.

Assumption 1: The Superintendent of Public Instruction (OSPI) would hire a program director, a half-time data specialist, and an administrative assistant. The program director and staff would have responsibility for:

§ To annually analyze assessment results and provide data to the Academic Achievement and Accountability Commission (Commission);

§ Shall notify school districts (districts) of eligibility for focused assistance;

§ Convene teams to conduct academic audits of and needs assessments for schools;

§ Assist districts with development of improvement plans;

§ Adopt performance agreements with districts;

§ Monitor progress on performance agreements with the Commission;

§ Managing the work performed by regional project managers;

§ Recommend to the commission when sanctions need to be imposed; and

§ Implementing sanctions.

Assumption 2: The Academic Achievement and Accountability Commission (Commission) would hire a full-time assessment specialist. The Commission would also hire a half-time research or programs specialist for 2003-04. For 2004-05 one and one-half full-time equivalent research, program and/ or fiscal analysts would be employed with this number increasing to two full-time equivalents for the 2005-07 biennium.

These Commission staff would:

§ Work on research and recommendations on goals for dropout rates and goals to accelerate student achievement;

§ Monitor district progress in the implementation of performance agreements;

§ Analyze assessment results of schools that are eligible for and did not receive focused assistance; and

Expenditure Narrative

§ Do research on intervention strategies used by other states and nations; recommending a process and specific strategies for sanctions; and reporting the recommendations to the Governor and the Legislature.

In addition, Commission members would travel in state to visit struggling schools and would visit other states and possible other nations that have implemented intervention strategies.

Assumption 3: Regional project managers would be located at educational service districts (ESDs). The assumption is that these managers would function similar to the regional pupil transportation coordinators. OSPI would contract with ESDs. The contracts would prescribe that OSPI would be involved in the selection process when managers were hired and the duties of these managers would be to assist the OSPI program director.

Another implementation option would be hiring more staff at OSPI and locate them in Olympia or locate them around the state either in ESDs, school districts, or other sites. Still another option would be to hire consultants from public or private entities. The reasons for using regional ESD staff is that they are located near the schools they will be working with; generally, ESDs have good rapport with school districts and have established good working relationships with school district and school personnel; and other ESD staff may be able to assist such managers with struggling schools in a team approach.

The bill does not prescribe this model of service delivery; rather the assumption is made to facilitate the cost analysis.

ESD regional project managers would assist in the implementation of the accountability system by:

§ Gathering data and information needed by OSPI and the Commission to perform required analysis;

§ Assisting district and school staff with development of their needs assessments and improvement plans in coordination with third-party contractors/consultants (e.g. personnel from colleges, universities, private organizations, businesses, educational organizations, educational service districts);

§ Assisting OSPI with the negotiation or development of performance agreements;

§ Assisting district and school staff in implementing performance agreements and intervention strategies designed to improve student learning.

Assumption 4: Assistance would be provided to schools and or school districts during two phases. Phase 1 consists of needs assessment, the academic audit, conducting public meetings to inform and obtain input from teachers, parents, staff and the community, development of improvement plans, performance plan development, and district and school collaboration. Phase 2 consists of the performance plan implementation, district and school collaboration, and participation in annual assessments as requested by OSPI and the Commission. **Phase 1 and Phase 2 financial assistance would be provided to school districts only as needed.** The number of years schools and or districts will **stay in Phase 2 is assumed to vary**. For purposes of this fiscal note it is assumed that the schools most in need of assistance will take longer to improve their performance than schools less in need of assistance. Except for those schools first entering the process in 2001-02, 50% of the schools with performance agreements would no longer require assistance after two years in Phase 2, while the remaining 50% would need assistance three years or longer. See **page 2** of the attachment entitled "Tables for Expenditure Narrative".

Expenditure Narrative

As state above, Phase 1 and Phase 2 financial assistance would be provided to school districts only as needed. **Districts will be expected to match the state assistance according to the financial situation of the district, and the availability** of existing state, federal or local resources that can be utilized. The **average amount** of state assistance is assumed to be \$50,000 per school per year. This amount **can vary widely** depending on the total need and the match provided by the district. Financial assistance would be used for professional development, curriculum tools, and staff collaboration time. Once performance plans are developed, some schools may need to provide extended learning opportunities for some of their students. **Examples of possible Phase 1 and Phase 2 costs** for an elementary school with 425 pupils and 25 certificated instructional staff (CIS) is **displayed below. Actual costs will be unknown until OSPI and schools negotiate performance agreements.**

Description	Phase	Cost Factor	Total Cost
Needs Assessment	Phase 1	3 individuals 7 days, total work hours 168 @ \$75	\$12,600
Professional Consultant (e.g., math or reading consultant)	Phase 1 and/or Phase 2	Spends 1 day a week in school for 8 hours for 32 weeks @ \$75 per hour	\$19,200
Professional Development or Staff Collaboration	Phase 1 and/or Phase 2	1 day when school is not in session. \$330 per CIS	\$ 8,250
Professional Development or Staff Collaboration	Phase 1 and/or Phase 2	3 days when school is not in session. \$330 per CIS	\$ 24,750
Professional Development or Staff Collaboration	Phase 1 and/or Phase 2	1 day when school is in session. \$160 per CIS	\$ 4,000
Professional Development or Staff Collaboration	Phase 1 and/or Phase 2	3 days when school is in session. \$160 per CIS	\$ 12,075
Full Day Kindergarten	Phase 2	30 of 60 K pupils participate for 180 days	\$57,000
Extended Learning	Phase 2	150 of 425 pupils participate for 20 days	\$ 95,000

Note: that in the original bill any assistance was dependent on a Legislative appropriation while the language in the substitute bill does not state such a requirement.

Assumption 5: Contracting for on-going evaluation of strategies required for improving student achievement in section 5(1) is estimated at \$250,000 per year. The cost per school would decrease each year as more schools begin the process. This is based on the assumption that this process would become more efficient over time.

Assumption 6: The number of schools needing **intervention and the degree of intervention is not predictable** at the time this fiscal note is written. Therefore, the cost of any intervention(s) is indeterminate.

Expenditure Narrative

Assumption 7: The following table depicts the potential costs for various awards for OSPI to recognize and honor each school that meets or exceeds minimum fourth grade reading goals on the 2001 WASL. The amount of any such award is dependent upon a Legislative appropriation and thus is indeterminate. In accordance with page four of the report by the Commission in February, 2001 entitled “Progress Towards Meeting Fourth Grade Reading Goals”, it is estimated that 775 schools will meet or exceed minimum reading goals in 2001.

Number of Schools	Item	Unit Cost	Total Cost
775	Banners	\$ 100	\$ 77,500
775	Plaques	\$ 50	\$ 38,750
775	Cash Award	\$ 1,000	\$ 775,000

The cost for banners would be reduced if paper rather than plastic were used and the cost for plaques could be reduced if some other material, e.g., pressboard, were used.

Page 1 of the attachment entitled “Tables for Expenditure Narrative” displays a recap of the financial impacts based on the above assumptions that are displayed in Part 1, Estimates and Part III, Expenditure Detail of this fiscal note.

Tables for Expenditure Narrative
Page 1

		Period of Time for Fiscal Note									
		2001-02	2002-03	01-03 Biennium	2003-04	2004-05	03-05 Biennium	2005-06	2006-07	05-07 Biennium	
OSPI Staff											
Program Director	1.0 FTE	\$ 123,402	\$ 117,462	\$ 240,864	\$ 117,462	\$ 117,462	\$ 234,923	\$ 117,462	\$ 120,432	\$ 237,893	
Data Specialist	0.5 FTE	\$ 48,378	\$ 45,408	\$ 93,786	\$ 45,408	\$ 45,408	\$ 90,816	\$ 45,408	\$ 46,893	\$ 92,301	
Administrative Assistant	1.0 FTE	\$ 53,396	\$ 47,456	\$ 100,852	\$ 47,456	\$ 47,456	\$ 94,911	\$ 47,456	\$ 50,426	\$ 97,881	
Total OSPI		\$ 225,176	\$ 210,325	\$ 435,501	\$ 210,325	\$ 210,325	\$ 420,650	\$ 210,325	\$ 217,750	\$ 428,075	
Academic Achievement and Accountability Commission											
Assessment Specialist	1.0 FTE	\$ 104,983	\$ 99,042	\$ 204,025	\$ 99,042	\$ 99,042	\$ 198,084	\$ 99,042	\$ 102,013	\$ 201,055	
Research/Program/Fiscal Analyst	2001-03 0.0FTE 2003-04 0.5 FTE 2004-05 1.5 Fte 2005-07 2.0 FTE	\$ -	\$ -	\$ -	\$ 50,765	\$ 146,936	\$ 197,701	\$ 189,374	\$ 186,403	\$ 375,777	
Commission Travel		\$ 21,800	\$ 21,800	\$ 43,600	\$ 21,800	\$ 21,800	\$ 43,600	\$ 21,800	\$ 21,800	\$ 43,600	
Contracts		\$ 15,000	\$ 15,000	\$ 30,000	\$ 15,000	\$ 15,000	\$ 30,000	\$ 15,000	\$ 15,000	\$ 30,000	
Total Academic Achievement and Accountability Commission		\$ 141,783	\$ 135,842	\$ 277,625	\$ 186,607	\$ 282,778	\$ 469,385	\$ 325,216	\$ 325,216	\$ 650,432	
Number of schools receiving assistance											
Phase 1 -- Needs assessment, academic audit, improvement plan development, performance plan development, and staff collaboration		30	50		50	50		50	50		
Phase 2 -- Performance Agreement Implementation, collaboration, annual assessment participation			30		80	125		145	153		
Regional staff -- support to schools receiving assistance											
Project managers - ratio of schools per manager		3.00	3.50		4.00	4.25		4.25	4.25		
Project managers - number		10.00	23.00		33.00	41.00		46.00	48.00		
Project managers - cost		\$ 1,132,470	\$ 2,604,681	\$ 3,737,151	\$ 3,737,151	\$ 4,643,127	\$ 8,380,278	\$ 5,209,362	\$ 5,435,856	\$ 10,645,218	
Support Staff - ratio of support staff to managers		0.40	0.39		0.39	0.39		0.39	0.37		
Support Staff - number		4.00	9.00		13.00	16.00		18.00	18.00		
Support Staff -		\$ 210,132	\$ 473,033	\$ 683,165	\$ 682,687	\$ 840,433	\$ 1,523,120	\$ 945,342	\$ 945,342	\$ 1,890,684	
Total Regional Staff		\$ 1,342,602	\$ 3,077,714	\$ 4,420,316	\$ 4,419,838	\$ 5,483,560	\$ 9,903,398	\$ 6,154,704	\$ 6,381,198	\$ 12,535,902	
Implementing Phase 1 and 2											
Phase 1											
Average amount per school -- See note below		\$ 50,000	\$ 50,000		\$ 50,000	\$ 50,000		\$ 50,000	\$ 50,000		
Amount for all Phase 1 schools		\$ 1,500,000	\$ 2,500,000	\$ 4,000,000	\$ 2,500,000	\$ 2,500,000	\$ 5,000,000	\$ 2,500,000	\$ 2,500,000	\$ 5,000,000	
Phase 2											
Average amount per school -- See note below		\$ 50,000	\$ 50,000		\$ 50,000	\$ 50,000		\$ 50,000	\$ 50,000		
Amount for all Phase 1 schools		\$ -	\$ 1,500,000	\$ 1,500,000	\$ 4,000,000	\$ 6,250,000	\$ 10,250,000	\$ 7,250,500	\$ 7,625,000	\$ 14,875,500	
Total Phase 1 and Phase 2 Costs		\$ 1,500,000	\$ 4,000,000	\$ 5,500,000	\$ 6,500,000	\$ 8,750,000	\$ 15,250,000	\$ 9,750,500	\$ 10,125,000	\$ 19,875,500	
On-going Evaluation of Strategies for Improving Student Achievement											
		\$250,000	\$250,000	\$ 500,000	\$250,000	\$250,000	\$500,000	\$250,000	\$250,000	\$500,000	
Intervention											
4th Grade Reading Recognition -- Banners and plaques		\$ 116,250									
Total Costs		\$ 3,575,811	\$ 7,673,881	\$ 11,249,692	\$ 11,566,770	\$ 14,976,663	\$ 26,543,433	\$ 16,690,745	\$ 17,299,164	\$ 33,989,909	

Note: the amount shown in the table above is an average amount. The amount provided for a specific school will depend upon the required district match.

Tables for Expenditure Narrative

Page 2

Enter Process		Schools Receiving Assistance					
Year	# Schools	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
2001-02	30	30	30	30	25	20	15
2002-03	50		50	50	50	25	13
2003-04	50			50	50	50	25
2004-05	50				50	50	50
2005-06	50					50	50
2006-07	50						50
Total #	280	30	80	130	175	195	203

Note: Year schools enter process they are in Phase 1. Remaining time schools are in Phase 2.