

Multiple Agency Fiscal Note Summary

Bill Number: 1449 E S HB AMS WM S3074.1	Title: Educator certificate fee
---	--

Estimated Cash Receipts

Agency Name	2011-13		2013-15		2015-17	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost. Please see discussion."					
Superintendent of Public Instruction	0	1,876,450	0	2,305,710	0	2,305,710
Total \$	0	1,876,450	0	2,305,710	0	2,305,710

Estimated Expenditures

Agency Name	2011-13			2013-15			2015-17		
	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	(.8)	(855,437)	939,991	(2.0)	(1,710,874)	562,292	(2.0)	(1,710,874)	87,892
Total	(0.8)	\$(855,437)	\$939,991	(2.0)	\$(1,710,874)	\$562,292	(2.0)	\$(1,710,874)	\$87,892

Estimated Capital Budget Impact

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

Prepared by: Paula Moore, OFM	Phone: (360) 902-0540	Date Published: Final
--------------------------------------	---------------------------------	---------------------------------

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

** See local government fiscal note

FNPID 30326

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 1449 E S HB AMS WM S3074.1	Title: Educator certificate fee	Agency: 090-Office of State Treasurer
---	--	---

Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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: 05/19/2011
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 05/23/2011
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 05/23/2011
OFM Review: Matthew Bridges	Phone: (360) 902-0575	Date: 05/23/2011

Request # 202-1

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 1449 AMS WM S3074.1 creates the educator certification processing account. Earnings from investments will be credited to the general fund.

Earnings from investments:

Estimated earnings from investments are indeterminable because projected cash flows are needed to make the estimate and are currently unavailable. Earnings for an account are 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 daily balances, and hence different earnings.

For illustrative purposes, assume based on the March 2011 Revenue Forecast that the net rate for estimating earnings for FY 11 is 0.50%, FY 12 is 0.25%, and FY 13 is 1.63%. Approximately \$5,000 in FY 11, \$2,500 in FY 12, and \$16,300 in FY 13 in net earnings and \$5,000 in 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 1449 AMS WM S3074.1 creates the educator certification processing 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

NONE

Part IV: Capital Budget Impact

NONE

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: 1449 E S HB AMS WM S3074.1	Title: Educator certificate fee	Agency: 350-Supt of Public Instruction
---	--	--

Part I: Estimates



No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2012	FY 2013	2011-13	2013-15	2015-17
Educator Certification Processing Account-Non-Appropriated NEW- 6	723,595	1,152,855	1,876,450	2,305,710	2,305,710
Total \$	723,595	1,152,855	1,876,450	2,305,710	2,305,710

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	1.0	(2.5)	(0.8)	(2.0)	(2.0)
Account					
General Fund-State 001-1	0	(855,437)	(855,437)	(1,710,874)	(1,710,874)
Educator Certification Processing Account - Non-Appropriated-State NEW-1	896,045	899,383	1,795,428	2,273,166	1,798,766
Total \$	896,045	43,946	939,991	562,292	87,892

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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: 05/19/2011
Agency Preparation: Kelci Karl-Robinson	Phone: 725-6019	Date: 06/01/2011
Agency Approval: Mike Woods	Phone: 360 725-6283	Date: 06/01/2011
OFM Review: Paula Moore	Phone: (360) 902-0540	Date: 06/03/2011

Request # S Amd 1449-3

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.

Engrossed Substitute House Bill 1449 intends to move the processing of initial educator certificates and other certification related activities to an online system and to charge a fee for processing certifications. The Senate amendment removed language that the fee not be charged before September 1, 2013. Therefore, this fiscal note assumes the fee would be assessed beginning January 1, 2012 and state-funded support for administering certifications will be eliminated in FY13. The bill also deposits the fee into a new Educator Certification Processing Account.

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.

The certification office has processed an average of 38,358 actions in the past three years, 34,935 of which would be assessed a fee. Certification actions include but are not limited to, processing of a new certification, emergency substitute certifications, and certification renewals. Disciplinary actions and address changes would not be assessed a fee. Assuming a \$33 processing fee for each certification action, OSPI would generate approximately \$1,152,855 each state fiscal year. The FY12 amount is based on an assumption that the fee will be assessed beginning January 1, 2012.

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.

OSPI currently spends approximately \$855,437 in State General Fund to administer educator certifications. In the 2013 fiscal year, the administration of certificates would be funded by the educator certification processing fee.

OSPI's intends to use the additional revenue generated by the fee to implement and maintain a self-service online educator portal. The portal will allow educators to electronically submit their applications, payments, professional development credits and clock hours. OSPI assumes the turnaround time for educators to get a certificate will go from five to twelve weeks to two weeks.

The cost to develop the electronic certification (E-Cert) system is \$896,000 (FY 2012) and the ongoing cost to maintain the system, including information technology staff support, is \$161,875. To get a detailed description of expenditures please see OSPI decision package at <http://www.k12.wa.us/LegisGov/CurrentSession.aspx>. Previous versions of this fiscal note assumed state funds for the development of the system, which allowed for the online system and the imaging of documents to be paid for in the 11-13 biennium. This version assumes that the fee revenue would pay for the development of the online system in the 11-13 biennium and the imaging of documents (\$704,000) would be paid for in the 13-15 biennium.

Based on the assumption that the online system is developed in FY12, there will be staff savings in the 2013-15 biennium and ongoing. Staff savings are based off the assumption that the electronic certification system will lead to decreased phone calls and e-mail questions from applicants. Until the system is up and running, the workload impact on the OSPI

certification office is unknown. The fee would ultimately be set "at a sufficient level to defray the costs of administering the educator certification program."

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	1.0	(2.5)	(0.8)	(2.0)	(2.0)
A-Salaries and Wages	78,900		78,900		
B-Employee Benefits	40,070		40,070		
C-Personal Service Contracts	760,000		760,000		
E-Goods and Services	5,937	43,946	49,883	562,292	87,892
G-Travel	1,138		1,138		
J-Capital Outlays	10,000		10,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$896,045	\$43,946	\$939,991	\$562,292	\$87,892

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 2012	FY 2013	2011-13	2013-15	2015-17
Customer Service Specialist 1	34,260		(3.5)	(1.8)	(3.5)	(3.5)
Information Technology Specialist 4	71,496				0.5	0.5
Information Technology Specialist 5	78,900	1.0	1.0	1.0	1.0	1.0
Total FTE's	184,656	1.0	(2.5)	(0.8)	(2.0)	(2.0)

III. C - Expenditures By Program (optional)

Program	FY 2012	FY 2013	2011-13	2013-15	2015-17
State Office Administration (010)	896,045	43,946	939,991	562,292	87,892
Total \$	896,045	43,946	939,991	562,292	87,892

Part IV: Capital Budget Impact

NONE

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.

The Superintendent will have to adopt rules to establish the amount of the processing fee and payment requirements.



Multiple Agency Ten-Year Analysis Summary

Bill Number 1449 E S HB AMS WM S3074.1	Title Educator certificate fee
--	--

This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

Estimated Cash Receipts

Agency Name	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	2012-21 TOTAL
Office of State Treasurer	0	0	0	0	0	0	0	0	0	0	0
Supt of Public Instruction	723,595	1,152,855	1,152,855	1,152,855	1,152,855	1,152,855	1,152,855	1,152,855	1,152,855	1,152,855	11,099,290
Total	723,595	1,152,855	1,152,855	1,152,855	1,152,855	1,152,855	1,152,855	1,152,855	1,152,855	1,152,855	11,099,290



Ten-Year Analysis

Bill Number 1449 E S HB AMS WM S3074.1	Title Educator certificate fee	Agency 090 Office of State Treasurer
--	--	--

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☒ **No Cash Receipts** ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
--------------------	-----------	--	--	--	--	--	--	--	--	--	--	--

Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 5/23/2011 9:01:13 am
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 5/23/2011 9:01:13 am
OFM Review: Paula Moore	Phone: (360) 902-0540	Date: 6/3/2011 10:25:48 am



Ten-Year Analysis

Bill Number 1449 E S HB AMS WM S3074.1	Title Educator certificate fee	Agency 350 Supt of Public Instruction
--	--	---

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☐ **No Cash Receipts**
☐ **Indeterminate Cash Receipts**

Estimated Cash Receipts

Name of Tax or Fee	Acct Code	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019	Fiscal Year 2020	Fiscal Year 2021	2012-21 TOTAL
Educator Certification Processing Fee	NEW	723,595	1,152,855	1,152,855	1,152,855	1,152,855	1,152,855	1,152,855	1,152,855	1,152,855	1,152,855	11,099,290
Total		723,595	1,152,855	1,152,855	1,152,855	1,152,855	1,152,855	1,152,855	1,152,855	1,152,855	1,152,855	11,099,290
Biennial Totals		1,876,450	2,305,710	2,305,710	2,305,710	2,305,710	2,305,710	2,305,710	2,305,710	2,305,710	2,305,710	11,099,290

Agency Preparation: Kelci Karl-Robinson	Phone: 725-6019	Date: 6/1/2011 12:37:00 pm
Agency Approval: Mike Woods	Phone: 360 725-6283	Date: 6/1/2011 12:37:00 pm
OFM Review: Paula Moore	Phone: (360) 902-0540	Date: 6/3/2011 10:25:48 am