

Multiple Agency Fiscal Note Summary

Bill Number: 2538 S HB	Title: School districts
-------------------------------	--------------------------------

Estimated Cash Receipts

NONE

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 Auditor	Fiscal note not available								
Superintendent of Public Instruction	(1.0)	(2,437,894)	(2,437,894)	(2.0)	(6,472,550)	(6,472,550)	(2.0)	(6,472,550)	(6,472,550)
School District Fiscal Note - SPI	Fiscal note not available								
Total	(1.0)	\$(2,437,894)	\$(2,437,894)	(2.0)	\$(6,472,550)	\$(6,472,550)	(2.0)	\$(6,472,550)	\$(6,472,550)

Estimated Capital Budget Impact

NONE

Due to an IT glitch, the school district note can be found at the back of the OSPI fiscal note. Please disregard the message that the “school district note is unavailable.”

Prepared by: Paula Moore, OFM	Phone: (360) 902-0540	Date Published: Preliminary 2/ 3/2012
--------------------------------------	---------------------------------	---

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

** See local government fiscal note

FNPID 31608

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 2538 S HB	Title: School districts	Agency: 350-Supt of Public Instruction
-------------------------------	--------------------------------	---

Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	0.0	(2.0)	(1.0)	(2.0)	(2.0)
Account					
General Fund-State 001-1	0	(2,437,894)	(2,437,894)	(6,472,550)	(6,472,550)
Total \$	0	(2,437,894)	(2,437,894)	(6,472,550)	(6,472,550)

Estimated Capital Budget Impact:

NONE

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: Jessica Harrell	Phone: 360-786-7349	Date: 02/03/2012
Agency Preparation: Lori Anthonson	Phone: (360) 725-6420	Date: 02/03/2012
Agency Approval: Mike Woods	Phone: 360 725-6283	Date: 02/03/2012
OFM Review: Paula Moore	Phone: (360) 902-0540	Date: 02/03/2012

Request # SHB 2538-1

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.

Changes from HB 2538 that have impact:

In the previous version of the bill, Section 2 (which is now Section 3) deleted the requirement that plans submitted by school districts for use of the Learning Assistance Program funding include information about accelerated learning plans and replaces it with a requirement that school districts' plans include information on the processes for setting student achievement goals, family involvement, using assessments, developing skills of staff, and coordination with other plans. This change had no fiscal impact on OSPI staff time.

In this version of the bill, Section 3 (which was Section 2) removes the requirement that school districts shall include district and school-level data on writing achievement as an element to be implemented in a plan for learning assistance funds. This change has no fiscal impact on OSPI staff time.

Sections 3 through 11 of this bill are inserted from Sections 1 through 8 and 11 of HB 2333, which eliminate all aspects of Grades 4 & 7 and High School Writing assessments.

New language is added to Section 8(3)(c) stating that, when implemented, the assessment used to assess the common core state standards may include a writing assessment.

Section 5 (3) eliminates writing as a content area for high school students to meet the state standards, in order to earn a certificate of academic achievement.

Section 5 (10)(b)(i) removes writing as a content area in objective alternative assessments.

Section 8 (3)(a) eliminates writing as a content area that the SPI must assess to determine if students have mastered the essential academic learning requirements.

Section 9 (9) eliminates writing as a content area when the state board of education examines opportunities for additional alternative assessments.

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.

None

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 following sections eliminate all aspects of High School Writing assessments:

Section 5 (3) eliminates writing as a content area for high school students to meet the state standards, in order to earn a certificate of academic achievement.

Section 5 (10)(b)(i) removes writing as a content area in objective alternative assessments.

Section 9 (9) eliminates writing as a content area when the State Board of Education examines opportunities for additional alternative assessments.

Contracts that OSPI currently has in place to perform this work would be cancelled, for a savings of \$955,490 in FY 13 and \$984,155 each FY following. Payments to vendor for certificate of achievement options (CAA) would be reduced by \$18,700 in FY13 and \$400,000 each FY following. Reimbursements to districts for collection of evidence (COE) and August retests would be reduced by \$335,384 in FY13 and \$696,080 each FY following. See attachment for details.

The following section eliminates all aspects of Grades 4 & 7 Writing assessments:

Section 8 (3)(a) eliminates writing as a content area that the SPI must assess to determine if students have mastered the essential academic learning requirements.

Section 8 (3)(c) adds new language stating that, when implemented, the assessment used to assess the common core state standards may include a writing assessment.

Contracts that OSPI currently has in place to perform this work would be cancelled, for a savings of \$468,160 in FY 13 and \$482,020 each FY following for Grade 4, and \$468,160 in FY 13 and \$482,020 each FY following for Grade 7. See attachment for details.

As a result of the elimination of grades 4 & 7 and high school Writing assessments, two FTEs would be eliminated: 1.0 Administrative Assistant-Exempt at \$111,356 salaries and benefits and 1.0 Administrative Assistant 3 at \$62,062 salaries and benefits. Associated goods and services at \$11,644 and travel at \$6,938 are also included. Total FTE related costs \$192,000 each FY.

School district impacts:

Sections 5 and 9 eliminate high school writing assessments. This would result in a reduction of reimbursements to districts for collection of evidence (COE) and August retests for Writing. See school district fiscal note for impact.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years		(2.0)	(1.0)	(2.0)	(2.0)
A-Salaries and Wages		(116,924)	(116,924)	(233,848)	(233,848)
B-Employee Benefits		(56,494)	(56,494)	(112,988)	(112,988)
C-Personal Service Contracts		(1,910,510)	(1,910,510)	(4,696,390)	(4,696,390)
E-Goods and Services		(11,644)	(11,644)	(23,288)	(23,288)
G-Travel		(6,938)	(6,938)	(13,876)	(13,876)
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		(335,384)	(335,384)	(1,392,160)	(1,392,160)
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$(2,437,894)	\$(2,437,894)	(\$6,472,550)	\$(6,472,550)

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
Administrative Assistant - Exempt	77,616		(1.0)	(0.5)	(1.0)	(1.0)
Administrative Assistant 3	39,308		(1.0)	(0.5)	(1.0)	(1.0)
Total FTE's	116,924		(2.0)	(1.0)	(2.0)	(2.0)

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: 2538 S HB	Title: School districts	Agency: SDF-School District Fiscal Note - SPI
-------------------------------	--------------------------------	--

Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2012	FY 2013	2011-13	2013-15	2015-17
Local School District Funding-Private/Local NEW-7		(335,384)	(335,384)	(1,392,160)	(1,392,160)
Total \$		(335,384)	(335,384)	(1,392,160)	(1,392,160)

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
Account					
Local School District Funds-State NEW-1	0	(1,326,111)	(1,326,111)	(1,487,951)	(4,192,833)
Total \$	0	(1,326,111)	(1,326,111)	(1,487,951)	(4,192,833)

Estimated Capital Budget Impact:

NONE

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: Jessica Harrell	Phone: 360-786-7349	Date: 02/03/2012
Agency Preparation: Lori Anthonson	Phone: 360 725-6420	Date: 02/03/2012
Agency Approval: Mike Woods	Phone: (360) 725-6283	Date: 02/03/2012
OFM Review: Paula Moore	Phone: (360) 902-0540	Date: 02/03/2012

Request # SHB 2538-1

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.

Changes from HB 2538 that have impact to school districts:

Date change in Section 2 - after July 1, 2012, the state auditor is required to conduct fiscal and performance audits no more often than once every three years for school districts when no findings of impropriety were found. The savings in this note reflect the Office of the State Auditor's assumptions.

Sections 3 through 11 of this bill are inserted from Sections 1 through 8 and 11 of HB 2333. Only Sections 5 and 9 eliminating High School Writing assessments have impact to school districts. This would result in a reduction of reimbursements to school districts for collection of evidence (COE) and August retests for Writing.

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.

Sections 5 and 9 eliminate high school writing assessments. This would result in a reduction of reimbursements to school districts for collection of evidence (COE) and August retests for Writing.

Currently school districts receive funds from OSPI for collections of evidence (COE) and to cover the costs of providing students the opportunity to retake tests they failed. Because this will eliminate writing assessments, districts would no longer receive that revenue.

Districts will realize a loss of \$296,080 annually for retests.

Districts will realize a loss of the following amounts for COE reimbursements:

FY13: \$39,304

FY14-FY17: \$400,000 annually

See attached spreadsheet for details.

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.

Section 1 exempts students from completing the high school culminating project, or a high school and beyond plan, if they have completed one of the following: an associate degree through running start, a high school navigation 101 program, advancement via individual determination, a skill certificate through a career and technical education program, a year of college-level coursework, an international baccalaureate certificate program, or at least four courses with college credit in AP, engineering or biological sciences, international baccalaureate, or Cambridge. We do not know how many students would qualify for this exemption, but as a proxy, 165,971 students took at least one AP, IB, Running Start, Tech Prep, College in the High School, or Cambridge course. It is assumed that this change will lead to workload savings by decreasing class time focused on the culminating project. The majority of the culminating project work is done during a

social studies or other class period. It is assumed that those classes would continue; therefore, there would be no fiscal savings. However, a few districts have paid a small stipend to a teacher or counselor to coordinate this activity. We do not know how many districts pay stipends or at what level, however OSPI guidance and counseling staff report that no additional fiscal support is usually assigned to school counselors engaged in this work, and that much of it will need to continue as school counselors work with students in planning high school classes and transitioning to postsecondary opportunities. Therefore, any calculation of savings is both indeterminate and potential savings would be used to fill other educational opportunities.

Section 2 requires the state auditor, after July 1, 2012, to conduct fiscal and performance audits no more often than once every three years for school districts when no finding of impropriety were found. The savings in this note reflect the Office of the State Auditor assumptions and that all auditor reported savings translate into an equal amount of reduced billings to school districts.

Sections 5 and 9 eliminate high school writing assessments. This would result in a reduction of reimbursements to districts for collection of evidence (COE) and August retests for Writing. OSPI assumes school district costs would decline by an amount at least equal to the amount of reimbursements they receive from OSPI for these activities. See attachment for details.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts		(990,727)	(990,727)	(95,791)	(2,800,673)
E-Goods and Services		(335,384)	(335,384)	(1,392,160)	(1,392,160)
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$(1,326,111)	\$(1,326,111)	\$(1,487,951)	\$(4,192,833)

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.

PSHB 2538 writing assessment / 3-year audits

	Object	FY13	FY14	FY15	FY16	FY17	
Grade 4 writing	C	(468,160)	(482,020)	(482,020)	(482,020)	(482,020)	DRC pricing summary - updated Jan 25, 2012
Grade 7 writing	C	(468,160)	(482,020)	(482,020)	(482,020)	(482,020)	DRC pricing summary - updated Jan 25, 2012
HS writing	C	(955,490)	(984,155)	(984,155)	(984,155)	(984,155)	DRC quote - Oct 12, 2011
Eliminate CAA options	C	(18,700)	(400,000)	(400,000)	(400,000)	(400,000)	2,000 submissions for writing at \$200 each (contract cost)
Elim dist reimb COE	N	(39,304)	(400,000)	(400,000)	(400,000)	(400,000)	2,000 submissions for writing at \$200 each -OSPI & SD
Elim dist reim Aug retest	N	(296,080)	(296,080)	(296,080)	(296,080)	(296,080)	Projected reimbursements to districts- -OSPI & SD
		(2,245,894)	(3,044,275)	(3,044,275)	(3,044,275)	(3,044,275)	Detail by content area (math, science, reading, writing) not available from vendor
FTEs		2.0	2.0	2.0	2.0	2.0	
salaries	A	(116,924)	(116,924)	(116,924)	(116,924)	(116,924)	
benefits	B	(56,494)	(56,494)	(56,494)	(56,494)	(56,494)	
goods/services	E	(11,644)	(11,644)	(11,644)	(11,644)	(11,644)	
travel	G	(6,938)	(6,938)	(6,938)	(6,938)	(6,938)	
		(192,000)	(192,000)	(192,000)	(192,000)	(192,000)	
Total		(2,437,894)	(3,236,275)	(3,236,275)	(3,236,275)	(3,236,275)	OSPI note total
Three year audits per SAO		(990,727)	(1,809,946)	1,714,155	(990,727)	(1,809,946)	Per State Auditor's Office note - SD impact only

Notes:

Section 5 and 9 - high school assessment

Section 8 - grades 4 & 7 assessment

Section 1 - culminating project - see school district note

Section 2 - Audits - see school district note

OPSI's annual budget for Aug retest reimbursements is \$1,184,320 for 4 types of retests. This note assumes 1/4 of retests are for writing.