

Multiple Agency Fiscal Note Summary

Bill Number: 1067 HB	Title: Teacher eval program support
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Estimated Cash Receipts

NONE

Estimated Expenditures

Agency Name	2013-15			2015-17			2017-19		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Superintendent of Public Instruction	.0	45,570,000	45,570,000	.0	52,436,000	52,436,000	.0	54,218,000	54,218,000
School District Fiscal Note - SPI	Fiscal note not available								
Total	0.0	\$45,570,000	\$45,570,000	0.0	\$52,436,000	\$52,436,000	0.0	\$54,218,000	\$54,218,000

Estimated Capital Budget Impact

NONE

Please disregard the message that the “school district note is unavailable.” The school district note can be found as an attachment at the end of the OSPI fiscal note.

Prepared by: Paula Moore, OFM	Phone: (360) 902-0540	Date Published: Final 1/27/2013
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 32887

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 1067 HB	Title: Teacher eval program support	Agency: 350-Supt of Public Instruction
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2014	FY 2015	2013-15	2015-17	2017-19
Account					
General Fund-State 001-1	20,072,000	25,498,000	45,570,000	52,436,000	54,218,000
Total \$	20,072,000	25,498,000	45,570,000	52,436,000	54,218,000

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: 01/15/2013
Agency Preparation: Lorrell Noahr	Phone: (360) 725-6177	Date: 01/27/2013
Agency Approval: Lorrell Noahr	Phone: (360) 725-6177	Date: 01/27/2013
OFM Review: Paula Moore	Phone: (360) 902-0540	Date: 01/27/2013

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.

Section 2 of the bill provides an additional 0.15 FTE for the principal allocation at each of the prototypical school levels (i.e. elementary, middle and high schools).

Section 3 of this bill takes effect September 1, 2013, which is the start of the 2013-14 school 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.

This bill is assumed in the Governor's operating budget proposal HB 1057 (2013). Therefore, the assumptions made within this bill use the same assumptions as HB 1057.

OSPI makes the following state salary assumptions:

*The average Certificated Administrative Staff (CAS) salary statewide from the December 2012 apportionment reports is \$58,176.25. HB 1057 restores the 1.9% salary cut currently in effect. Restoring this cut brings the statewide average CAS salary to \$59,303 for school years 2013-14 and 2014-15.

*The I-732 cost of living adjustment is applied, which brings the school year CAS salary to \$60,910 (\$59,303 * (1+2.171%) = \$60,910) for school year 2013-14 and \$62,311 (\$60,910 * (1+2.30%) = \$62,311) for school year 2014-15.

*OSPI calculated the fringe benefits at 18.66% and health care benefits at \$777 for school year 2013-14 and \$788 for school year 2014-15 and beyond (as assumed in HB 1057).

OSPI calculates (using the following formula Dec 2012 Enrollment * 0.15 / Prototypical School Enrollment) the following increases to the statewide allocation of principals for each of the prototypical schools:

School	Prototypical School Enrollment	Dec 2012 Enrollment	Additional Principal units at 0.15 for each prototypical school
Elementary	400	516,368.9	193.64
Middle	432	151,650.1	52.66
High	600	247,847.6	61.96
Total			308.26

The small schools formula will see a decrease in the allocation of CAS units as the basic education allocation (BEA) rate increases. The net change to the small schools CAS units is -.70.

The total calculated increase of principal units for BEA is 307.56. These units multiplied by the CAS average state salary allocation, fringe benefits and health care benefits $(307.56 * \$60,910 * 1.1866) + (307.56 * (\$777 * 12)) = \$25,089,197$ for school year 2013-14. Eighty percent of this amount will be expended in fiscal year 2014 and 20 percent will be expended in fiscal year 2015. The attached spreadsheet shows the calculation for each school year projected in this fiscal note. For the purposes of this fiscal note, the statewide enrollment remains constant.

HB 1057 requires school districts to report an increase of CAS FTE commensurate with the FTE allocation provided by this bill. OSPI's budgeting and accounting software will require modification to provide a method to provide assurance in this same manner. OSPI expects a one-time cost of \$1,000 to implement this programming change.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services	1,000		1,000		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	20,071,000	25,498,000	45,569,000	52,436,000	54,218,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$20,072,000	\$25,498,000	\$45,570,000	\$52,436,000	\$54,218,000

Part IV: Capital Budget Impact

NONE

No capital 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.

No rules would need to be changed.

State Impact for increasing the Principal Allocation 0.15 FTE in the Prototypical School Formula									
2012 Apportionment		SY14		SY15	SY16	SY17	SY18	SY19	
		CAS Salary COLA		\$ 60,910.12 2.71%	\$ 62,311.05 2.30%	\$ 63,625.81 2.11%	\$ 64,898.33 2.00%	\$ 66,085.97 1.83%	\$ 67,282.13 1.81%
		Principal Units							
General Ed	FTE Enrollment	Current	Add'l	Salary & Benefits	Salary & Benefits	Salary & Benefits	Salary & Benefits	Salary & Benefits	Salary & Benefits
Elem	516,368.90	1,617.53	193.638	\$ 15,800,878	\$ 16,122,772	\$ 16,424,867	\$ 16,717,255	\$ 16,990,140	\$ 17,264,982
Middle	151,650.10	474.96	52.656	\$ 4,296,750	\$ 4,384,283	\$ 4,466,432	\$ 4,545,941	\$ 4,620,147	\$ 4,694,885
High	247,847.60	776.59	61.962	\$ 5,056,088	\$ 5,159,090	\$ 5,255,757	\$ 5,349,317	\$ 5,436,637	\$ 5,524,583
Small Schools									
CAS Units Current		30.2							
CAS Units Proposed		29.502	-0.698	\$ (56,957)	\$ (58,117)	\$ (59,206)	\$ (60,260)	\$ (61,244)	\$ (62,234)
NERC		10834.37		\$ (7,562)	\$ (7,562)	\$ (7,562)	\$ (7,562)	\$ (7,562)	\$ (7,562)
Total State Impact				\$ 25,089,197	\$ 25,600,466	\$ 26,080,287	\$ 26,544,690	\$ 26,978,118	\$ 27,414,654
State Impact by Fiscal Year				Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
Total State Impact				\$ 20,071,357.32	\$ 25,498,211.78	\$ 25,984,322.71	\$ 26,451,809.78	\$ 26,891,432.69	\$ 27,327,346.95

Individual State Agency Fiscal Note

Bill Number: 1067 HB	Title: Teacher eval program support	Agency: SDF-School District Fiscal Note - SPI
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT		FY 2014	FY 2015	2013-15	2015-17	2017-19
All Other Funds-Private/Local	000-7	20,071,000	25,498,000	45,569,000	52,436,000	54,218,000
Total \$		20,071,000	25,498,000	45,569,000	52,436,000	54,218,000

Estimated Expenditures from:

		FY 2014	FY 2015	2013-15	2015-17	2017-19
Account						
All Other Funds-Private/Local	000	32,833,000	41,744,000	74,577,000	85,961,000	89,022,000
-7						
Total \$		32,833,000	41,744,000	74,577,000	85,961,000	89,022,000

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:

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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:	Jessica Harrell	Phone: 360-786-7349	Date: 01/15/2013
Agency Preparation:	Lorrell Noahr	Phone: 360 725-6177	Date: 01/26/2013
Agency Approval:	Lorrell Noahr	Phone: 360 725-6177	Date: 01/26/2013
OFM Review:	Paula Moore	Phone: (360) 902-0540	Date: 01/26/2013

Request # HB 1067 -2-2

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.

Section 2 of the bill provides an additional 0.15 FTE for the principal allocation at each of the prototypical school levels (i.e. elementary, middle and high schools).

Section 3 of this bill takes effect September 1, 2013, which is the start of the 2013-14 school 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.

This bill is assumed in the Governor's operating budget proposal HB 1057 (2013). Therefore, the assumptions made within this bill use the same assumptions as HB 1057.

OSPI makes the following state salary assumptions:

*The average Certificated Administrative Staff (CAS) salary statewide from the December 2012 apportionment reports is \$58,176.25. HB 1057 restores the 1.9% salary cut currently in effect. Restoring this cut brings the statewide average CAS salary to \$59,303 for school years 2013-14 and 2014-15.

*The I-732 cost of living adjustment is applied, which brings the school year CAS salary to \$60,910 (\$59,303 * (1+2.171%) = \$60,910) for school year 2013-14 and \$62,311 (\$60,910 * (1+2.30%) = \$62,311) for school year 2014-15.

*OSPI calculated the fringe benefits at 18.66% and health care benefits at \$777 for school year 2013-14 and \$788 for school year 2014-15 and beyond (as assumed in HB 1057).

OSPI calculates (using the following formula Dec 2012 Enrollment * 0.15 / Prototypical School Enrollment) the following increases to the statewide allocation of principals for each of the prototypical schools:

School	Prototypical School Enrollment	Dec 2012 Enrollment	Additional Principal units at 0.15 for each prototypical school
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The small schools formula will see a decrease in the allocation of CAS units as the basic education allocation (BEA) rate increases. The net change to the small schools CAS units is -.70.

The total calculated increase of principal units for BEA is 307.56. These units multiplied by the CAS average state salary allocation, fringe benefits and health care benefits (307.56 * \$60,910 * 1.1866) + (307.56 * (\$777 * 12)) = \$25,089,197 for school year 2013-14. Eighty percent of this amount will be expended in fiscal year 2014 and 20

percent will be expended in fiscal year 2015. The attached spreadsheet shows the calculation for each school year projected in this fiscal note. For the purposes of this fiscal note, the statewide enrollment remains constant.

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.

HB 1057 requires school districts to report an increase of CAS FTE commensurate with the FTE allocation provided by this bill. This fiscal note assumes that local school districts will need to hire an additional 307.56 FTE CAS to fulfill this requirement.

Local school districts provide additional salary and benefits to school district staff above the state allocation. The statewide average local statewide salary paid for CAS units is \$101,860. This amount is usually paid from both a state allocation and local funds. Using the same benefits and COLA assumptions as previously stated, OSPI calculates the salary for a principal for school year 2013-14 to be \$104,620 ($101,860 * (1+2.71\%) = \$104,620$). After subtracting the state's CAS salary allocation, local funds provide an additional \$43,710 of local salary and \$8,156 benefits required to fund 1.0 principal FTE for school year 2013-14. School districts hiring 307.56 CAS FTE will have a local cost of approximately \$15,952,000 for school year 2013-14 and \$16,319,000 for school year 2014-15; \$12,762,000 for Fiscal Year 2014 and \$16,245,000 for Fiscal Year 2015. The attached spreadsheet shows the calculations for the following years.

The expenditures identified in this section show the combined local and state funds expended for the increased 0.15 FTE in the prototypical school formula.

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.

State Impact for increasing the Principal Allocation 0.15 FTE in the Prototypical School Formula									
2012 Apportionment				SY14	SY15	SY16	SY17	SY18	SY19
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Total State Impact				\$ 25,089,197	\$ 25,600,466	\$ 26,080,287	\$ 26,544,690	\$ 26,978,118	\$ 27,414,654
State Impact by Fiscal Year				Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
Total State Impact				\$ 20,071,357.32	\$ 25,498,211.78	\$ 25,984,322.71	\$ 26,451,809.78	\$ 26,891,432.69	\$ 27,327,346.95

Local Impact	SY14	SY15	SY16	SY17	SY18	SY19
Total Add'l Units	307.56	307.56	307.56	307.56	307.56	307.56
Avg Statewide CAS Salary	\$ 104,620	\$ 107,027	\$ 109,285	\$ 111,471	\$ 113,511	\$ 115,565
Local Salary (Add'l)	\$ 43,710	\$ 44,716	\$ 45,659	\$ 46,572	\$ 47,425	\$ 48,283
Local Benefits	\$ 8,156	\$ 8,344	\$ 8,520	\$ 8,690	\$ 8,849	\$ 9,010
Total Local Impact	\$ 15,952,023	\$ 16,318,920	\$ 16,663,249	\$ 16,996,514	\$ 17,307,550	\$ 17,620,817
Local Impact by Fiscal Year	Fiscal Year 2014	Fiscal Year 2015	Fiscal Year 2016	Fiscal Year 2017	Fiscal Year 2018	Fiscal Year 2019
Total Local Impact	\$ 12,761,619	\$ 16,245,540	\$ 16,594,383	\$ 16,929,861	\$ 17,245,343	\$ 17,558,163