

Multiple Agency Fiscal Note Summary

Bill Number: 5278 SB	Title: Teachers salary bonus
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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	69,200,000	69,200,000	.0	80,260,000	80,260,000	.0	83,400,000	83,400,000
The Evergreen State College	.2	57,806	57,806	.1	16,154	16,154	.0	8,321	8,321
School District Fiscal Note - SPI	Fiscal note not available								
Total	0.2	\$69,257,806	\$69,257,806	0.1	\$80,276,154	\$80,276,154	0.0	\$83,408,321	\$83,408,321

Estimated Capital Budget Impact

NONE

This fiscal note is for state agency costs only. The school district note is being published in a separate document.

Prepared by: Paula Moore, OFM	Phone: (360) 902-0540	Date Published: Final 2/ 6/2013
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 33429

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Revised

Bill Number: 5278 SB	Title: Teachers salary bonus	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	30,400,000	38,800,000	69,200,000	80,260,000	83,400,000
Total \$	30,400,000	38,800,000	69,200,000	80,260,000	83,400,000

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: Eric Wolf	Phone: 786-7405	Date: 01/31/2013
Agency Preparation: TJ Kelly	Phone: 360 725-6181	Date: 02/04/2013
Agency Approval: Mike Woods	Phone: 360 725-6283	Date: 02/04/2013
OFM Review: Paula Moore	Phone: (360) 902-0540	Date: 02/04/2013

Request # 5278 SB-4

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 1 - (1) The state shall provide an allocation to school districts sufficient to fund a salary bonus equivalent to ten percent of its base pay for eligible certificated instructional staff who teaches in math, science, and/or special education. To receive the salary bonus, individuals must be deemed an “expert” to teach math, science, or special education according to criteria developed and administered by the professional education standards board.

(2) In order to receive funding provided under this section, school districts shall certify to OSPI that they will provide the bonuses to the eligible certificated instructional staff in the percentage amount specified in this section, and the funding will not be used to supplant any other state or local funding for compensation for these staff.

(3) The amount of the bonus shall be prorated based on a full-time equivalent basis.

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.

Section 1 - (1) The state shall provide an allocation to school districts sufficient to fund a salary bonus equivalent to ten percent of its base pay for eligible certificated instructional staff who teaches in math, science, and/or special education. To receive the salary bonus, individuals must be deemed an “expert” to teach math, science, or special education according to criteria developed and administered by the professional education standards board.

(2) In order to receive funding provided under this section, school districts shall certify to OSPI that they will provide the bonuses to the eligible certificated instructional staff in the percentage amount specified in this section, and the funding will not be used to supplant any other state or local funding for compensation for these staff.

(3) The amount of the bonus shall be prorated based on a full-time equivalent basis.

The language in subsection 1 states that the district will receive a salary bonus equivalent to THEIR base pay for eligible CIS staff. Base pay does not include benefits or supplemental pay. OSPI uses that as the assumption for the calculation rather than 10% of the state allocation as described below.

We pulled certificated instructional staff coded as teachers in special education programs from the 2012-13 S-275 database including their FTE and base salary. The teachers that were coded as a 0.5 FTE or less were eliminated from the analysis. After those teachers were eliminated, 6,641 special education teachers totaling 5,624.73 FTE remained. We then performed the following calculation to come up with the calculated bonus for each individual- Bonus = .1 * FTE * Base Salary. The estimated cost does not include fringe benefits that are paid as a percentage of total salary.

This is consistent with how the state treats the bonuses for National Board Certificated Teachers. The total cost of the bonuses for special education teachers at all grade levels is estimated at \$27.5 million.

We used teacher certification data base to pull teachers who teach math, science, or computer science statewide. That list was compared to the S-275 data base to incorporate the assignment FTE, base salary, and duty root of each. All records with duty root 31- Elementary Teacher were filtered out. The remaining staff assigned to duty root 32- Secondary Teacher was then filtered to exclude those teachers with an assignment FTE of less than 0.5. The remaining list contained 2,160 individuals, and 2,018.50 FTE. The total cost of the bonuses for math, science or computer science teachers statewide is estimated at \$10.5 million.

The total cost per school year starting in the 2013-14 school year is \$38 million. The projected Seattle CPI was applied to that amount as follows 2013-14 - 2.71%; 2014-15 - 2.30%; 2015-16 - 2.00%; 2016-17 - 1.83%; 2017-18 -1.81%.

The resulting school year cost is as follows:

2013-14 \$38 million; 2014-15 \$39 million; 2015-16 \$39.9 million; 2016-17 \$40.7 million; 2017-18 \$41.5 million; 2018-19 \$42.2 million.

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					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	30,400,000	38,800,000	69,200,000	80,260,000	83,400,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$30,400,000	\$38,800,000	\$69,200,000	\$80,260,000	\$83,400,000

Part IV: Capital Budget Impact

NONE

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.

None.

Individual State Agency Fiscal Note

Bill Number: 5278 SB	Title: Teachers salary bonus	Agency: 376-The Evergreen State College
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	0.3	0.1	0.2	0.1	0.0
Account					
General Fund-State 001-1	49,966	7,840	57,806	16,154	8,321
Total \$	49,966	7,840	57,806	16,154	8,321

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.

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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: Eric Wolf	Phone: 786-7405	Date: 01/31/2013
Agency Preparation: Hope Hough	Phone: (360) 586-2769	Date: 02/05/2013
Agency Approval: Steve Trotter	Phone: (360) 867-6185	Date: 02/05/2013
OFM Review: Marc Webster	Phone: 360-902-0650	Date: 02/05/2013

Request # WSIPP-003-1

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.

SB 5278 § 1(4) directs the Washington State Institute for Public Policy (Institute) to study the implementation and outcomes for the teacher salary bonus program established in the bill. The examination of the bonus program must include a review of impacts on the following: recruitment and retention of math, science, and special education teachers statewide and in school districts; average experience levels and other quality indicators of teaching performance; the cost-effectiveness of the program; and potential changes that could result in more effective math, science, and special education instruction. A study report is due to the legislature and governor by January 1, 2021.

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.

In FY2014, the Insitute would assign one-third (0.33 FTE) of a Senior Research Associate to begin conducting the study. The initial research tasks would be to learn about and document the early implementation of the bonus program and to ensure that the necessary data are collected for research purposes. The necessary data include identifying teachers who did and did not receive the bonus and their associated retention rates and student outcomes. In subsequent years, 5% of a Senior Research Associate's time is required to continue to track implementation and check data quality (approximately \$8,000 per fiscal year).

In the 2019-20 biennium (not shown in this fiscal note), the Institute would assign one-half (0.50 FTE) of a Senior Research Associate, plus 0.10 FTE in programmer time and 0.05 FTE in office support, to conduct the statistical analysis and write a report to the legislature. The estimated cost for the 2019-20 biennium would be approximately \$165,000 (\$110,000 in FY2019 and \$55,000 in FY2020). The report is due by January 1, 2021.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2014	FY 2015	2013-15	2015-17	2017-19
FTE Staff Years	0.3	0.1	0.2	0.1	0.0
A-Salaries and Wages					
B-Employee Benefits	31,259	4,905	36,164	10,106	5,206
C-Professional Service Contracts	8,221	1,290	9,511	2,658	1,369
E-Goods and Other Services	10,486	1,645	12,131	3,390	1,746
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:	\$49,966	\$7,840	\$57,806	\$16,154	\$8,321

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 2014	FY 2015	2013-15	2015-17	2017-19
Senior Research Associate	94,296	0.3	0.1	0.2	0.1	0.0
Total FTE's	94,296	0.3	0.1	0.2	0.1	0.0

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.

Request # WSIPP-003-1