

Multiple Agency Fiscal Note Summary

Bill Number: 1457 S HB	Title: Family & med leave insurance
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Estimated Cash Receipts

Agency Name	2013-15		2015-17		2017-19	
	GF- State	Total	GF- State	Total	GF- State	Total
School District Fiscal Note - SPI	725,000	725,000	2,650,000	2,650,000	3,150,000	3,150,000
Total \$	725,000	725,000	2,650,000	2,650,000	3,150,000	3,150,000

Estimated Expenditures

Agency Name	2013-15			2015-17			2017-19		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Administrative Office of the Courts	Fiscal note not available								
Office of State Treasurer	Fiscal note not available								
Office of Financial Management	Fiscal note not available								
Office of Administrative Hearings	Fiscal note not available								
Department of Revenue	Fiscal note not available								
Department of Enterprise Services	Fiscal note not available								
Department of Labor and Industries	Fiscal note not available								
Department of Social and Health Services	Fiscal note not available								
Superintendent of Public Instruction	Fiscal note not available								
Employment Security Department	Fiscal note not available								
School District Fiscal Note - SPI	.0	0	1,200,000	.0	0	4,750,000	.0	0	6,700,000
SWF Statewide Fiscal Note - OFM	Fiscal note not available								
Total	0.0	\$0	\$1,200,000	0.0	\$0	\$4,750,000	0.0	\$0	\$6,700,000

Local Gov. Courts *	Fiscal note not available								
Local Gov. Other **	Fiscal note not available								
Local Gov. Total									

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

** See local government fiscal note

FNPID 34623

FNS029 Multi Agency rollup

Estimated Capital Budget Impact

NONE

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

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

** See local government fiscal note

Individual State Agency Fiscal Note

Revised

Bill Number: 1457 S HB	Title: Family & med leave insurance	Agency: SDF-School District Fiscal Note - SPI
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2014	FY 2015	2013-15	2015-17	2017-19
General Fund-State 001-1		725,000	725,000	2,650,000	3,150,000
Total \$		725,000	725,000	2,650,000	3,150,000

Estimated Expenditures from:

	FY 2014	FY 2015	2013-15	2015-17	2017-19
Account					
School District Local-Private/Local NEW-7	0	1,200,000	1,200,000	4,750,000	6,700,000
Total \$	0	1,200,000	1,200,000	4,750,000	6,700,000

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: Joan Elgee	Phone: 360-786-7106	Date: 02/18/2013
Agency Preparation: TJ Kelly	Phone: (360) 725-6181	Date: 02/26/2013
Agency Approval: JoLynn Berge	Phone: 360 725-6292	Date: 02/26/2013
OFM Review: Paula Moore	Phone: (360) 902-0540	Date: 02/26/2013

Request # SHB 1457-2

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 (15) assesses a premium on employers of 0.2 percent of wages beginning on July 1, 2014, and then 0.4 percent of wages beginning on January 1, 2016, to finance benefits and administration, with subsequent annual adjustments.

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.

State salary allocations due to school districts were estimated for the 2013-14 through the 2017-18 school years. These allocations were calculated based on the following assumptions: 1. Enrollment and staff mix factors from December 2012 apportionment served as the baseline for salary allocations. 2. Salary cuts of 1.9% and 3.0% are restored beginning in 2013-14. 3. Salary allocations were inflated by Seattle CPI as follows: 2.71% for 2013-14; 2.3% for 2014-15; 2.0% for 2015-16; 1.83% for 2016-17; 1.81% for 2017-18.

In order to calculate the portion of the annual allocation due in July and August of 2014, and to split the 2015-16 school year allocation between calendar years, the statutorily mandated monthly payment percentage of annual allotment due to school districts were used. School districts are due a combined 20% of their annual allocation in July and August of each year, while a combined 35% of their annual allocation is due between September and December of each school year.

After the salary allocations were calculated and broken out appropriately, 0.02% of the allocations before December 31, 2015, and 0.04% of the allocations after January 1, 2016 were calculated to come up with a total cost.

The total cost per state fiscal year is as follows: FY15 \$725,000; FY16 \$1,150,000; FY17 \$1,500,000; FY18 \$1,550,000; FY19 \$1,600,000.

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 note assumes that the employer contribution covers the entire amount of the premium, which aligns with the assumptions made in the statewide fiscal note.

Expenditure amounts included in this fiscal note only include the increased allocation that the state would provide to school districts. It does not include any costs for OSPI as a state agency.

Actual school district salaries were taken from the preliminary 2012-13 S-275 report to serve as the baseline for this fiscal note. Actual salaries paid were inflated by the projected Seattle CPI of 2.71% for 2013-14; 2.3% for 2014-15; 2.0% for 2015-16; 1.83% for 2016-17; and 1.81% for 2017-18.

OSPI assumes that school districts pay their employees the same amount each month over the course of the year.

Therefore, the annual total was prorated by the amount of months in each time period that was less than a year in the attached chart.

After the actual salaries paid were broken out appropriately, 0.02% of the total before December 31, 2015, and 0.04% of the total after January 1, 2016 were calculated to come up with the estimated fiscal impact.

The total cost to school districts per state fiscal year, as well as the amount funded by the state is shown in the attached document.

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					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Other		1,200,000	1,200,000	4,750,000	6,700,000
Total:	\$0	\$1,200,000	\$1,200,000	\$4,750,000	\$6,700,000

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 Salary Allocations						
School Years	July-Aug 14	2014-15	Sept-Dec 15	Jan-Aug 16	2016-17	2017-18
General Education	625,181,569	3,197,803,726	1,060,071,935	2,201,687,865	3,321,450,005	3,381,568,250
Categorical	33,875,850	173,274,974	57,440,654	119,299,819	179,974,824	183,232,368
CTE	41,473,089	212,134,853	70,322,704	146,054,846	220,337,259	224,325,363
Skills Center	4,150,353	21,229,054	7,037,431	14,616,204	22,049,897	22,449,000
Small Schools	8,250,636	42,202,001	13,989,963	29,056,078	43,833,784	44,627,175
Total Salary Allocation	\$ 712,931,497	\$ 3,646,644,608	\$ 1,208,862,687	\$ 2,510,714,812	\$ 3,787,645,768	\$ 3,856,202,157
Premium Percentage	0.02%	0.02%	0.02%	0.04%	0.04%	0.04%
Premium Dollar Value	\$ 142,586	\$ 729,329	\$ 241,773	\$ 1,004,286	\$ 1,515,058	\$ 1,542,481
Total By School Year	\$ 142,586	\$ 729,329	\$1,246,058		\$ 1,515,058	\$ 1,542,481

School District Salary Costs						
Total Salary	\$ 969,849,298	\$ 6,114,123,944	\$ 2,184,168,877	\$ 4,368,337,754	\$ 7,151,405,737	\$ 7,945,926,915
Premium Dollar Value	\$ 193,970	\$ 1,222,825	\$ 436,834	\$ 1,747,335	\$ 2,860,562	\$ 3,178,371
Total By School Year	\$ 193,970	\$ 1,222,825	\$2,184,169		\$ 2,860,562	\$ 3,178,371

Cost to School Districts Above Allocation						
Difference by School Year	\$ (51,384)	\$ (493,496)	(\$938,110)		\$ (1,345,504)	\$ (1,635,890)

Inflation Percentages	2.71%	2.30%	2.00%	1.83%	1.81%
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State Fiscal Year	14	15	16	17	18	19
State Costs	\$ -	\$ 726,049	\$ 1,142,713	\$ 1,461,258	\$ 1,536,996	\$ 1,562,067
School District Costs	\$ -	\$ 1,172,230	\$ 1,991,900	\$ 2,725,284	\$ 3,114,809	\$ 3,460,892

State salary allocations for partial school years were divided based upon the monthly payment percentages set in statute. School district salary costs are assumed to occur in twelve equal monthly payments. Therefore the amounts for partial school years of district payments are calculated based on the total months included divided by twelve.