

Multiple Agency Fiscal Note Summary

Bill Number: 5794 2S SB	Title: Alternative learning courses
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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	0	(1,620,000)	0	(1,800,000)	0	(1,800,000)
Total \$	0	(1,620,000)	0	(1,800,000)	0	(1,800,000)

Estimated Expenditures

Agency Name	2013-15			2015-17			2017-19		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of Financial Management	Fiscal note not available								
Superintendent of Public Instruction	Fiscal note not available								
School District Fiscal Note - SPI	.0	0	(1,620,000)	.0	0	(1,800,000)	.0	0	(1,800,000)
Total	0.0	\$0	\$(1,620,000)	0.0	\$0	\$(1,800,000)	0.0	\$0	\$(1,800,000)

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: Preliminary 3/19/2013
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 35176

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 5794 2S SB	Title: Alternative learning courses	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
School District Local-Private/Local New-7	(720,000)	(900,000)	(1,620,000)	(1,800,000)	(1,800,000)
Total \$	(720,000)	(900,000)	(1,620,000)	(1,800,000)	(1,800,000)

Estimated Expenditures from:

	FY 2014	FY 2015	2013-15	2015-17	2017-19
Account					
School District Local-Private/Local New-7	(720,000)	(900,000)	(1,620,000)	(1,800,000)	(1,800,000)
Total \$	(720,000)	(900,000)	(1,620,000)	(1,800,000)	(1,800,000)

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: Barbara McLain	Phone: 360-786-7383	Date: 03/12/2013
Agency Preparation: TJ Kelly	Phone: (360) 725-6181	Date: 03/18/2013
Agency Approval: JoLynn Berge	Phone: 360 725-6292	Date: 03/18/2013
OFM Review: Paula Moore	Phone: (360) 902-0540	Date: 03/19/2013

Request # 2SSB 5794-1

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.

Section 2 states that districts shall maintain a ratio of at least 46:1,000 CIS staff to student ratio, excluding the portion of a school district's annual average FTE enrolled in alternative learning experience (ALE) courses.

Section 3 defines alternative learning experience courses as either hybrid, online, or remote. Hybrid courses are defined by the student having instructional contact time for at least twenty percent of the total weekly time for the course. Online courses are defined by RCW 28A.250.010. Remote courses are defined by the student having in person instructional contact time for less than twenty percent of the total weekly time for the course. Total weekly time is defined as the estimated average hours per school week the student will engage in learning activities to meet the requirements of the written student learning plan. Any student at any grade level may enroll in any type of alternative learning experience course. (4) Districts must report annually to the superintendent of public instruction regarding the course types and offerings, and the number of students participating in each, and documenting the district of residence for each student enrolled in an ALE course. (6) Beginning in the 2013-14 school year, school districts must designate ALE courses as such when reporting information to OSPI.

Section 4(2)(iii) adds to the definition of "online course" that the student's primary instructional interaction is with a certificated teacher. Instructional interaction between the teacher and the student includes, but is not limited to, direct instruction, review of assignments, assessment, testing, progress monitoring, and educational facilitation.

NEW Section 9 states that funding for hybrid, remote, and online ALE courses shall be allocated by the office of superintendent of public instruction based on the unenhanced statewide average running start basic education allocation rate for grades 9-12, currently \$4,961.76 per student FTE.

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.

See expenditure narrative.

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.

NEW Section 9 states that funding for hybrid, remote, and online ALE courses shall be allocated by the office of superintendent of public instruction based on the unenhanced statewide average running start basic education allocation rate for grades 9-12, currently \$4,961.76 per student FTE.

Current law states that students in ALE courses are funded through the SHB 2776 model in the same manner as students in traditional basic education courses. This method takes into account the impact of each individual district's staff mix factor for their certificated instructional staff, as well as any salary schedule variations due to grandfathering. There are

some ALE students that are taking CTE courses, which would be funded at the enhanced CTE rate under current law. The language in section 9 uses a standard statewide rate for funding students in ALE courses which eliminates that district to district variations that are created by using each district's staff mix and salary grandfathering. District would be losing their CTE enhancement on the students taking ALE courses, because section 9 provides an allocation based on the basic education allocation rate for grades 9-12, with no consideration of using the 9-12 CTE allocation rate for the ALE CTE students.

Additionally, the unenhanced statewide average running start basic education allocation rate for grades 9-12 does not include the enhancement in funding formulas for lower class sizes in the elementary grades or the enhancement for the K-3 high poverty. These differences along with the CTE difference are what produce the savings in this fiscal note.

It is estimated that school districts will lose \$900,000 or approximately \$32 per student per school year due to this language. It is also assumed that school districts will reduce expenditures by this amount. It is not assumed that this savings will grow over time, because the basic education allocation rate for grades 9-12 is calculated using the factors that are in the basic education high school formula under SHB 2776. As such, fluctuations in the basic education formula will impact the proposed funding rate for ALE students. Therefore, OSPI assumes that the spread between funding rates for these students will remain approximately the same, given that student enrollment in these courses remains constant.

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					
9-9- School District Local	(720,000)	(900,000)	(1,620,000)	(1,800,000)	(1,800,000)
Total:	\$(720,000)	\$(900,000)	\$(1,620,000)	\$(1,800,000)	\$(1,800,000)

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.