

Multiple Agency Fiscal Note Summary

Bill Number: 2043 HB	Title: Education employee comp
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Estimated Cash Receipts

NONE

Local Gov. Courts *						
Loc School dist-SPI		(298,758,000)		(442,857,000)		(421,458,000)
Local Gov. Other **						
Local Gov. Total						

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	(298,758,000)	(298,758,000)	.0	(442,857,000)	(442,857,000)	.0	(421,458,000)	(421,458,000)
Community and Technical College System	Fiscal note not available								
Total	0.0	\$(298,758,000)	\$(298,758,000)	0.0	\$(442,857,000)	\$(442,857,000)	0.0	\$(421,458,000)	\$(421,458,000)

Local Gov. Courts *									
Loc School dist-SPI	Non-zero but indeterminate cost. Please see discussion.								
Local Gov. Other **									
Local Gov. Total									

Estimated Capital Budget Impact

NONE

Prepared by: Paula Moore, OFM	Phone: (360) 902-0540	Date Published: Preliminary 4/21/2013
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 35643

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 2043 HB	Title: Education employee comp	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	(98,688,000)	(200,070,000)	(298,758,000)	(442,857,000)	(421,458,000)
Total \$	(98,688,000)	(200,070,000)	(298,758,000)	(442,857,000)	(421,458,000)

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: 04/18/2013
Agency Preparation: Lorrell Noahr	Phone: (360) 725-6019	Date: 04/21/2013
Agency Approval: JoLynn Berge	Phone: 360 725-6292	Date: 04/21/2013
OFM Review: Paula Moore	Phone: (360) 902-0540	Date: 04/21/2013

Request # 2043 SPI-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.

This bill suspends Initiative 732 Cost-of-Living-Adjustments (COLAs) for K-12 staff salaries and National Board Certified Teacher bonuses for the 2013-14 and 2014-15 school years.

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 enrollment basis for this fiscal note is from the March Caseload Forecast Council. This fiscal note assumes the following baseline:

- A. Salary restoration of 3.0% or 1.9% is included. (These district level salary allocations are per the Governor Gregoire's budget, and are available on the LEAP website.)
- B. Fringe Benefit maintenance rates of 18.68% for certificated employees and 20.95% for classified employees.
- C. I-732 COLA percentage is the projected Seattle CPI of 2.5% between 2012-13 and 2013-14; and 1.8% between 2013-14 and 2014-15.
- D. National Board Certified Teacher bonus COLA of 1.5% for fiscal year 2015 and 1.7% for fiscal year 2016.

The biennial suspension of the I-732 COLA for school district salaries creates a savings to the state by reducing the salary allocation for school district staff. Additionally, a savings to the state of \$3,167,000 in fiscal year 2015 and \$3,917,000 in fiscal year 2016 is created by suspending the COLA for the national certified teacher bonus. Since a "catch-up" I-732 COLA is not assumed in this bill, future fiscal years after the 2013-15 biennium will also see a cost savings as the base salary is less than it would have been without the enactment of this bill.

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	(98,688,000)	(200,070,000)	(298,758,000)	(442,857,000)	(421,458,000)
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$(98,688,000)	\$(200,070,000)	\$(298,758,000)	\$(442,857,000)	\$(421,458,000)

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: 2043 HB	Title: Education employee comp	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	(98,688,000)	(200,070,000)	(298,758,000)	(442,857,000)	(421,458,000)
Total \$		(98,688,000)	(200,070,000)	(298,758,000)	(442,857,000)	(421,458,000)

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

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:	Jessica Harrell	Phone: 360-786-7349	Date: 04/18/2013
Agency Preparation:	Lorrell Noahr	Phone: 360 725-6019	Date: 04/21/2013
Agency Approval:	JoLynn Berge	Phone: 360 725-6292	Date: 04/21/2013
OFM Review:	Paula Moore	Phone: (360) 902-0540	Date: 04/21/2013

Request # 2043 SDF-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.

Suspends Initiative 732 Cost-of-Living Adjustments (COLAs) for K-12 salaries and National Board Certified Teacher bonus for the 2013-14 and 2014-15 school years.

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.

The enrollment basis for this fiscal note is from the March Caseload Forecast Council. This fiscal note assumes the following baseline:

- A. Salary restoration of 3.0% or 1.9% is included. (These district level salary allocations are per the Governor Gregoire's budget, and are available on the LEAP website.)
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- D. National Board Certified Teacher bonus COLA of 1.5% for fiscal year 2015 and 1.7% for fiscal year 2016.

The biennial suspension of the I-732 COLA for school district salaries reduces the state allocation for school district staff. Additionally, a reduction to school districts of \$3,167,000 in fiscal year 2015 and \$3,917,000 in fiscal year 2016 is created by suspending the COLA for the national certified teacher bonus. Since a "catch-up" I-732 COLA is not assumed in this bill, future fiscal years after the 2013-15 biennium will also see a reduction to school districts as the base salary is less than it would have been without the enactment of this bill.

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.

It is unknown if districts will apply an inflationary increases to their bargained salaries, by making this up through local revenue sources, or if they will forgo the expenditure completely. For this reason, the local school district expenditures are indeterminate.

Part III: Expenditure Detail

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.