

Multiple Agency Fiscal Note Summary

Bill Number: 1546 S HB	Title: Dual credit ed opportunities
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Estimated Cash Receipts

Agency Name	2015-17		2017-19		2019-21	
	GF- State	Total	GF- State	Total	GF- State	Total
University of Washington	0	23,862	0	682,353	0	938,625
Eastern Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Community and Technical College System	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Total \$	0	23,862	0	682,353	0	938,625

Estimated Expenditures

Agency Name	2015-17			2017-19			2019-21		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Student Achievement Council	Fiscal note not available								
Superintendent of Public Instruction	.0	22,800,000	22,800,000	.0	23,700,000	23,700,000	.0	25,000,000	25,000,000
University of Washington	.3	237,073	237,073	1.0	506,044	506,044	1.7	730,786	730,786
Washington State University	.0	0	0	.0	0	0	.0	0	0
Eastern Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Central Washington University	Fiscal note not available								
The Evergreen State College	.0	0	0	.0	0	0	.0	0	0
Western Washington University	.0	0	0	.0	0	0	.0	0	0
Community and Technical College System	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total	0.3	\$23,037,073	\$23,037,073	1.0	\$24,206,044	\$24,206,044	1.7	\$25,730,786	\$25,730,786

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

Estimated Capital Budget Impact

NONE

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

** See local government fiscal note

FNPID: 40365

FNS029 Multi Agency rollup

Prepared by: Kate Davis, OFM	Phone: (360) 902-0570	Date Published: Preliminary 2/27/2015
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note
FNPID: 40365

Individual State Agency Fiscal Note

Bill Number: 1546 S HB	Title: Dual credit ed opportunities	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 2016	FY 2017	2015-17	2017-19	2019-21
Account					
General Fund-State 001-1	10,000,000	12,800,000	22,800,000	23,700,000	25,000,000
Total \$	10,000,000	12,800,000	22,800,000	23,700,000	25,000,000

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: 02/18/2015
Agency Preparation: TJ Kelly	Phone: 360 725-6301	Date: 02/23/2015
Agency Approval: TJ Kelly	Phone: 360 725-6301	Date: 02/23/2015
OFM Review: Kate Davis	Phone: (360) 902-0570	Date: 02/23/2015

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(1) - Requires OSPI to participate in the rule making process to ensure that credits offered in college in the high school programs are transferable to institutions of higher learning. These rules must be updated by December 1, 2015.

Section 2(3)(a) – states that if a per credit amount is provided by the state to school districts for the purpose paying a student’s fees to the college, the maximum per credit fee charged to any participating student may not exceed the amount of the state subsidy per credit.

Section 2(3) (g) allows tenth graders to participate in college in the high school programs.

Section 2(3) (h) requires school districts to provide information on college in the high school programs to students in grades eight through twelve.

Section 2(4) (b) states that to be considered a college in the high school program course, a comparable course must be offered for college credits to matriculated students at the institution, and the course must satisfy a general education requirement or degree requirement.

Section 2(4) (c) defines an eligible student for purposes of the per credit subsidy as one who is enrolled by the first day of the program course and who (1) have been eligible for free or reduced priced lunches in the last five years, or (2) who achieves a three or four score on an assessment developed with the multistate consortium regardless of income.

Section 2(5) (b) (i) Establishes a per credit subsidy of \$65 per quarter credit for the 2015-16 school year which will be adjusted annually for inflation. The maximum number of credits per student is set at 10.

Section 2(5) (b) (ii and iii) states that districts must annually apply to OSPI by July 1st of each year to participate in the subsidy program. Requires OSPI to notify districts by September 1st annually if the district’s students will receive the subsidy. Requires OSPI to prioritize funding, as needed.

Subsection 2(5)(b)(iv) requires districts to remit any subsidies to the institute of higher education on behalf of eligible students, and those students shall not be required to pay for the subsidized costs.

Section 3(1) (b) disallows running start course sections and programs consisting solely of high school students offered at high schools as of September 1, 2017. Prohibits participating institutions of higher learning from creating new course sections or programs offered at high schools consisting solely of high school students.

Section 6 requires school districts to provide general information about dual credit programs to all pupils in grades eight through twelve.

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.

Eliminating Running Start in the high school classes starting with the 2017-18 school year

- During the 2013-14 school year, colleges were offering running start classes in the high school over various lengths of time; the college quarter, the high school term, or the entire school year. Guidance was issued in the summer of 2014 which said running start in the high school courses must be offered in accordance with the high school calendar and changed the FTE calculation to include a month factor. A 5 credit class offered over a high school semester would equate to 0.20 AAFTE. A 5 credit class offered over a high school year would equate to 0.10 AAFTE. In either case, the student is accessing running start funding outside of the 5 hours that a student must be enrolled to be claimed as a 1.0 FTE for basic education.
- Actual 2014-15 AAFTE of running start in the high school for January 2015 was 554.34. OSPI assumes that for the second semester of 2014-15, there will be an increase of running start classes in the high school and the final AAFTE will be 600. The final annual average headcount will be 3,000. (600 x 0.20).
- Applying the maintenance running start rates for each school year – 2017-18 through 2020-21, the cost savings realized through not funding the 600 FTE for these years is shown on attached table with the blue heading.

Funding College in High School (CH) for Eligible Free and Reduced Price Lunch (FRPL) Students

- From the CEDARS extract of 2013-14 dual credit enrollment, 18,461 students in grades 10th through 12th were enrolled in CH courses.
- OSPI calculated a percentage of students in grades 10th through 12th grades who participated in CH last year by dividing the total number of CH students in each grade by the total number of students as reported on the P223 last year.
- Using these CH participation percentages, OSPI applied it to the February 2015 Caseload Forecast to arrive at the estimated students that would participate in CH class for future years.
- A percentage of students that qualified for free and reduced price lunch (FRPL) for each grade was calculated using an October 1, 2014 CEDARS extract as of January 20, 2015. This poverty percentage was applied consistently through each year of the fiscal note.
- For the 2017-18 school year and beyond, OSPI assumes that the Running Start in high school classes will become CH classes. The enrollment in the Running Start classes were added to the estimate CH enrollment for these years.
- OSPI assumes that there would be no new growth in 2015-16 because it would be too late to expand the program by the time the bill was passed and rules were written.
- OSPI assumes that for 2016-17 school year, the number of new students that would access dual credit classes at the high school would increase by 5%.
- For estimated growth of new CH students beyond the 2016-17 school year, OSPI estimates percentage growth in CH courses as follows: 12.0% for 2017-18; 7.12% for 2018-19; 4.03% for 2019-20; 3.60% for 2020-21.
- OSPI applied these percentage increases to the estimated eligible FRPL CH students.
- OSPI assumes that each of eligible students will enroll in the maximum funded CH courses – resulting in 10 credits per student.
- For 2015-16, OSPI used the \$650 rate and applied the IPD% for future years.

- IPD applied was applied per year as follows 1.7% for 2016-17; 1.8% for 2017-18; and 1.9% for remaining years.
- The fiscal impact of funding college in the high school students eligible for free and reduced priced lunch is shown on the attached table with the green heading.

Funding CH for Merit Based 12th Grade Students

- OSPI used the same method above to determine the estimated number of 12th graders enrolling in CH classes.
 - o Applying the percentage of students enrolled in CH classes in 2013-14 to the February 2015 Caseload Forecast 12th grade enrollment.
 - o For 2017-18 school year and beyond, adding the 12th grade Running Start in the high school enrollment to the 12th grade CH enrollment.
- OSPI used a factor of 37% to determine the number of 12th grade students that would score a 3 or 4 on the SBAC. This factor is the national average percentage of students scoring a 3 or 4 on the SBAC.
- Additionally, OSPI reduced the eligible Merit Based 12th CH graders by 5% each year to address the fact that some students may qualify as both FRPL and Merit Based.
- OSPI assumes that each of eligible students will enroll in the maximum funded CH courses – resulting in 10 credits per student.
- For 2015-16, OSPI used the \$650 rate and applied the IPD% for future years.
- The costs associated with funding college in the high school to student who qualify through the merit based method is shown in the attached table with the pink heading.

Providing Funding for Books and Materials for Eligible FRPL Running Start Students

- To determine the number of Running Start students that would be eligible for this funding, OSPI first calculated the number of 11th and 12th graders that would be enrolled in Running Start by using the February 2015 Caseload Forecast and applying the percentage of 11th graders (45.88%) and 12th graders (54.12%) enrolled in Running Start for 2013-14.
- OSPI applied the FRPL factors for 11th and 12th graders used above for CH FRPL eligible students.
- For 2015-16, OSPI used the \$100 rate for each Running Start class and applied the IPD% for future years.
- Using the dual credit data from a 2013-14 CEDARS extract, it was determined that the average number of Running Start classes taken per student was 4.69.
- To determine the number of classes that would receive this funding, OSPI multiplied the number of estimated eligible RS FRPL students by the number of courses by student by the dollar rate for each course. (9,012 X 4.69 X \$100)
- The costs associated with providing funding for books and materials for running start students who qualify for free or reduced priced lunch is shown on the attached table with the purple heading.

Providing Funding for Books and Materials for Eligible Merit Based Running Start Students

- OSPI used the same number of 12th graders enrolled in RS students as calculated for FRPL RS students.
- To determine Merit Based eligibility, OSPI applied the same method that was used to determine Merit Based eligibility for CH students.
 - o OSPI used a factor of 37% to determine the number of 12th grade students that would score a 3 or 4 on the SBAC. This factor is the national average percentage of students scoring a 3 or 4 on the SBAC.
 - o Additionally, OSPI reduced the eligible Merit Based 12th RS graders by 5% each year to address the fact that some students may qualify as both FRPL and Merit Based.
- OSPI applied the \$100 rate for each class and applied the IPD% for future years.

- OSPI used the same assumption on the course-load for each RS student as was used for RS FRPL students – each eligible student would enroll in 4.69 classes per school year.
- The costs associated with providing funding for books and materials for running start students who qualify through the merit based method is shown on the attached table with the brown heading.

Total combined school year and state fiscal year costs of this bill are shown in the table on the very bottom of the attached document.

Total cost per state fiscal year is \$10.0 million in 2016; \$12.8 million in 2017; \$11.6 million in 2018; \$11.8 million in 2019; \$12.0 million in 2020; and \$12.5 million in 2021.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
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	10,000,000	12,800,000	22,800,000	23,700,000	25,000,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$10,000,000	\$12,800,000	\$22,800,000	\$23,700,000	\$25,000,000

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.

Estimated Costs of SHB 1546

Eliminating Running Start in High School (RS in HS)	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
RS in HS FTE as of Jan. 2015			600	600	600	600
RS in HS HC as of Jan. 2015			3,000	3,000	3,000	3,000
Maintenance Running Start Rate			6,452	6,570	6,596	6,625
Total savings when RS in HS credits are funded as CH	\$ -	\$ -	\$ (3,871,074)	\$ (3,942,138)	\$ (3,957,888)	\$ (3,974,814)
Funding College in High School (CH) for FRPL	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
10th grade	4,950	4,961	4,872	4,900	4,993	5,069
11th grade	6,334	5,931	5,958	5,836	5,887	6,008
Additional 11th graders from RS in HS			1,470	1,470	1,470	1,470
12th grade	7,177	6,837	6,851	6,882	6,745	6,786
Additional 12th graders from RS in HS			1,530	1,530	1,530	1,530
Total CH HC	18,461	17,730	20,681	19,087	19,096	19,334
10th grade FRPL %	41.6%	41.6%	41.6%	41.6%	41.6%	41.6%
11th grade FRPL %	38.2%	38.2%	38.2%	38.2%	38.2%	38.2%
12th grade FRPL %	37.8%	37.8%	37.8%	37.8%	37.8%	37.8%
Average FRPL %	39.2%	39.2%	39.2%	39.2%	39.2%	39.2%
Assumed growth of CH program	0.0%	5.00%	17.00%	24.12%	28.15%	31.75%
Estimated 10th graders qualifying for FRPL	2,059	2,167	2,372	2,530	2,077	2,109
Estimated 11th graders qualifying for FRPL	2,421	2,380	3,321	3,466	3,603	3,765
Estimated 12th graders qualifying for FRPL	2,712	2,583	3,705	3,945	4,007	4,140
Estimated CH HC qualifying for FRPL	7,192	7,131	9,398	9,940	9,687	10,014
Funding provided for each eligible student for 10 credits max	\$ 650.00	\$ 661.05	\$ 672.95	\$ 685.73	\$ 698.76	\$ 712.04
Cost of funding each qualified FRPL student	\$ 4,674,584	\$ 4,713,654	\$ 6,324,327	\$ 6,816,475	\$ 6,769,181	\$ 7,130,456
Funding College in High School (CH) for Merit Based - 12th grade only	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
12th grade	7,177	6,837	8,381	8,412	8,275	8,316
Total CH HC	7,177	6,837	8,381	8,412	8,275	8,316
Current national average % scoring 3 or 4 on SBAC	37.0%	37.0%	37.0%	37.0%	37.0%	37.0%
Assumed growth of CH program	0.00%	5.00%	17.00%	24.12%	28.15%	31.75%
Assumed factor to prevent students being counted twice (FRPL/Merit Based)	5.0%	5.0%	5.0%	5.0%	5.0%	5.0%
Estimated 12th graders qualifying for Merit Based	2,297	2,523	3,447	3,670	3,728	3,851
Estimated CH HC qualifying for Merit Based	2,297	2,523	3,447	3,670	3,728	3,851
Funding provided for each eligible student for 10 credits max	\$ 650.00	\$ 661.05	\$ 672.95	\$ 685.73	\$ 698.76	\$ 712.04
Cost of funding each qualified Merit Based student	\$ 1,492,789	\$ 1,668,063	\$ 2,319,447	\$ 2,516,519	\$ 2,604,742	\$ 2,742,219

Providing \$ for books and materials for RS students qualifying for FRPL	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
11th RS grade HC	10,885	10,968	11,003	10,922	10,853	10,993
12th RS grade HC	12,842	12,941	12,982	12,886	12,804	12,970
Total RS HC	23,727	23,909	23,985	23,808	23,656	23,962
11th grade FRPL %	38.2%	38.2%	38.2%	38.2%	38.2%	38.2%
12th grade FRPL %	37.8%	37.8%	37.8%	37.8%	37.8%	37.8%
Average FRPL %	38.0%	38.0%	38.0%	38.0%	38.0%	38.0%
Estimated 11th RS graders qualifying for FRPL	4,160	4,192	4,205	4,174	4,148	4,201
Estimated 12th RS graders qualifying for FRPL	4,852	4,889	4,905	4,869	4,838	4,900
Estimated RS qualifying for FRPL	9,012	9,081	9,110	9,043	8,985	9,102
Cost of funding each course	\$ 100.00	\$ 101.70	\$ 103.53	\$ 105.50	\$ 107.50	\$ 109.54
Average courses taken	4.69	4.69	4.69	4.69	4.69	4.69
Cost of funding each qualified FRPL students text books/materials	\$ 4,226,689	\$ 4,331,533	\$ 4,423,603	\$ 4,474,304	\$ 4,530,302	\$ 4,676,075

Providing \$ for books and materials for RS students qualifying for Merit Based - 12th Gr Only	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
12th RS grade HC	12,842	12,941	12,982	12,886	12,804	12,970
Total RS HC	12,842	12,941	12,982	12,886	12,804	12,970
Current national average % scoring 3 or 4 on SBAC	37%	37%	37%	37%	37%	37%
Assumed factor to prevent students being counted twice (FRPL/Merit Based)	5%	5%	5%	5%	5%	5%
Estimated 12th RS graders qualifying for Merit Based	4,514	4,549	4,563	4,529	4,501	4,559
Cost of funding each course	\$ 100.00	\$ 101.70	\$ 103.53	\$ 105.50	\$ 107.50	\$ 109.54
Average courses taken per student	4.69	4.69	4.69	4.69	4.69	4.69
Cost of funding each qualified Merit Based students text books/materials	\$ 2,117,053	\$ 2,169,567	\$ 2,215,683	\$ 2,241,077	\$ 2,269,126	\$ 2,342,140

Cost per million - school year	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
Eliminating Running Start in High School (RS in HS)	\$ -	\$ -	\$ (3.9)	\$ (3.9)	\$ (4.0)	\$ (4.0)
Funding College in High School (CH) for FRPL	\$ 4.7	\$ 4.7	\$ 6.3	\$ 6.8	\$ 6.8	\$ 7.1
Funding College in High School (CH) for Merit Based - 12th grade only	\$ 1.5	\$ 1.7	\$ 2.3	\$ 2.5	\$ 2.6	\$ 2.7
Providing \$ for books and materials for RS students qualifying for FRPL	\$ 4.2	\$ 4.3	\$ 4.4	\$ 4.5	\$ 4.5	\$ 4.7
Providing \$ for books and materials for RS students qualifying for Merit Based 12th grade only	\$ 2.1	\$ 2.2	\$ 2.2	\$ 2.2	\$ 2.3	\$ 2.3
Total Cost	\$ 12.5	\$ 12.9	\$ 11.4	\$ 12.1	\$ 12.2	\$ 12.9
Total cost per state fiscal year	\$ 10.0	\$ 12.8	\$ 11.7	\$ 12.0	\$ 12.2	\$ 12.8
Total cost per biennium	\$ 22.8		\$ 23.7		\$ 25.0	

Individual State Agency Fiscal Note

Revised

Bill Number: 1546 S HB	Title: Dual credit ed opportunities	Agency: 360-University of Washington
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2016	FY 2017	2015-17	2017-19	2019-21
Institutions of Higher Education - Dedicated Local Account-Non-Appropriated 148-6	(119,313)	143,175	23,862	682,353	938,625
Total \$	(119,313)	143,175	23,862	682,353	938,625

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.3	0.4	0.4	1.0	1.7
Account					
General Fund-State 001-1	81,491	155,582	237,073	506,044	730,786
Total \$	81,491	155,582	237,073	506,044	730,786

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: 02/18/2015
Agency Preparation: Becka Johnson Poppe	Phone: 206-616-7203	Date: 02/20/2015
Agency Approval: Becka Johnson Poppe	Phone: 206-616-7203	Date: 02/20/2015
OFM Review: Cherie Berthon	Phone: 360-902-0659	Date: 02/20/2015

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.

P S HB 1546 would bring significant changes for College in the High School programs across Washington. The bill would provide state funding to eliminate tuition for low-income students and academically qualified students (in grade 12) in registering to earn college credit in College in the High School. Instead of charging these students, the state would allocate additional funds (a minimum of \$65/credit) to school districts based on the number of college credits enrolled through College in the High School programs. This would likely result in more low-income students participating in College in the High School programs. The state would define low-income as a student being eligible for free or reduced-price meals. For students not eligible for this state support - whether because they are not low-income, are not seniors who passed the SBAC, or because funds have been spent already - the program could not charge an amount that is higher than that state-subsidized amount. This legislation also expands eligibility to grade 10 and caps state subsidy at 10 credits per 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.

By expanding grade level eligibility to grade 10 and by providing state funding to eliminate cost to low income students, we expect that the College in the High School program at the UW will grow significantly, particularly in the first couple of years. Approximately 40% of high school students currently in the program are low-income and would qualify for this aid. Additional students who do not qualify for this state funding could still qualify by passing SBAC, though this would only be available to students in the 12th grade. Meanwhile, new courses and schools would be added to the program, creating greater potential for growth in enrollments and expenses.

We estimate growth over these six years as increasing in a bell curve, with registration growth being highest in FY17 and 18, nearing 6,500 registrations in FY 21. One unknown is the impact of "Running Start in the High School" programs at EWU and CWU being permitted to continue through FY17; these are growing programs in direct "competition" with the UW's program.

Under this bill, funding from the state would go to the school district at a minimum rate of \$65 per credit (Sec 2.5.b), and then the entirety of that funding would then be transmitted from the school district to the institution of higher education. This would result in a decrease in our per-course revenue, from the current amount of \$364 (or \$72.80 per credit) to the new amount of \$325 (\$65 per credit). This decrease would potentially be offset by higher numbers of registrations and efficiencies within the program that are already in place for handling higher numbers. Forgone fee revenue is projected using current number of registrations and current course fee structure, with no anticipated growth in the program.

This bill would impact our fund 148 cash receipts in two different ways. The table above represent the net impact of:

- Forgone per-course revenue associated with the decrease from \$72.80 per credit to \$65 per credit; and
- Additional revenue associated with anticipated enrollment growth.

Here is the individual impact of each:

Forgone per-course revenue

FY16: -1,063,438

FY17: -989,775
FY18: -941,428
FY19: -931,021
FY20: -919,057
FY21: -917,768

Additional revenue from enrollment growth

FY16: 944,125
FY17: 1,132,950
FY18: 1,246,245
FY19: 1,308,557
FY20: 1,373,985
FY21: 1,401,465

Although the net cash receipts impact of this bill is positive, once additional expenditures are taken into account (as discussed in the Expenditure narrative), the remaining cash receipts would be equivalent to less than 1% of the program's total budget.

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.

To accommodate the estimated enrollment growth described in the Cash Receipts narrative, a number of necessary expenditures would likewise increase. These include additional pay for faculty and staff supporting the program and additional travel expenses to visit more partner high schools for meetings and classroom observations. These costs increase each year to accommodate growth in the number of courses and schools participating in the program.

--Travel is for faculty and program staff to visit and observe classrooms across the state; each course being offered for UW credit through this program must be observed at least once. As the number of courses grows, the number of school visits and classroom observations increases.

--For Salaries & Wages, a small amount of additional faculty time (average salary of \$90,000, benefits rate of 22.7%) would be needed and less than 1 FTE of additional support staff time (average salary of \$50,000, benefits rate of 17%) would be needed, with the time needed increasing each year in conjunction with enrollment growth. In addition, starting in FY19, a 1.0 FTE Program Manager would be needed (full time salary of \$65,000, benefits rate of 18.6%) to accommodate growth in the program, particularly due to new schools as part of this state-wide program.

--Intra-agency Reimbursements include internal per-course charges in UW Educational Outreach to cover program management and infrastructure as well UW Overhead for this program (5.59%).

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.3	0.4	0.4	1.0	1.7
A-Salaries and Wages	15,000	22,500	37,500	121,250	205,176
B-Employee Benefits	2,721	4,082	6,803	22,294	37,835
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel	2,000	3,000	5,000	7,500	8,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	61,770	126,000	187,770	355,000	479,775
9-					
Total:	\$81,491	\$155,582	\$237,073	\$506,044	\$730,786

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 2016	FY 2017	2015-17	2017-19	2019-21
Faculty	90,000	0.0	0.1	0.1	0.1	0.1
Program Manager	65,000				0.5	1.0
Program Support Staff	50,000	0.2	0.4	0.3	0.5	0.6
Total FTE's	205,000	0.3	0.4	0.4	1.0	1.7

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.

Individual State Agency Fiscal Note

Bill Number: 1546 S HB	Title: Dual credit ed opportunities	Agency: 365-Washington State University
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Part I: Estimates

☒ **No Fiscal Impact**

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: 02/18/2015
Agency Preparation: Chris Jones	Phone: 509-335-9682	Date: 02/24/2015
Agency Approval: Kelley Westhoff	Phone: 5093350907	Date: 02/24/2015
OFM Review: Cherie Berthon	Phone: 360-902-0659	Date: 02/24/2015

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.

Sec. 2 concerns the College in the High School Program. Since WSU does not participate in this dual degree program, no fiscal impact is foreseen.

Sec. 3 clarifies that course sections and programs offered to Running Start students must be open to matriculated students at the participating institution of higher education. WSU does not believe this change will have a fiscal impact.

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.

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.

Individual State Agency Fiscal Note

Bill Number: 1546 S HB	Title: Dual credit ed opportunities	Agency: 370-Eastern Washington University
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

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.
- ☐ 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: 02/18/2015
Agency Preparation: Alexandra Rosebrook	Phone: (509) 359-7364	Date: 02/24/2015
Agency Approval: Alexandra Rosebrook	Phone: (509) 359-7364	Date: 02/24/2015
OFM Review: Cherie Berthon	Phone: 360-902-0659	Date: 02/24/2015

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.

The bill replaces existing dual credit opportunities provided by Washington State's public institutions. The amending legislation converts the current off-campus Running Start to College in the High School programs at Eastern Washington University, and provides a minimum subsidy amount of \$65 per credit for 10th through 12th grade low-income students or student meeting the minimum assessment score. OSPI will prioritize school districts regarding the subsidy funds available to pay for College in the High School credits. The number of subsidized credits is limited to 10 annually. Students can pay the cost of unsubsidized College in the High School with GET units.

Running Start On-Campus students can receive a per course subsidy (minimum \$100), which may be used for books and materials, subject to appropriation. The maximum annual number of courses or credits will be limited to five courses or 25 credits.

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.

College in the High School

Eastern Washington University anticipates the funding will be eliminated for at least half of our current off-campus students due to the modification in eligible students and the limit on number of credits. Eastern is also making an assumption that the increase in enrollment due the expansion to 10th graders would be approximately 12.5% of current enrollment. The fiscal impact is estimated at least \$1,600,000 loss in annual revenue due to the change from the Running Start funding model to the language included in PSHB 1546 This fiscal impact will significantly impact the number of students EWU can serve in this program.

Running Start

Eastern is unable to estimate the fiscal impact related to the book and materials subsidy. However, Eastern's running start program currently provides books to low-income students through the running start library therefore, the students do not have out of pocket expenses for books. Eastern anticipates the running start program to be cut in half due to the 25 credit hour limit. The fiscal impact is estimated at least \$610,000 loss in annual revenue. The credit hour limit will significantly impact access to higher education through the Running Start program to current and future students.

Dual Credit Opportunities

Eastern will be unable to operate dual credit programs at a loss, even in the short term. Eastern will be unable to offer these program to academically eligible students throughout the state, if the undefined \$65 subsidy is insufficient or the decline in enrollment results in insufficient resources to meet program costs. Eastern currently serves 45 school districts statewide with 55 high schools.

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.

Running Start program

Eastern currently provides all students with bus passes at no cost to the student under an existing contract with Spokane Transit Authority. In addition, the university purchases textbooks and makes them available at no charge for low-income on-campus running start students during the term. The bill includes funding for transportation and textbook costs, representing a minimal savings to Eastern.

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.

Individual State Agency Fiscal Note

Bill Number: 1546 S HB	Title: Dual credit ed opportunities	Agency: 376-The Evergreen State College
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Part I: Estimates

☒ **No Fiscal Impact**

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: 02/18/2015
Agency Preparation: Steve Trotter	Phone: (360) 867-6185	Date: 02/19/2015
Agency Approval: Steve Trotter	Phone: (360) 867-6185	Date: 02/19/2015
OFM Review: Cherie Berthon	Phone: 360-902-0659	Date: 02/20/2015

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.

As of now Evergreen does not offer College in the High School, however, this is something we may do in the future. Therefore there is no fiscal impact for Evergreen at this time.

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.

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.

Individual State Agency Fiscal Note

Bill Number: 1546 S HB	Title: Dual credit ed opportunities	Agency: 380-Western Washington University
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Part I: Estimates

☒ **No Fiscal Impact**

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: 02/18/2015
Agency Preparation: Kirk England	Phone: 360-650-4694	Date: 02/20/2015
Agency Approval: Linda Teater	Phone: 360-650-4762	Date: 02/20/2015
OFM Review: Cherie Berthon	Phone: 360-902-0659	Date: 02/20/2015

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.

S HB 1546 as written will not have a fiscal impact on WWU. WWU does not participate in any of the programs outlined in the bill.

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.

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.

Individual State Agency Fiscal Note

Bill Number: 1546 S HB	Title: Dual credit ed opportunities	Agency: 699-Community/Technical College System
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

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.
- ☐ 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: 02/18/2015
Agency Preparation: Brian Myhre	Phone: 360-704-4413	Date: 02/20/2015
Agency Approval: Nick Lutes	Phone: (360) 704-1023	Date: 02/20/2015
OFM Review: Cherie Berthon	Phone: 360-902-0659	Date: 02/20/2015

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 would modify requirements, rules and procedures for the College in the High School and the Running Start Programs. There is no change in fiscal impact compared to the prior bill.

SECTION 2 – COLLEGE IN THE HIGH SCHOOL PROGRAM (28A.290)

Section 2(1)

Amends rulemaking authority to include the Washington Student Achievement Council (WSAC) in the list of agencies required to jointly develop and individually adopt program rules. Further it amends rulemaking to require the Washington State Board for Community and Technical Colleges (SBCTC), along with the WSAC, public baccalaureate institutions, and the Office of the Superintendent of Public Instruction (OSPI), to update rules for the College in the High School Program by December 1, 2015.

Section 2(3)(a)

Specifies that institutions of higher education may charge tuition fees per enrolled student on a per credit basis. If the state provides a per credit subsidy to certain students, the maximum per credit fee charged to any student may not exceed the state subsidy amount.

Section 2(3)(g)-(h)

Would allow students in the tenth grade to participate in the College in the High School Program and allows promotion of the program beginning in the eighth grade.

Section 2(5)(a)

Would permit either a school district or a student to pay the tuition fees charged by the College in the High School Program.

Section 2(5)(b)(i)-(iv)

Subject to an appropriation, the state would be required to provide a subsidy for eligible students. Eligible students [defined in subsection 2(4)(c)] are established as those eligible for free or reduced-price lunches in the last 5 years or who have scored a 3 or 4 on an assessment developed with the multistate consortium under RCW 28A.655 – Academic Achievement and Accountability. The minimum per credit subsidy must be \$65 in the 2015-16 school year, with annual adjustment for inflation. The maximum annual number of subsidized credits is to be specified in the Omnibus Appropriations Act but must not exceed 10 credits.

School districts wishing to participate in the subsidy program are to apply to OSPI by July 1st of each year and report the preliminary estimate of eligible students. Subsidy funding would be received by the school district from OSPI, who in turn is required to notify the district by September 1st of each if the district's students will receive a subsidy. Finally, the bill would require any subsidies appropriated for students in the College in the High School Program to be remitted to the participating institution of higher education.

Section 2(5)(d)

Would allow students to pay College in the High School fees with advanced college tuition payment program tuition units (GET Program).

SECTION 3 – RUNNING START PROGRAM (28A.300)

Section 3(1)(b)

This section requires that, by September 1, 2017, all course sections and programs offered for Running Start to be open for registration to matriculated students at the participating institution of higher education and may not be offered at high schools consisting solely of high school students. By September 1, 2017 participating institutions of higher education are directed to phase out courses and programs offered at high schools. Participating institutions of higher education are also directed not start any new course or program offerings at high schools.

Section 3(2)(c)

The section provides authority for allow student's advanced college tuition payment program tuition units (GET Program) to pay Running Start fees.

Section 3(3)(a)

This section would amend current 'Running Start – Needy Waiver' requirements to include students who scored a 3 or 4 on an assessment developed with the multistate consortium under RCW 28A.655 – Academic Achievement and Accountability. Amends existing requirements to establish a written policy on waiver eligibility to reflect the new eligibility category.

Section 3(5)

Subject to appropriation, this section would require that each eligible student receive a per course or credit subsidy, which may be used for books and materials. Eligible students are defined as students eligible for free or reduced-price lunches in the last 5 years or who have scored a 3 or 4 on an assessment developed with the multistate consortium under RCW 28A.655 – Academic Achievement and Accountability. The maximum annual number of courses or credits, to be specified in the Omnibus Appropriations Act, cannot exceed five courses or twenty-five credits.

School districts must report preliminary estimates of eligible Running Start students to OSPI by July 1st of each year. OSPI must notify school districts by September 1st if the school district's students will receive a subsidy. School districts are required to remit any subsidies appropriated for students in the Running Start Program to the participating institution of higher education. Subsidies would be provided as a credit to the student to be used for books and materials.

Section 6

Would allow school districts to provide information to students about the Running Start program beginning in the eighth grade.

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 would revise certain provisions regarding tuition fees for the College in the High School Program. These revisions include potential limits to the maximum per credit fee amount charged by colleges.

The revenue impact related to this legislation is indeterminate. The proposed changes to the College in the High

School program will impact future tuition rates community and technical colleges will be able to charge for this contractual service provided to K-12 school districts. Currently five colleges in the community and technical college system provide dual-credit opportunities for 4,000 students through the College in the High School Program. Each contract established is done so through negotiation and is a self-sufficient program within the participating college's overall budget. Because each current participating community or technical college will have different business model sensitivity to these proposed changes, it is not possible to determine future community and technical college expansion within or retraction from this program.

The bill would also expand student eligibility for fee waivers in the Running Start Program to those students who scored a 3 or 4 on an assessment developed with the multistate consortium under RCW 28A.655. While the degree of impact is unknown, this expansion could potentially reduce the cash receipts available to participating community or technical colleges.

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 expenditure impact related to this legislation is indeterminate. The proposed changes to the College in the High School program will impact future tuition rates community and technical colleges will be able to charge for this contractual service provided to K-12 school districts. Currently five colleges in the community and technical college system provide dual-credit opportunities for 4,000 students through the College in the High School Program. Each contract established is done so through negotiation and is a self-sufficient program within the participating college's overall budget. Because each current participating community or technical college will have different business model sensitivity to these proposed changes, it is not possible to determine future community and technical college expansion within or retraction from this program.

Section 2(1) would require the SBCTC, along with WSAC, public baccalaureate institutions, and OSPI, to each adopt updated rules for the College in the High School program by September 15, 2015. This requirement can be accomplished within the scope of duties of an existing workgroup and will not result in a significant fiscal impact to SBCTC.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE

No Capital Budget 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.

Section 2(1) would require the SBCTC to update rules related to the College in the High School program by December 1, 2015. SBCTC will be able to accomplish this within the duties of an existing workgroup using available resources. No expenditures are identified in the expenditure section for this requirement.

Individual State Agency Fiscal Note

Bill Number: 1546 S HB	Title: Dual credit ed opportunities	Agency: SDF-School District Fiscal Note - SPI
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

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.
- ☐ 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: 02/18/2015
Agency Preparation: TJ Kelly	Phone: (360) 725-6301	Date: 02/23/2015
Agency Approval: TJ Kelly	Phone: (360) 725-6301	Date: 02/23/2015
OFM Review: Kate Davis	Phone: (360) 902-0570	Date: 02/23/2015

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 3(1) (b) disallows running start course sections and programs consisting solely of high school students offered at high schools as of September 1, 2017. Prohibits participating institutions of higher learning from creating new course sections or programs offered at high schools consisting solely of high school students.

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 cash receipt impact of this note to school districts is indeterminate due to the fact that we do not know at what rate running start in the high school programs will transition to college in the high school programs before the running start in the high school programs are prohibited beginning on September 1, 2017.

This note assumes that the current caseload of running start in the high school students will remain the same until September 1, 2017.

Under current law, school districts retain 7% of the allocation from the state for running start FTE. The state fiscal note projects a reduction in state funding due to eliminating running start in the high school by school year of \$3.9 million in 2017-18; \$3.9 million in 2018-19; \$4.0 million in 2019-20; and \$4.0 million in 2020-21. This savings was calculated using the maintenance level running start rate for each of the school years. Seven percent of those school year totals equate to a reduction in funding to school districts by school year of \$271,000 in 2017-18; \$276,000 in 2018-19; \$277,000 in 2019-20; \$278,000 in 2020-21.

Therefore the funding reduction to school districts by state fiscal year due to this bill is estimated at \$217,000 FY18; \$275,000 FY19; \$277,000 FY20; and \$278,000 FY21.

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.

School district expenditure impact is indeterminate because school districts negotiate with the institutes of higher learning who provide running start in the high school for reimbursement of costs to the school districts that may exceed the 7% of the running start rate. Without knowing what the agreed upon reimbursement rate is between a school district and an institute of higher learning, there is no way to establish a current law baseline for school district expenditure impact.

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.

School District Fiscal Impact of PSHB 1546

Eliminating Running Start in High School (RS in HS)	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21
RS in HS FTE as of Jan. 2015			600	600	600	600
RS in HS HC as of Jan. 2015			3,000	3,000	3,000	3,000
Maintenance Running Start Rate			6,452	6,570	6,596	6,625
Total impact when RS in HS credits are funded as CH	\$ -	\$ -	\$ (3,871,074)	\$ (3,942,138)	\$ (3,957,888)	\$ (3,974,814)
School District Impact equal to 7%	\$ -	\$ -	\$ (270,975)	\$ (275,950)	\$ (277,052)	\$ (278,237)
State Fiscal Year	2016	2017	2018	2019	2020	2021
State Fiscal Year Impact	\$0	\$0	(\$216,780)	(\$274,955)	(\$276,832)	(\$278,000)