

Multiple Agency Fiscal Note Summary

Bill Number: 6415 SB	Title: Career & tech. ed. materials
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Estimated Cash Receipts

NONE

Local Gov. Courts *					
Loc School dist-SPI		15,900,000		43,300,000	47,100,000
Local Gov. Other **					
Local Gov. Total					

Estimated Expenditures

Agency Name	2015-17			2017-19			2019-21		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Superintendent of Public Instruction	.0	15,900,000	15,900,000	.0	43,300,000	43,300,000	.0	47,100,000	47,100,000
Total	0.0	\$15,900,000	\$15,900,000	0.0	\$43,300,000	\$43,300,000	0.0	\$47,100,000	\$47,100,000

Local Gov. Courts *									
Loc School dist-SPI			15,900,000			43,300,000			47,100,000
Local Gov. Other **									
Local Gov. Total									

Estimated Capital Budget Impact

NONE

Prepared by: Kate Davis, OFM	Phone: (360) 902-0570	Date Published: Final 1/29/2016
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

ENPID: 43253

FNS029 Multi Agency rollout

Individual State Agency Fiscal Note

Bill Number: 6415 SB	Title: Career & tech. ed. materials	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	0	15,900,000	15,900,000	43,300,000	47,100,000
Total \$	0	15,900,000	15,900,000	43,300,000	47,100,000

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: Susan Mielke	Phone: (360)786-7422	Date: 01/29/2016
Agency Preparation: TJ Kelly	Phone: 360 725-6301	Date: 01/29/2016
Agency Approval: TJ Kelly	Phone: 360 725-6301	Date: 01/29/2016
OFM Review: Kate Davis	Phone: (360) 902-0570	Date: 01/29/2016

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 increases the allocation for Materials, Supplies, and Operating Costs (MSOC) for Career and Technical Education (CTE) and Skill Center programs. This is done through basing the allocation for MSOC for these programs on the general education MSOC per student amount times a multiplier as described in the bill. This bill would take effect for the 2016-17 school year.

Section 1(8)(b) of this bill defines the general education MSOC per pupil rate. Under current law this per pupil rate for the 2016-17 school year is \$1,230.62.

Section 1(9)(a) and (b) of this bill states that for every 1.0 student FTE enrolled in grades 7-12 in CTE courses the state will allocate MSOC at a rate equal to or greater than 1.4 times the general education amounts provided in section 8(b) of this act.

Section 1(9)(c) of this bill states that for every 1.0 student FTE enrolled in grades eleven or twelve taking courses through a skill center the state will allocate MSOC at a rate equal to or greater than 1.245 times the general education amounts provided in section 8(b) of this act.

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.

State expenditures are generated by this bill through an increase in the MSOC allocation for CTE and Skill Center programs, and an increase in Local Effort Assistance (LEA) payments.

Element # 1 – Increase in MSOC Allocation

OSPI used enrollment as projected by the caseload forecast council, and MSOC values as approved in the 2015-17 biennial budget as adjusted by inflation for the basis of these calculations.

OSPI calculated the difference in the per student MSOC allocation by school year between current law and the changes proposed in this bill separately for CTE and Skill Centers on the charts in the attached document.

This difference in the per student MSOC allocation was then multiplied by the projected enrollment for future years to come up with the state cost generated by this bill. The total cost to the state on a school year basis is shown separately for CTE and Skill Centers on the attachment.

The combined state fiscal year impact for MSOC is \$15.9 million in state fiscal year 2017; \$20.5 in state fiscal year 2018; \$21.3 in state fiscal year 2019; \$22.1 in state fiscal year 2020; and \$23.0 million in state fiscal year

2021.

Element #2 – Increase in Local Effort Assistance (LEA) Payments

Since the amount of LEA payments the state makes to school districts is impacted by total school district revenue in the levy base, this bill also impacts state cost in this area.

Increases in state basic education funding in the 2016-17 school year impact the 2018 calendar year levy base. An increase in the levy base changes the statewide 12% levy rate which is the current law benchmark for districts to be eligible for LEA payments. Changes in the 12% levy rate impact both how many districts are eligible for LEA payments and the amounts that each eligible districts receive. The increase in LEA cost related to this bill is approximately \$0.5 million in state fiscal year 2018 and \$1 million in each fiscal year thereafter.

The chart at the bottom of the attachment shows the total cost of the bill by state fiscal year.

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		15,900,000	15,900,000	43,300,000	47,100,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$15,900,000	\$15,900,000	\$43,300,000	\$47,100,000

Part IV: 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.

Line

CTE School Year MSOC Impact					
School Year	2016-17	2017-18	2018-19	2019-20	2020-21
A CTE Enrollment	68,973.39	70,443.55	72,066.48	73,726.80	75,425.37
B MSOC Based on CTE Multiplier	\$ 1,722.87	\$ 1,755.60	\$ 1,787.20	\$ 1,819.36	\$ 1,852.11
C CTE MSOC - Current Law	\$ 1,453.09	\$ 1,480.70	\$ 1,507.35	\$ 1,534.48	\$ 1,562.10
D Net Per Pupil Increase (B - C)	\$ 269.78	\$ 274.90	\$ 279.85	\$ 284.89	\$ 290.01
E Total Cost to State (A X D)	\$ 18,600,000	\$ 19,400,000	\$ 20,200,000	\$ 21,000,000	\$ 21,900,000

Skill Center School Year MSOC Impact					
School Year	2016-17	2017-18	2018-19	2019-20	2020-21
F Skill Center Enrollment	5,149.20	5,149.20	5,149.20	5,149.20	5,149.20
G MSOC Based on Skill Center Multiplier	\$ 1,532.12	\$ 1,561.23	\$ 1,589.33	\$ 1,617.94	\$ 1,647.06
H Skill Center MSOC - Current Law	\$ 1,292.06	\$ 1,316.61	\$ 1,340.31	\$ 1,364.44	\$ 1,389.00
I Net Per Pupil Increase (G - H)	\$ 240.06	\$ 244.62	\$ 249.02	\$ 253.50	\$ 258.06
J Total Cost to State (F X I)	\$ 1,200,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000	\$ 1,300,000

Combined MSOC Costs By State Fiscal Year					
State Fiscal Year	2017	2018	2019	2020	2021
MSOC	\$ 15,900,000	\$ 20,500,000	\$ 21,300,000	\$ 22,100,000	\$ 23,000,000

Local Effort Assistance (LEA) Payments State Fiscal Year Impact					
State Fiscal Year	2017	2018	2019	2020	2021
LEA Payments	-	\$ 500,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000

Total Cost of Bill By State Fiscal Year					
State Fiscal Year	2017	2018	2019	2020	2021
Total Cost	15,900,000.00	\$ 21,000,000	\$ 22,300,000	\$ 23,100,000	\$ 24,000,000

Individual State Agency Fiscal Note

Bill Number: 6415 SB	Title: Career & tech. ed. materials	Agency: SDF-School District Fiscal Note - SPI
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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
School District Local-Private/Local NEW-7		15,900,000	15,900,000	43,300,000	47,100,000
Total \$		15,900,000	15,900,000	43,300,000	47,100,000

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
Account					
School District Local-Private/Local NEW-7	0	15,900,000	15,900,000	43,300,000	47,100,000
Total \$	0	15,900,000	15,900,000	43,300,000	47,100,000

Estimated Capital Budget Impact:

NONE

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School district revenue is equivalent to state cost. See state cost narrative for more detail.

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 expenditures are equivalent to school district revenue. See state cost narrative for more detail.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
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Total:	\$0	\$15,900,000	\$15,900,000	\$43,300,000	\$47,100,000

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Part V: New Rule Making Required

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Combined MSOC Costs By State Fiscal Year					
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Local Effort Assistance (LEA) Payments State Fiscal Year Impact					
State Fiscal Year	2017	2018	2019	2020	2021
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Total Cost of Bill By State Fiscal Year					
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