

## Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1646 P 2S HB	<b>Title:</b> Alternative education
----------------------------------	-------------------------------------

## Estimated Cash Receipts

Agency Name						
	GF- State	Total	GF- State	Total	GF- State	Total
<b>Total \$</b>						

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

## Estimated Expenditures

Agency Name	2001-03			2003-05			2005-07		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Military Department	.0	0	0	26.0	0	2,750,545	32.0	0	3,360,000
Superintendent of Public Instruction	Fiscal note not available								
<b>Total</b>	0.0	\$0	\$0	26.0	\$0	\$2,750,545	32.0	\$0	\$3,360,000

Local Gov. Courts *									
Local Gov. Other **									
Local Gov. Total									

--

<b>Prepared by:</b> Julie Salvi, OFM	<b>Phone:</b> 360-902-0542	<b>Date Published:</b> Preliminary 2/26/2002
--------------------------------------	-------------------------------	---

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

\*\* See local government fiscal note

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1646 P 2S HB	<b>Title:</b> Alternative education	<b>Agency:</b> 245-Military Department
----------------------------------	-------------------------------------	--

## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

<b>FUND</b>					
<b>Total \$</b>					

### Estimated Expenditures from:

	FY 2002	FY 2003	2001-03	2003-05	2005-07
FTE Staff Years	0.0	0.0	0.0	26.0	32.0
<b>Fund</b>					
General Fund-Federal 001-2	0	0	0	2,750,545	3,360,000
<b>Total \$</b>	0	0	0	2,750,545	3,360,000

*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:	Phone:	Date: 02/06/2002
Agency Preparation: Laura VanderMeer	Phone: (253) 512-7596	Date: 02/21/2002
Agency Approval: Tim Lowenberg	Phone: (253) 512-8115	Date: 02/21/2002
OFM Review: Robin Campbell	Phone: 360-902-0575	Date: 02/21/2002

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 act authorizes the National Guard Youth Challenge program to become an alternative educational service provider for eligible students. The program operates under a military academy environment and provides educational and life skills goals for students earning high school graduation credit. It is funded 60% by the National Guard Bureau and 40% by the participating state. Currently, there are 26 states operating Youth Challenge programs and have graduated over 26,000 at risk youths. Program goals, staffing model, standardized assessment and measurement, and funding guidelines are established by the National Guard Bureau to provide consistency throughout the country.

Funding for this program will be allocated directly to the Washington Military Department specifically for the Youth Challenge program. Funding is provided based on statewide average rates for basic education, special education, categorical and block grant programs as determined by OSPI. Monthly full-time equivalent enrollment reported for students enrolled in the National Guard Youth Challenge program shall be based on one full-time equivalent for every one hundred student hours of scheduled instruction.

ASSUMPTIONS:

- 1) National Guard Bureau (NGB) will provide 60% matching federal dollars towards the costs of operating the program.
- 2) State share must always be equal to or greater than 40% of total costs.
- 3) Maximum federal funds available is \$1.68 million per year.
- 4) Minimum state share required for receipt of maximum federal match is \$1.12 million.
- 5) Program will utilize a facility leased from the federal government at no cost.
- 6) The NGB will pay for all facility energy/utility costs.
- 7) The NGB will pay for up to \$50,000 for maintenance/repair of facility.
- 8) 100% of start-up costs will be paid for by the NGB.
- 9) Start-up will take approximately 180 days
- 10) Approximately 32 state employees will be needed to run the program.
- 11) One part-time nurse practitioner will be needed for the program.
- 12) Start-up funding will be available in Federal Fiscal Year 2003.
- 13) Federal funding for classes not available until Federal Fiscal Year 2004. First class will be conducted in January 2004.
- 14) Two classes of 150 graduating students will be conducted each year.
- 15) Total estimated state revenue available for this program is based on projected enrollment and assumed per student funding level from data provided by OSPI.
- 16) Indirect costs are authorized for this program. The Military Department's increased finance/budget requirements as a result of this program will be funded from the available indirect monies.
- 17) The Military Department contacted two other states (Oregon and New Mexico) who have established Youth Challenge programs for guidance in preparing this fiscal note.
- 18) Potential additional revenue sources for the state match requirement include: grants from various local and national sources and potential dollars from the criminal justice sources.

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.

The National Guard Bureau provides a staff-manning model based on class size. The average full-time staff consists of a program director, deputy director, program coordinator, secretary, lead teacher, four instructors, one lead counselor, two counselors, recruitment/placement/mentor coordinator, two recruitment/placement/mentor assistants, nurse practitioner, management information specialist, logistics specialist, up to three support staff, cadre staff supervisor, 12-18 cadre. For purposes of this fiscal note the Military Department will employ a staff of approximately 30-32 individuals. NGB provided guidance for other costs typically incurred by Youth Challenge Programs and are included in assumptions.

See attachment for detail of revenue and cost calculations.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2002	FY 2003	2001-03	2003-05	2005-07
FTE Staff Years		0.00		26.0	32.0
A-Salaries and Wages				2,196,190	2,990,098
B-Employee Benefits				802,848	1,105,928
C-Personal Service Contracts					
E-Goods and Services				1,565,098	1,984,013
G-Travel				94,298	128,001
J-Capital Outlays				136,945	192,001
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements				(2,044,834)	(3,040,041)
T-Intra-Agency Reimbursements					
Total:	\$0	\$0	\$0	\$2,750,545	\$3,360,000

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 2002	FY 2003	2001-03	2003-05	2005-07
Youth Challenge Perm Staff (Full Year)	1,488,028				16.0	32.0
Youth Challenge Perm. Staff (1/2 school year)	658,707				8.0	
Youth Challenge Start-Up Staff	63,500				2.0	
Total FTE's					26.0	32.0

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.

## Revenue and Cost Assumptions for National Guard Youth Challenge Program

School Yr	Dollars per FTE Enrollment	Students *	FTE	Total Annual Revenue	
2003-04	\$ 4,842	110	1.07	\$ 569,903	State
				\$ 840,000	Maximum Federal Share
				<b>\$ 1,409,903</b>	Annual Program Revenue

*\*Assumes drop-out of 40 students from start*

School Yr	Dollars per FTE Enrollment	Students	FTE	Total Annual Revenue	
2004-05	\$ 4,923	280	1.07	\$ 1,474,931	State
				\$ 1,680,000	Maximum Federal Share
				<b>\$ 3,154,931</b>	Annual Program Revenue

*\*Assumes drop-out of 10 students/class from start*

School Yr	Dollars per FTE Enrollment	Students	FTE	Total Annual Revenue	
2005-06	\$ 5,017	280	1.07	\$ 1,503,093	State
				\$ 1,680,000	Maximum Federal Share
				<b>\$ 3,183,093</b>	Annual Program Revenue

*\*Assumes drop-out of 10 students/class from start*

School Yr	Dollars per FTE Enrollment	Students	FTE	Total Annual Revenue	
2006-07	\$ 5,130	280	1.07	\$ 1,536,948	State
				\$ 1,680,000	Maximum Federal Share
				<b>\$ 3,216,948</b>	Annual Program Revenue

*\*Assumes drop-out of 10 students/class from start*

### Start-Up (July 1 2003 - December 31, 2003) (03-05 Biennium)

				A	B
Obj A/B	\$35,400	Director Salary- 6 months	(\$60K per year + benefits 18%)	30,000	5,400
Obj A/B	\$17,145	Secretary Salary-6 months	(\$27K per year + benefits 27%)	13,500	3,645
Obj A/B	\$12,500	Coordinator-3 months	(\$40K per year + benefits 25%)	10,000	2,500
Obj A/B	\$12,500	Logistician-3 months	(\$40K per year + benefits 25%)	10,000	2,500
Obj E	\$50,000	Facility Repair/Maintenance		63,500	14,045
Obj E	\$100,000	Equipment/Supplies (computers, desks, furnishings, supplies)			
Obj G	\$3,000	Staff Travel			
	<b>\$230,545</b>				

### School YR 2003-4 Funding \$ 1,409,903 (1 Session - 120 students) (03-05 Biennium)

Obj A/B	\$902,338	Staff (64%)	30 member staff	Obj A	658,707
Obj E	\$84,594	Stipend and Corps Member Services (6%)		Obj B	243,631
Obj E	\$183,287	Dining Operations (13%)			<b>902,338</b>
Obj E	\$169,188	Facilities (12%)			
Obj J	\$42,297	Equipment (3%)			
Obj G	\$28,198	Travel/Transportation (2%)			
	<b>\$ 1,409,903</b>		Session = Jan-May 2004		

### School YR 2004-5 Funding \$ 3,154,931 (2 Sessions - 300 Students) (03-05 Biennium)

Obj A/B	\$2,019,156	Staff (64%)	32 member staff	Obj A	1,473,984
Obj E	\$189,296	Stipend and Corps Member Services (6%)		Obj B	545,172
Obj E	\$410,141	Dining Operations (13%)			<b>2,019,156</b>
Obj E	\$378,592	Facilities (12%)			
Obj J	\$94,648	Equipment (3%)			
Obj G	\$63,099	Travel/Transportation (2%)			
	<b>\$ 3,154,931</b>		Session=Aug-Dec 2004 and Jan-May 2005		

<b>School YR 2005-6</b>		<b>Funding</b>	<b>\$ 3,183,093 (2 Sessions - 300 Students) (05-07 Biennium)</b>		
Obj A/B	\$2,037,180	Staff (64%)	32 member staff	<i>Obj A</i>	1,487,141
Obj E	\$190,986	Stipend and Corps Member Services (6%)		<i>Obj B</i>	550,039
Obj E	\$413,802	Dining Operations (13%)			<b>2,037,180</b>
Obj E	\$381,971	Facilities (12%)			
Obj J	\$95,493	Equipment (3%)			
Obj G	\$63,662	Travel/Transportation (2%)			
	<b>\$ 3,183,093</b>		Session=Aug-Dec 2005 and Jan-May 2006		

<b>School YR 2006-7</b>		<b>Funding</b>	<b>\$ 3,216,948 (2 Sessions - 300 Students) (05-07 Biennium)</b>		
Obj A/B	\$2,058,847	Staff (64%)	32 member staff	<i>Obj A</i>	1,502,958
Obj E	\$193,017	Stipend and Corps Member Services (6%)		<i>Obj B</i>	555,889
Obj E	\$418,203	Dining Operations (13%)			<b>2,058,847</b>
Obj E	\$386,034	Facilities (12%)			
Obj J	\$96,508	Equipment (3%)			
Obj G	\$64,339	Travel/Transportation (2%)			
	<b>\$ 3,216,948</b>		Session=Aug-Dec 2005 and Jan-May 2006		