

Multiple Agency Fiscal Note Summary

Bill Number: 1843 P S HB H-1607.3/17 3rd draft	Title: Basic education program
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Estimated Cash Receipts

Agency Name	2017-19		2019-21		2021-23	
	GF- State	Total	GF- State	Total	GF- State	Total
Washington Charter School Commission	0	164,437	0	750,458	0	788,869
Total \$	0	164,437	0	750,458	0	788,869

Local Gov. Courts *						
Loc School dist-SPI		1,762,400,000		5,822,400,000		7,006,000,000
Local Gov. Other **						
Local Gov. Total						

Estimated Expenditures

Agency Name	2017-19			2019-21			2021-23		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of Financial Management	.0	0	0	.0	0	0	.0	0	0
Superintendent of Public Instruction	.0	1,758,392,000	1,762,492,000	.0	5,806,600,000	5,822,400,000	.0	6,986,000,000	7,006,000,000
Washington Charter School Commission	.0	0	164,437	.0	0	750,458	.0	0	788,869
Actuarial Fiscal Note - State Actuary	Fiscal note not available								
Total	0.0	\$1,758,392,000	\$1,762,656,437	0.0	\$5,806,600,000	\$5,823,150,458	0.0	\$6,986,000,000	\$7,006,788,869

Local Gov. Courts *									
Loc School dist-SPI			1,762,871,000			5,822,898,000			7,006,566,000
Local Gov. Other **									
Local Gov. Total									

Estimated Capital Budget Impact

NONE

Prepared by: Kate Davis, OFM	Phone: (360) 902-0570	Date Published: Preliminary 2/22/2017
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 47779

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 1843 P S HB H-1607.3/17 3rd draft	Title: Basic education program	Agency: 105-Office of Financial Management
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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: 02/09/2017
Agency Preparation: Jim Jenkins	Phone: 360-902-0403	Date: 02/09/2017
Agency Approval: Aaron Butcher	Phone: 360-902-0406	Date: 02/09/2017
OFM Review: Regan Hesse	Phone: (360) 902-0650	Date: 02/15/2017

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 105 (2)(b) requires OFM to calculate a new state-funded average base salary to be used in state funding allocation formulas for certified instructional staff, certificated administrative staff, and classified staff, based on the salaries identified by the employment security department in the updated comparable wage analysis and increased by the cost-of-living increase pursuant to RCW 28A.400.205.

OFM must make this calculation for the school year beginning September 1, 2025, and at a period of every six years thereafter.

The workload to provide this information can be absorbed within existing resources.

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

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: 1843 P S HB H-1607.3/17 3rd draft	Title: Basic education program	Agency: 350-Superintendent of Public Instruction
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Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
Account					
General Fund-State 001-1	544,092,000	1,214,300,000	1,758,392,000	5,806,600,000	6,986,000,000
WA Opportunity Pathways Account-State 17F-1	1,000,000	3,100,000	4,100,000	15,800,000	20,000,000
Total \$	545,092,000	1,217,400,000	1,762,492,000	5,822,400,000	7,006,000,000

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:

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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).

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Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Jessica Harrell	Phone: 360-786-7349	Date: 02/09/2017
Agency Preparation: Michelle Matakas	Phone: 360 725-6019	Date: 02/21/2017
Agency Approval: TJ Kelly	Phone: 360 725-6301	Date: 02/21/2017
OFM Review: Kate Davis	Phone: (360) 902-0570	Date: 02/21/2017

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 differs from the prior version by adding new sections 403 and 404 as described in the narrative below.

Part I

Section 102(5) requires minimum state allocation for certificated instructional staff salaries to be increased in a linear fashion from the 2017-18 school year to the 2019-20 school year when the statewide average salary allocation is \$70,824.

Section 102(6) requires minimum state allocation for certificated administrative staff salaries to be increased in a linear fashion from the 2017-18 school year to the 2019-20 school year when the statewide average salary allocation is \$117,159.

Section 102(7) requires minimum state allocation for classified staff salaries to be increased in a linear fashion from the 2017-18 school year to the 2019-20 school year when the statewide average salary allocation is \$54,084.

Section 102(8) requires state allocations for salaries to be adjusted for regional differences in the cost of hiring staff. No district may receive less state funds for the minimum state salary allocation as compared to its prior school year.

Section 102(9) beginning with the 2020-21 school year salary allocations must be adjusted annually by inflation.

Section 102(10) requires the salary allocations to be rebased beginning with the 2025-26 school year and every six years thereafter.

Section 103 requires a COLA to be applied to the salary allocations beginning with the 2019-20 school year.

Section 104 establishes the following requirements for school district salaries.

Beginning with the 2019-20 school year salaries for full-time beginning certificated instructional staff with zero years of experience must not be less than \$45,000 to be adjusted for inflation.

Beginning with the 2019-20 school year salaries for full-time beginning certificated instructional staff with three years of experience must not be less than \$50,500 to be adjusted for inflation.

Section 106 provides an allocation for professional development days for all staff of one day in 2017-18, two days in 2018-19, four days in 2019-20, six days in 2020-21, and ten days in 2022-23.

Part II

Section 201(4)(a) establishes the following maximum levy percentage for calendar year 2018 of 28%, calendar year 2019 of 27%, calendar year 2020 of 26%, and calendar year 2021 and each year thereafter 24%.

(b) Reduces the grandfathered levy percentages in starting with calendar year 2019 until grandfathered levy percentages are eliminated in calendar year 2021 when all districts are at 24%.

Section 202 reduces the local effort assistance percentage so that it is half of the maximum levy percentages by calendar year as described in section 201 of this act.

Part III

Section 301 changes funding drivers within the prototypical school model as shown by school year in table 1 of the attached document.

Section 302 makes the same changes as shown on the chart for section 301 to the I-1351 section of law effective September 1, 2022. The only exception is the CTE and Skill Center class size reductions which are currently required to be at 19 and 16 respectively in this section of law.

Part IV

Section 401 requires OSPI to convene a technical working group to provide recommendations for revising school district accounting practices. The group will be administered and staffed by OSPI, and must submit recommendations to the legislature by December 15, 2017.

Section 402 requires school districts to report annually to OSPI on supplemental contracts. OSPI must summarize the information and submit an annual report to the legislature.

New Section 403: requires OSPI to develop and maintain a public dashboard on its website to display specific information and benchmarks of district data with respect to if districts are making meaningful and substantial progress toward meeting long-term performance goals.

New Section 404: requires OSPI to convene a workgroup to determine whether the funded enrollment percent for special education programs of twelve and seven-tenths should be adjusted.

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 in this note through changes in the prototypical school funding formula, and in Part IV dealing with accounting and data reporting.

Part I

Compensation costs related this bill are generated through changes in the base salary levels staff in the prototypical school model, as well as allocating funds for professional development days. These combined increased state costs are shown on line A of table 2 of the attachment.

Cost increases related to increasing the hours of instruction per week for categorical programs beginning with the 2019-2020 school year are shown on line B of table 2 of the attachment.

Increases in state cost related to local effort assistance impacted by funding increases in the bill as well as the changes in local levy authority are shown on line C of table 2 of the attachment.

The cost increases related to lowering CTE and Skill Center class sizes, as well as increasing the allocation for parent involvement coordinators and guidance counselors are shown on line D of table 2 of the attachment.

The combined impact of this bill on current law I-1351 obligations are shown on K of table 2 of the attachment.

Note: All compensation assumption costs are the base amount and do not include Hold Harmless and a Regional Cost Factor from Section 102(8) that is currently unknown. This will increase the total cost to the state.

Section 401 – costs related to the technical workgroup required in the section range between \$13,500 and \$37,500. OSPI assumes that workgroup would contain 15 members, and would meet anywhere between 3 and 6 times between July 1 and December 15th 2017. Since each meeting would be one day, the costs estimate does not include hotel expenses.

Section 402 – OSPI assumes the level of detail in this reporting by school districts would be similar to what was required in E2SSB 6195 as passed in the 2016 legislative session. Since this will be an annual requirement, OSPI will build a data system to facilitate this collection on an ongoing basis. OSPI assumes the project will require 50 hours of project management, 50 hours of requirements definition and business process definition, 300 hours of development, 100 hours of testing, and 10 hour of quality assurance review for a total of \$51,000.

New Section 403 – OSPI currently maintains a publically available data dashboard of district information, and would be able to incorporate these additional data points within existing resources.

New Section 404- OSPI assumes this workgroup would meet three times before January 1, 2018. There would be 16 members of the work group (11 from western WA and 5 from eastern WA) to attend three full-day meetings. There would also be 6 staff members from OSPI either attending the meetings and/or performing data analysis for the group between meetings. Total estimated cost of the workgroup is \$14,000 for three meetings in state FY 2018.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services	1,488		1,488		
G-Travel	25,512		25,512		
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	545,065,000	1,217,400,000	1,762,465,000	5,822,400,000	7,006,000,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$545,092,000	\$1,217,400,000	\$1,762,492,000	\$5,822,400,000	\$7,006,000,000

III. C - Expenditures By Program (optional)

Program	FY 2018	FY 2019	2017-19	2019-21	2021-23
State Office Administration (010)	27,000		27,000		
Total \$	27,000		27,000		

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.

Table 1: Proposed Substitute House Bill 1843 - Section 301 Proposed Changes						
School Year	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
CTE Class Size	26.57	26.57	22.79	19.00	19.00	19.00
Skill Center Class Size	22.76	22.76	19.38	16.00	16.00	16.00
Parent Involvement Coordinators (Elementary School)	0.0825	0.0825	0.5825	1.0825	1.0825	1.0825
Guidance Counselor (Middle School)	1.3160	1.3160	1.8160	2.3160	2.3160	2.3160
Guidance Counselor (High School)	2.539	2.539	3.039	3.539	3.539	3.539
Learning Assistance Program (hours per week)	2.3975	2.3975	2.8988	3.400	3.400	3.400
Transitional Bilingual (hours per week)						
Middle and High School Only	4.778	4.778	5.778	6.778	6.778	6.778
Highly Capable (hours per week)	2.314	2.314	2.6975	3.200	3.200	3.200

Table 2: Full Cost Breakdown PSHB 1843 (without Hold Harmless & Regional Costs)

State Fiscal Year	2018	2019	2020	2021	2022	2023
A Compensation Increase	\$ 487,060,000	\$ 1,116,026,000	\$ 2,179,456,000	\$ 2,555,241,000	\$ 2,590,698,000	\$ 2,590,698,000
B Categorical Programs	\$ -	\$ -	\$ 66,357,000	\$ 155,058,000	\$ 173,086,000	\$ 173,086,000
C LEA Cost	\$ 58,262,000	\$ 101,388,000	\$ 124,307,000	\$ 137,012,000	\$ 134,203,000	\$ 134,203,000
D CTE&SC, PIC & Counselors	\$ -	\$ -	\$ 149,078,000	\$ 369,145,000	\$ 414,846,000	\$ 414,846,000
F Subtotal PSHB 1843 Plan without 1351 Impact	\$ 545,322,000	\$ 1,217,414,000	\$ 2,519,198,000	\$ 3,216,456,000	\$ 3,312,833,000	\$ 3,312,833,000
G Total Cost of PSHB 1843 with 1351 Units	\$ 545,322,000	\$ 1,217,414,000	\$ 4,522,734,000	\$ 5,623,307,000	\$ 5,695,292,000	\$ 5,561,089,000
E PSHB 1843 I-1351 Investment (Line D above)	\$ -	\$ -	\$ (149,078,000)	\$ (369,145,000)	\$ (414,846,000)	\$ (414,846,000)
H I-1351 New Total with PSHB 1843	\$ -	\$ -	\$2,152,614,000	\$2,775,996,000	\$2,797,305,000	\$2,663,102,000
I I-1351 Total current law	\$ -	\$ -	\$1,615,941,000	\$2,102,683,000	\$2,125,472,000	\$2,125,472,000
J New Max Investment Required	\$ -	\$ -	\$1,076,307,000	\$1,387,998,000	\$2,797,305,000	\$2,663,102,000
K Difference = I-1351 Additional Investment	\$ -	\$ -	\$268,336,500	\$336,656,500	\$671,833,000	\$537,630,000
L Section 403: Special Educaction Workgroup	\$ 14,000	\$ -	\$ -	\$ -	\$ -	\$ -
M Total Cost (A + B + C + K + L)	\$ 545,336,000	\$ 1,217,414,000	\$2,638,456,500	\$3,183,967,500	\$3,569,820,000	\$3,435,617,000
N	2017-19		2019-21		2021-23	
O Total Biennium	\$ 1,762,750,000		\$5,822,424,000		\$7,005,437,000	

Cost of PSHB 1843 - General Fund

State Fiscal Year	2018	2019	2020	2021	2022	2023
Compensation Increase	\$ 486,031,079	\$ 1,112,943,992	\$ 2,173,199,316	\$ 2,548,043,487	\$ 2,583,114,090	\$ 2,583,114,090
Categorical Programs	\$ -	\$ -	\$ 66,166,505	\$ 154,621,238	\$ 172,579,315	\$ 172,579,315
LEA Cost	\$ 58,262,000	\$ 101,388,000	\$ 124,307,000	\$ 137,012,000	\$ 134,203,000	\$ 134,203,000
I-1351 Compensation Increase	\$ -	\$ -	\$ 267,566,172	\$ 335,708,218	\$ 669,866,302	\$ 536,056,162
Section 403: Special Educaction Workgroup	\$ 14,000	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 544,307,079	\$ 1,214,331,992	\$2,631,238,993	\$3,175,384,943	\$3,559,762,706	\$3,425,952,567
	2017-19		2019-21		2021-23	
Total Biennium	\$ 1,758,639,071		\$5,806,623,936		\$6,985,715,273	

Cost of PSHB 1843 - Op Pathway

State Fiscal Year	2018	2019	2020	2021	2022	2023
Compensation Increase	\$ 1,028,921	\$ 3,082,008	\$ 6,256,684	\$ 7,197,513	\$ 7,583,910	\$ 7,583,910
Categorical Programs	\$ -	\$ -	\$ 190,495	\$ 436,762	\$ 506,685	\$ 506,685
LEA Cost	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
I-1351 Compensation Increase	\$ -	\$ -	\$ 770,328	\$ 948,282	\$ 1,966,698	\$ 1,573,838
Total	\$ 1,028,921	\$ 3,082,008	\$ 7,217,507	\$ 8,582,557	\$ 10,057,294	\$ 9,664,433
	2017-19		2019-21		2021-23	
Total Biennium	\$ 4,110,929		\$15,800,064		\$19,721,727	

Individual State Agency Fiscal Note

Bill Number: 1843 P S HB H-1607.3/17 3rd draft	Title: Basic education program	Agency: 359-Washington Charter School Commission
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Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2018	FY 2019	2017-19	2019-21	2021-23
Charter Schools Oversight Account-State 19L-1	41,157	123,280	164,437	750,458	788,869
Total \$	41,157	123,280	164,437	750,458	788,869

Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
Account					
Charter Schools Oversight Account-State 19L-1	41,157	123,280	164,437	750,458	788,869
Total \$	41,157	123,280	164,437	750,458	788,869

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:

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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).

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Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Jessica Harrell	Phone: 360-786-7349	Date: 02/09/2017
Agency Preparation: Mike Woods	Phone: 360-725-6283	Date: 02/22/2017
Agency Approval: Mike Woods	Phone: 360-725-6283	Date: 02/22/2017
OFM Review: Kate Davis	Phone: (360) 902-0570	Date: 02/22/2017

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 House Bill addresses funding of the state’s basic education program and reductions to local effort contributions to fulfill the state’s education funding responsibilities. See the OSPI note for bill details.

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 bill changes the allocation that would be received by charter schools. The Washington State Charter School Commission (WSCSC) receives an oversight fee of 4% of the operating funding distributed to charter schools. The oversight fee is deposited into the Charter Schools Oversight Account, Fund 19L.

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.

We assume the Commission will spend the additional fee revenue on oversight activities.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Oversight Activities	41,157	123,280	164,437	750,458	788,869
Total:	\$41,157	\$123,280	\$164,437	\$750,458	\$788,869

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.

Individual State Agency Fiscal Note

Bill Number: 1843 P S HB H-1607.3/17 3rd draft	Title: Basic education program	Agency: SDF-School District Fiscal Note - SPI
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Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2018	FY 2019	2017-19	2019-21	2021-23
School District Local-Private/Local NEW-7	545,000,000	1,217,400,000	1,762,400,000	5,822,400,000	7,006,000,000
Total \$	545,000,000	1,217,400,000	1,762,400,000	5,822,400,000	7,006,000,000

Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
Account					
School District Local-Private/Local New-7	545,207,000	1,217,664,000	1,762,871,000	5,822,898,000	7,006,566,000
Total \$	545,207,000	1,217,664,000	1,762,871,000	5,822,898,000	7,006,566,000

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.

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Capital budget impact, complete Part IV.

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Requires new rule making, complete Part V.

Legislative Contact: Jessica Harrell	Phone: 360-786-7349	Date: 02/09/2017
Agency Preparation: Michelle Matakas	Phone: 360 725-6019	Date: 02/21/2017
Agency Approval: TJ Kelly	Phone: (360) 725-6301	Date: 02/21/2017
OFM Review: Kate Davis	Phone: (360) 902-0570	Date: 02/21/2017

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 differs from the prior version by adding new sections 403 and 404 which do not create additional school district cost. Therefore, the school district fiscal note of this version of the bill does not differ from the prior version.

Part I

Section 102(5) requires minimum state allocation for certificated instructional staff salaries to be increased in a linear fashion from the 2017-18 school year to the 2019-20 school year when the statewide average salary allocation is \$70,824.

Section 102(6) requires minimum state allocation for certificated administrative staff salaries to be increased in a linear fashion from the 2017-18 school year to the 2019-20 school year when the statewide average salary allocation is \$117,159.

Section 102(7) requires minimum state allocation for classified staff salaries to be increased in a linear fashion from the 2017-18 school year to the 2019-20 school year when the statewide average salary allocation is \$54,084.

Section 102(8) requires state allocations for salaries to be adjusted for regional differences in the cost of hiring staff. No district may receive less state funds for the minimum state salary allocation as compared to its prior school year.

Section 102(9) beginning with the 2020-21 school year salary allocations must be adjusted annually by inflation.

Section 102(10) requires the salary allocations to be rebased beginning with the 2025-26 school year and every six years thereafter.

Section 103 requires a COLA to be applied to the salary allocations beginning with the 2019-20 school year.

Section 104 establishes the following requirements for school district salaries.

Beginning with the 2019-20 school year salaries for full-time beginning certificated instructional staff with zero years of experience must not be less than \$45,000 to be adjusted for inflation.

Beginning with the 2019-20 school year salaries for full-time beginning certificated instructional staff with three years of experience must not be less than \$50,500 to be adjusted for inflation.

Section 106 provides an allocation for professional development days for all staff of one day in 2017-18, two days in 2018-19, four days in 2019-20, six days in 2020-21, and ten days in 2022-23.

Part II

Section 201(4)(a) establishes the following maximum levy percentage for calendar year 2018 of 28%, calendar year 2019 of 27%, calendar year 2020 of 26%, and calendar year 2021 and each year thereafter 24%.

(b) Reduces the grandfathered levy percentages in starting with calendar year 2019 until grandfathered levy

percentages are eliminated in calendar year 2021 when all districts are at 24%.

Section 202 reduces the local effort assistance percentage so that it is half of the maximum levy percentages by calendar year as described in section 201 of this act.

Part III

Section 301 changes funding drivers within the prototypical school model as shown by school year in table 1 of the attached document.

Section 302 makes the same changes as shown on the chart for section 301 to the I-1351 section of law effective September 1, 2022. The only exception is the CTE and Skill Center class size reductions which are currently required to be at 19 and 16 respectively in this section of law.

Part IV

Section 402 requires school districts to report annually to OSPI on supplemental contracts. OSPI must summarize the information and submit an annual report to the legislature.

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.

School district cash receipts equal state expenditures, not including funding for the technical work group or the funding to build a data reporting system in section 401 and 402 of this act respectively. See state expenditure 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.

OSPI assumes school districts will spend the increased revenue as reflected in the school district cash receipts section, in addition to costs related to reporting requirements in section 402.

OSPI assumes school districts will reporting the same level of detailed data to comply with this section as they did to meet the requirements of E2SSB 6195 passed in the 2016 legislative session. Districts will spend anywhere between 2 and 50 hours of work on this reporting annually split 80% on classified staff and 20% on certificated administrative staff. OSPI used a weighted average calculation to come up with approximately 14.5 hours per district. The weighted average was calculated by assuming 50 hours for the largest district in the state, and then prorating effort downward based on district enrollment with no district having an assumed effort of less than 2 hours. Enrollment was then used as the weighting factor of the weighted average effort. The statewide weighted average cost of this effort is shown on the table 3 attached to this fiscal note.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
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	545,207,000	1,217,664,000	1,762,871,000	5,822,898,000	7,006,566,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$545,207,000	\$1,217,664,000	\$1,762,871,000	\$5,822,898,000	\$7,006,566,000

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.

Table 3 : PSHB 1843 School District Costs		
Weighted Average Total Hours	14.5	
Staff Type	Classified	Certificated Administrative
Percent of Total Hours	80%	20%
Hours	11.6	2.9
Total Hourly Salary and Fringe Benefits 2016-17 SY	\$52.62	\$84.70
Total Salary Expense	\$610.39	\$245.63
Average Per District Combined Cost	\$856.02	
Districts Required to Report	295	
Total School District Cost by School Year	\$252,526	

School Year	2017-18	2018-19	2019-20	2020-21	2021-22
Estimate of ongoing school district cost	\$258,587	\$265,828	\$272,207	\$278,196	\$284,594
November 2016 CPI Projections	2.40%	2.80%	2.40%	2.20%	2.30%

State Fiscal Year	2018	2019	2020	2021	2022
School District Cost	\$206,870	\$264,379	\$270,931	\$276,998	\$283,315