

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5902 SB	<b>Title:</b> STEM enrollments
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## Estimated Cash Receipts

Agency Name	2017-19		2019-21		2021-23	
	GF- State	Total	GF- State	Total	GF- State	Total
University of Washington	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Washington State University	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Eastern Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Central Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.					
The Evergreen State College	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.					
<b>Total \$</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 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	.2	44,704	44,704	.1	29,136	29,136	.1	29,136	29,136
University of Washington	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Washington State University	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Eastern Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Central Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.								
The Evergreen State College	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Western Washington University	Fiscal note not available								
Community and Technical College System	Non-zero but indeterminate cost and/or savings. Please see discussion.								
<b>Total</b>	<b>0.2</b>	<b>\$44,704</b>	<b>\$44,704</b>	<b>0.1</b>	<b>\$29,136</b>	<b>\$29,136</b>	<b>0.1</b>	<b>\$29,136</b>	<b>\$29,136</b>

## Estimated Capital Budget Impact

NONE

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

\*\* See local government fiscal note

FNPID: 48571

FNS029 Multi Agency rollup

<b>Prepared by:</b> Breann Boggs, OFM	<b>Phone:</b> (360) 902-0563	<b>Date Published:</b> Preliminary 4/ 3/2017
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\* See Office of the Administrator for the Courts judicial fiscal note

\*\* See local government fiscal note  
FNPID: 48571

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5902 SB	<b>Title:</b> STEM enrollments	<b>Agency:</b> 105-Office of Financial Management
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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
FTE Staff Years	0.2	0.1	0.2	0.1	0.1
<b>Account</b>					
General Fund-State 001-1	30,136	14,568	44,704	29,136	29,136
<b>Total \$</b>	30,136	14,568	44,704	29,136	29,136

### 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: Lily Sobolik	Phone: 360-786-7157	Date: 03/25/2017
Agency Preparation: Jim Jenkins	Phone: 360-902-0403	Date: 03/28/2017
Agency Approval: Aaron Butcher	Phone: 360-902-0406	Date: 03/28/2017
OFM Review: Regan Hesse	Phone: (360) 902-0650	Date: 03/31/2017

## 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 1 (2)(c) - Each institution of higher education must report and work with the education research data center (ERDC) to identify student enrollments in certification and degree programs with an emphasis in science, technology, engineering, and mathematics. By September 1st of each year, each institution shall provide a report including, but not limited to, the cost per student, area of study, and progress toward graduation and degree completion.

### 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.*

In FY 2018, a 0.2 FTE for the Education Research and Data Center is needed to (1) determine any additional data collection needs; (2) work with the public baccalaureate institutions and the SBCTC on the form and content of the annual report; (3) work with the public baccalaureate institutions and the SBCTC on the means of getting the required data to the Education Research and Data Center; (4) create the report; and, (5) assess the feasibility of bringing the required data in through OFM's Public Centralized Higher Education Enrollment System (PCHEES).

In FY 2019 and subsequent fiscal years, 0.1 FTE is necessary to continue the report and assess needs for additional data.

Any changes to PCHEES to bring the data in through that system are not included in these estimates.

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.2	0.1	0.2	0.1	0.1
A-Salaries and Wages	18,000	9,000	27,000	18,000	18,000
B-Employee Benefits	5,856	2,928	8,784	5,856	5,856
C-Professional Service Contracts					
E-Goods and Other Services	4,800	2,400	7,200	4,800	4,800
G-Travel	480	240	720	480	480
J-Capital Outlays	1,000		1,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total:</b>	\$30,136	\$14,568	\$44,704	\$29,136	\$29,136

**III. B - Detail:** *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

<b>Job Classification</b>	<b>Salary</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>2017-19</b>	<b>2019-21</b>	<b>2021-23</b>
Senior Forecast Analyst	90,000	0.2	0.1	0.2	0.1	0.1
<b>Total FTE's</b>	90,000	0.2	0.1	0.2	0.1	0.1

**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

<b>Bill Number:</b> 5902 SB	<b>Title:</b> STEM enrollments	<b>Agency:</b> 360-University of Washington
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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.

<b>Legislative Contact:</b> Lily Sobolik	<b>Phone:</b> 360-786-7157	<b>Date:</b> 03/25/2017
<b>Agency Preparation:</b> Becka Johnson Poppe	<b>Phone:</b> 206-616-7203	<b>Date:</b> 03/30/2017
<b>Agency Approval:</b> Becka Johnson Poppe	<b>Phone:</b> 206-616-7203	<b>Date:</b> 03/30/2017
<b>OFM Review:</b> Breann Boggs	<b>Phone:</b> (360) 902-0563	<b>Date:</b> 03/31/2017

## 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 1(2) states that “subject to the availability of amounts appropriated for this specific purpose,” the legislature intends to increase full-time equivalent state-supported resident undergraduate (RUG) student enrollment at Washington’s higher education institutions.

- Subsection (a) states that at least 70 percent of state funding must be for enrollments in science, technology, engineering, and mathematics (STEM) certificate and degree programs.
- Subsection (b) states that the remaining 30 percent of state funding must be for enrollments in other (i.e. non-STEM) areas of study, and that institutions may direct those enrollments to other high-demand programs, unless the operating budget states otherwise.
- Subsection (c) requires that each institution “report work” with the Education Research and Data Center (ERDC) to identify these students separately from other enrollments and, by Sept 1 of each year, provide a report on a number of topics. The ERDC may require additional information. We assume this to mean each institution needs to work with the ERDC, and potentially report on that work.
- Subsection (d) further requires that each institution report to OFM on the number of additional resident undergraduate enrollments achieved with the funds. Unspent funds may lapse.

The fiscal impact is ultimately indeterminate as it is unknown how many additional students would be funded and, therefore, how many additional students would enroll as a result of this bill. Further, there are unknowns associated with the reporting requirements of Section 1(2)(c). See Expenditures narrative for detail.

However, if we assume that at least two RUG STEM students would be added as a result of this bill, the fiscal impact would be greater than \$50,000 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.*

The cash receipts impact is ultimately indeterminate as it is unknown how many students would be funded and, therefore, how many students would enroll as a result of this bill.

Per standard fiscal note protocol, our assessment of cash receipts does not include state appropriations that may be provided to support implementation of this bill. Thus, the cash receipts impact reflects only net operating fee revenue from additional students.

To provide a sense of scale, we have calculated net operating fee revenue for one full-time equivalent (FTE) resident undergraduate (RUG) using the following process: (Please note, data was pulled from the Tuition and Enrollment Change Model (TECM), which is a model used by OFM and others in Olympia.)

- Began with the estimate of FY17 gross RUG operating fee revenue from TECM: \$269,614,126
- Subtracted waivers, at the 7.13% rate specified in TECM: -\$19,211,352
- Subtracted the 4% legislated financial aid set-aside: -\$10,016,111
- Divided by the RUG FTE figure from TECM: 28,284 FTE
- And assumed 0% RUG tuition increases in FY18 and FY19.

Using this process, we estimate that each additional RUG FTE would provide an average of \$8,499 net operating fee revenue in FY18 and in FY19.

Please note that operating fee rates are the same for all RUGs, regardless of declared major or intended field of study. Thus, our estimate of net operating fee revenue per FTE (above) is representative of STEM and non-STEM RUGs.

**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 is ultimately indeterminate as it is unknown how many students would be funded and, therefore, how many students would enroll as a result of this bill. Further, there are unknowns associated with the reporting requirements of Section 1(2)(c).

**INSTRUCTIONAL EXPENDITURES:**

To provide a sense of scale, we have estimated the expenditures to instruct one STEM RUG FTE, and one non-STEM RUG FTE. For both calculations, we:

- Began with the Expenditures per FTE amounts determined by the OFM Expenditure Study for FY12, and
- Inflated those values by 3.0% per year, which is the 14-year rolling average of Higher Education Price Index (HEPI), as reported in WSIPP’s “Options for Higher Education Tuition Growth Factors” report (see page 8).

Using this process, we estimate that:

- The expenditures for one STEM RUG FTE would be approximately \$27,643 in FY18 and \$28,472 in FY19, and
- The expenditures for one non-STEM RUG FTE would be approximately \$16,223 in FY18 and \$16,710 in FY19.

We used HEPI as the inflationary factor because, as the Commonfund HEPI website states, “HEPI is a more accurate indicator of changes in costs for colleges and universities than the more familiar Consumer Price Index. It measures the average relative level of prices in a fixed basket of goods and services purchased by colleges and universities each year through current fund educational and general expenditures, excluding research. HEPI is compiled from data reported and published by government and economic agencies.”

**REPORTING-RELATED EXPENDITURES:**

Section 1(2)(c) would require some one-time costs and some annual reporting. In terms of one-time costs, we estimate that additional staff time would be needed in FY18 to work with ERDC to identify and track the new students funded by this bill separately from other STEM and non-STEM RUG enrollments. It is unknown to what extent this work would fall to ERDC versus the UW, thus the impact is indeterminate. If the onus were primarily or exclusively on the UW, we estimate that it would require the equivalent of 0.25 FTE institutional analysis manager (estimated annual salary of \$100,000 and a benefits rate of 32.4%) in FY18. This estimate is driven by limitations in the UW’s budget and data systems, which would need to be navigated in order to track students in this manner. This would represent approximately \$33,000 in salary and benefits expenditures in FY18 only.

In terms of ongoing costs to comply with the annual reporting requirements of Section 1(2)(c), we estimate that a small amount of additional staff time may be needed to annually calculate and report cost per student, areas of study, and progress toward graduation and degree completion. It is expected that this could be handled within



existing resources. However, it is unknown whether ERDC would require additional information (as Section 1(2)(c) allows), thus the impact is indeterminate. If ERDC were to require additional information, the cost could increase, depending on the type and amount of information requested.

Compliance with the reporting requirement in Section 1(2)(d) would require approximately 1 week of staff time for an analyst (estimated annual salary of \$75,000 and a benefits rate of 32.4%) to coordinate with schools/colleges across the UW, crosscheck information gathered from those schools/colleges, and write a report. This would represent approximately \$2,000 in salary and benefits expenditures. Additional staff time would likely be needed in each school/college, but it is assumed that time would be minimal and could be absorbed within existing resources. Section 1(2)(d) does not specify when this reporting would need to occur or how frequently, so it is unknown if this cost would be ongoing.

**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

<b>Bill Number:</b> 5902 SB	<b>Title:</b> STEM enrollments	<b>Agency:</b> 365-Washington State University
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## Part I: Estimates

☐

No Fiscal Impact

### Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.
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### Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.
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### 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: Lily Sobolik	Phone: 360-786-7157	Date: 03/25/2017
Agency Preparation: Maggie McFadden	Phone: 509-335-1614	Date: 03/30/2017
Agency Approval: Kelley Westhoff	Phone: 5093350907	Date: 03/30/2017
OFM Review: Breann Boggs	Phone: (360) 902-0563	Date: 04/03/2017

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.

SB 5902 - Intends to increases resident undergraduate student enrollments at institutions of higher education with a particular emphasis on students seeking certification and degree programs in STEM (science, technology, engineering, and mathematics).

Section 1 - (2) (a) & (b) - states that if amounts are appropriated, 70% of the amount provided must be used to increase enrollments in STEM disciplines, the remaining 30% may be used for enrollments in other areas of study.

Section 1 - (2) (c) - each institution must report work with the education research and data center to identify these students separately from other enrollments. By September 1st of each year, each institution shall provide a report including the cost per student, area of study, and progress towards graduation and degree completion.

Section 1 - (2) (d) - the institution must report to the office of financial management on the number of additional resident undergraduate enrollments achieved with the funds. If enrollment expectations are not achieved, any unspent funds for additional enrollments lapse.

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 receipts impact of the bill is indeterminate because it depends upon how many enrollments, if any, are funded by the legislature and how many students are actually enrolled if appropriations are made.

WSU estimates the incremental net operating fee revenue associated with new resident undergraduate (RUG) enrollments to be between \$7,600 - \$8,210 per student based on these calculations:

Using estimated FY 2017 tuition and AAFTE from the TECM model, the estimated net operating fee per AAFTE would be \$8,210.

FY 2017 estimated RUG operating fees:	\$170,045,587
Less waivers	- 15,315,168
Less 4% aid fund	- 6,189,217
Net RUG operating fees	148,541,202
Estimated 2017 AAFTE (TECM)	18,092
Net operating fee per AAFTE	\$8,210

Based on WSU’s current full time resident undergraduate tuition rate, net operating fee per full-time student could be estimated at approximately \$7,600.

FY 2017 RUG operating fees:	\$8,786
Less estimated waivers	- 870
Less 4% aid fund	-316
Net RUG Operating Fee	\$7,600

These estimates do not include building fees and other student fees that would be associated with new enrollments. The cash receipts impact is assumed to be over \$50,000.

**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 of the bill is indeterminate because the number of new enrollments is unknown. WSU estimated the cost of an incremental undergraduate general enrollment vs. an incremental undergraduate STEM enrollment as a means to approximate the impact at various funding levels.

**Undergraduate General Enrollment:**

Based on WSU’s FY 2014 expenditure study submitted to OFM, expenditures (state funds + tuition) per FTE for an undergraduate were \$12,336. Applying annual inflation of 3% to the FY 2014 amount results in estimated expenditures (state funds + tuition) for FY 2018 and FY 2019 of \$13,884 and \$14,301 respectively.

FY 2014 expenditure study:	\$12,336
FY 2015 + 3%	\$12,706
FY 2016 + 3%	\$13,087
FY 2017 + 3%	\$13,480
FY 2018 + 3%	\$13,884
FY 2019 + 3%	\$14,301

**Undergraduate STEM Enrollment:**

WSU estimates the cost of an undergraduate STEM enrollment to be \$20,100 per AAFTE. This is based on a state cost of \$12,500 plus net operating fee of \$7,600. These estimates are based on WSU’s STEM enrollment decision package for the 2017-19 biennium.

The reporting requirements in Section 1 are consistent with data that WSU already provides to the ERDC, however the expenditures are ultimately indeterminate since it is unknown what, if any, additional information the ERDC may require.

**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

<b>Bill Number:</b> 5902 SB	<b>Title:</b> STEM enrollments	<b>Agency:</b> 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.*

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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

<b>Legislative Contact:</b> Lily Sobolik	<b>Phone:</b> 360-786-7157	<b>Date:</b> 03/25/2017
<b>Agency Preparation:</b> Alexandra Rosebrook	<b>Phone:</b> (509) 359-7364	<b>Date:</b> 04/03/2017
<b>Agency Approval:</b> Alexandra Rosebrook	<b>Phone:</b> (509) 359-7364	<b>Date:</b> 04/03/2017
<b>OFM Review:</b> Breann Boggs	<b>Phone:</b> (360) 902-0563	<b>Date:</b> 04/03/2017

## 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.*

Proposed senate bill 5902 seeks to increase the full-time equivalent state-supported resident undergraduate student enrollment at institutions of higher education by providing an unspecified amount of funding. The bill specifies that 70% of enrollment must be in science, technology, engineering and mathematics programs and the remaining 30% in other areas of student.

Section 1(2)(c) and (d) require institutions to identify and report these students separately from other enrollments including cost per student, area of study, and progress toward graduation and degree completion.

### 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 receipts related to this bill are indeterminate. Eastern is unable to estimate the number of additional enrollments that would be attributed to this bill.

To provide a sense of scale, Eastern has calculated the net operating fee for one full-time equivalent resident undergraduate at approximately \$4,940 per year.

This is based on FY 2017 tuition and estimated FTE enrollments from the TECM model.

FY 2017 estimated Resident Undergraduate (RUG) operating fees: \$44,280,811  
Less waivers: -\$1,769,190  
Less 4 percent aid funding: -\$1,700,465  
Net RUG operating fees: \$40,811,156

Estimated FY 2017 FTE enrollments: 8,267  
Net operating fee per FTE: \$4,937

### 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 expenditures related to this bill are indeterminate. Eastern is unable to estimate the number of additional enrollments that would be attributed to this bill.

To provide a sense of scale, Eastern estimates that the cost per Undergraduate full-time equivalent is \$10,210 (state funds + tuition) and Engineering Undergraduate is \$15,558 (state funds + tuition) in FY2017. This estimate is based on the FY12 OFM Expenditure Student with expenditures inflated by 3.0% per year.

Sections 1(2)(c) and 1(2)(d) will require additional staff time and software system modifications to separately track and report these enrollments. The related amounts are indeterminate but estimated in total to be less than \$50,000 per year.

## 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

<b>Bill Number:</b> 5902 SB	<b>Title:</b> STEM enrollments	<b>Agency:</b> 375-Central Washington University
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## Part I: Estimates

☐

No Fiscal Impact

### Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.
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### Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.
---

### Estimated Capital Budget Impact:

NONE

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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: Lily Sobolik	Phone: 360-786-7157	Date: 03/25/2017
Agency Preparation: Karen Thiemann	Phone: (509) 963-1233	Date: 04/03/2017
Agency Approval: Karen Thiemann	Phone: (509) 963-1233	Date: 04/03/2017
OFM Review: Breann Boggs	Phone: (360) 902-0563	Date: 04/03/2017



## 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.*

SB 5902 requires that at least 70% of the moneys provided under this bill are used for enrolling students in certification and degree programs in science, technology, engineering and mathematics. The remaining 30% of the moneys must be provided for enrollments in other areas of study. The bill also requires each institution to report these students separately from other enrollments. By September 1st of each year, each institution shall provide a report including, but not limited to, the cost per student, area of study, and progress toward graduation and degree completion. The institutions must also report to the office of financial management on the number of additional resident undergraduate enrollments achieved with the funds.

### 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 legislature intends to increase resident undergraduate student enrollments at the state institutions of higher education with a particular emphasis on students seeking STEM certification and degree programs.

Moneys allocated to the institutions of higher education for this purpose require at least seventy percent to be for enrollments in STEM programs with thirty percent for enrollments in other areas.

As the exact number of new enrollments (STEM or non-STEM) is unknown, the total funding received under this bill for CWU is indeterminate.

Cash receipt estimates for one new full-time equivalent resident undergraduate (RUG) enrollment is:

This is based on FY 2017 tuition and estimated FTE enrollments from the TECM model.

FY 2017 estimated Resident Undergraduate (RUG) operating fees: \$50,371,374  
Less waivers: -\$4,289,461  
Less 4 percent aid funding: -\$1,843,277  
Net RUG operating fees: \$44,238,637

Estimated FY 2017 FTE enrollments: 8,456  
Net operating fee per FTE: \$5,231

This estimate does not include building fees or other student fees associated with new enrollments.

### 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 legislature intends to increase resident undergraduate student enrollments at the state institutions of higher education with a particular emphasis on students seeking STEM certification and degree programs.

Moneys allocated to the institutions of higher education for this purpose require at least seventy percent to be for enrollments in STEM programs with thirty percent for enrollments in other areas.

As the exact number of new enrollments (STEM or non-STEM) is unknown, the total cost for CWU is indeterminate. Cost estimates for each type of new enrollment are as follows:

FY18: STEM enrollment - \$15,525 (state support + tuition) per Resident Undergraduate  
Non-STEM enrollment - \$10,610 (state support + tuition) per Resident Undergraduate

FY19:  
STEM enrollment - \$15,991 (state support + tuition) per Resident Undergraduate  
Non-STEM enrollment - \$10,929 (state support + tuition) per Resident Undergraduate

This estimate is based on the FY12 OFM Expenditure Study with expenditures inflated by 3.0% each year.

**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

<b>Bill Number:</b> 5902 SB	<b>Title:</b> STEM enrollments	<b>Agency:</b> 376-The Evergreen State College
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## Part I: Estimates

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No Fiscal Impact

### Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.
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### 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: Lily Sobolik	Phone: 360-786-7157	Date: 03/25/2017
Agency Preparation: Lisa Dawn-Fisher	Phone: 360-867-6185	Date: 04/03/2017
Agency Approval: Lisa Dawn-Fisher	Phone: 360-867-6185	Date: 04/03/2017
OFM Review: Breann Boggs	Phone: (360) 902-0563	Date: 04/03/2017

## 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 (2) of the bill provides that subject to the availability of funds for this purpose, the legislature intends to increase full-time equivalent (FTE) enrollments of resident undergraduate (RUG) students at the state's institutions of higher education.

Subsection (a) specifies that at least 70% of the new enrollments must be provided in the fields of science, technology, engineering, and mathematics (STEM).

Subsection (b) specifies that the remaining 30% of new enrollments be in other fields of study. Institutions would have the discretion to direct this portion of the enrollments to other high demand certification and degree programs that meet unserved needs of students and employers.

Subsection (c) requires each institution to work with the education research and data center (ERDC) to identify the students separately from other enrollments. By September 1 of each year, each institution shall provide a report, including but not limited to, cost per student, area of study, and progress toward graduation and degree completion. The ERDC may also require additional information to be used in measuring the success of the use of funds for additional enrollments.

Subsection (d) requires each institution to report to the office of financial management on the number of additional RUG enrollments achieved. If enrollment expectations are not achieved, the unspent funds for additional enrollments must lapse. OFM must provide a recommendation to the legislature whether to continue funding an institution with lapsed funds or to transfer those funds to another institution.

### 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.*

Because the number of enrollments is unknown, this estimate provides a sense of scale by estimating the net operating fee revenue for one full-time equivalent (FTE) resident undergraduate (RUG) based on the following assumptions.

- Started with the FY 17 estimate of gross RUG operating fee for Evergreen from the TECM model of \$15,120,188.
- Subtracted waivers at the 15.5% rate specified in the TECM model for Evergreen of \$2,339,379.
- Subtracted the 4% financial set-aside prescribed in statute of \$511,232.
- Divided the net revenue of \$12,269,577 by the 2,725 RUG FTE figure from TECM to get operating revenue of \$4,503 per FTE.
- Assumed no increase in RUG tuition in FY 18 or FY 19.

### 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 provide a sense of scale, Evergreen estimated expenditures to instruct one RUG FTE.

- Started with expenditures of \$11,203 per RUG FTE determined by the OFM Expenditure Study for FY 12. Due to the unique nature of Evergreen's curriculum, the FY 12 expenditure study did not produce estimated expenditures for Evergreen STEM RUGs. As a result, current expenditure estimates for STEM RUGs are not available.
- Inflated those expenditures by 3.0% year based on the rolling 14-year average of the Higher Education Price Index (HEPI) as reported in WSIPP's "Options for Higher Education Tuition Growth Factors" to arrive to produce FY 18 expenditures per FTE of \$13,377 and FY 19 expenditures per RUG FTE of \$13,778.
- In addition, there are indeterminate expenditures associated with the reporting requirements of Section 1(2)(c) and Section 1(2)(d).
- Based on these cost estimates and the operating revenue per student of \$4,503, it is estimated that an additional \$8,874 per RUG FTE would be needed in FY 18 and an additional \$9,275 per student in FY 19 to support the new enrollments.

### **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

<b>Bill Number:</b> 5902 SB	<b>Title:</b> STEM enrollments	<b>Agency:</b> 699-Community and 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: Lily Sobolik	Phone: 360-786-7157	Date: 03/25/2017
Agency Preparation: Brian Myhre	Phone: 360-704-4413	Date: 03/30/2017
Agency Approval: Cherie Berthon	Phone: 360-704-1023	Date: 03/30/2017
OFM Review: Breann Boggs	Phone: (360) 902-0563	Date: 04/03/2017

## 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 seeks to increase state-supported enrollments at institutions of higher education, with an emphasis on increasing enrollments in Science, Technology, Engineering and Math (STEM) certification and degree programs.

#### Section 1(2)(a,b)

Subject to appropriations for this specific purpose, the Legislature intends to increase resident undergraduate enrollments. At least seventy percent of the appropriations are to be used for enrollments in STEM degree and certification programs. The remaining funds are to be used for enrollments in other areas of study, including other high demand degree and certification programs.

#### Section 1(2)(c)

Each institution must report work with the Education Research and Data Center (ERDC) in identifying the students enrolled under the provisions of the bill. For each student, the report must include; costs per student, area of study and progress toward graduation and degree completion. The report is due annually by September 1st.

#### Section 1(2)(d)

Each institution must report to the Office of Financial Management (OFM) on the number of additional resident undergraduate enrollments achieved with the funds received.

### 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.*

Indeterminate cash receipts impact.

Any increase in student enrollments would result in an increase in the collection of tuition and related fees. Enrollment increases would be dependent on the operating appropriations act. Since the number of additional enrollments is unknown, the cash receipts impact is indeterminate.

### 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.*

Indeterminate expenditure impact.

Staff time would be required to comply with the tracking and reporting duties listed in sections 1(2)(c) and 1(2)(d). The amount of staff time needed to track and report information related to increased STEM and high-demand enrollments would depend on the size of the population to be tracked. Enrollment increases would be dependent on the operating appropriations act. Since the number of new enrollments is unknown, the expenditure impact is indeterminate.

In addition, any increase in student enrollments would result in an increase in expenditures. Enrollment increases

would depend on the operating appropriations act. Since the number of new enrollments is unknown, the expenditure impact is indeterminate.

**Part III: Expenditure Detail**

**Part IV: Capital Budget Impact**

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.*

No rule-making required.