

Multiple Agency Fiscal Note Summary

Bill Number: 2158 S HB	Title: Workforce education
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Estimated Cash Receipts

Agency Name	2019-21		2021-23		2023-25	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Revenue	0	427,400,000	0	613,000,000	0	646,800,000
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.					
Total \$	0	427,400,000	0	613,000,000	0	646,800,000

Estimated Operating Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of the Governor	Fiscal note not available								
Caseload Forecast Council	Fiscal note not available								
Office of Financial Management	4.0	6,554,000	6,554,000	4.0	5,540,000	5,540,000	4.0	5,540,000	5,540,000
Department of Revenue	10.8	2,291,700	2,291,700	5.1	1,003,600	1,003,600	3.6	658,800	658,800
Department of Labor and Industries	5.0	0	1,202,000	5.0	0	1,142,000	5.0	0	1,142,000
Department of Children, Youth, and Families	Fiscal note not available								
Student Achievement Council	Fiscal note not available								
Superintendent of Public Instruction	Fiscal note not available								
Workforce Training and Education Coordinating Board	2.3	705,000	705,000	2.2	713,000	713,000	2.3	770,000	770,000
University of Washington	.0	144,828	144,828	.0	903,432	903,432	.0	772,684	772,684
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	Fiscal note not available								
Western Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Employment Security Department	2.0	0	10,400,000	2.0	0	15,900,000	2.0	0	15,900,000
Community and Technical College System	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	24.1	9,695,528	21,297,528	18.3	8,160,032	25,202,032	16.9	7,741,484	24,783,484

Estimated Capital Budget Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Governor	Fiscal note not available								
Caseload Forecast Council	Fiscal note not available								
Office of Financial Management	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Department of Labor and Industries	.0	0	0	.0	0	0	.0	0	0
Department of Children, Youth, and Families	Fiscal note not available								
Student Achievement Council	Fiscal note not available								
Superintendent of Public Instruction	Fiscal note not available								
Workforce Training and Education Coordinating Board	.0	0	0	.0	0	0	.0	0	0
University of Washington	.5	0	0	5.1	0	0	4.8	0	0
Washington State University	.0	0	0	.0	0	0	.0	0	0
Eastern Washington University	.0	0	0	.0	0	0	.0	0	0
Central Washington University	.0	0	0	.0	0	0	.0	0	0
The Evergreen State College	Fiscal note not available								
Western Washington University	.0	0	0	.0	0	0	.0	0	0
Employment Security Department	.0	0	0	.0	0	0	.0	0	0
Community and Technical College System	.0	0	0	.0	0	0	.0	0	0
Total \$	0.5	0	0	5.1	0	0	4.8	0	0

Estimated Capital Budget Breakout

NONE

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Prepared by: Breann Boggs, OFM	Phone: (360) 902-0659	Date Published: Preliminary 4/26/2019
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Individual State Agency Fiscal Note

Bill Number: 2158 S HB	Title: Workforce education	Agency: 105-Office of Financial Management
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	4.0	4.0	4.0	4.0	4.0
Account					
General Fund-State 001-1	3,136,000	3,418,000	6,554,000	5,540,000	5,540,000
Total \$	3,136,000	3,418,000	6,554,000	5,540,000	5,540,000

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: 04/22/2019
Agency Preparation: Jim Jenkins	Phone: 360-902-0403	Date: 04/23/2019
Agency Approval: Aaron Butcher	Phone: 360-902-0406	Date: 04/23/2019
OFM Review: Bryan Way	Phone: (360) 902-0650	Date: 04/24/2019

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

The substitute bill differs from the original as follows:

- Removes legislative elements from the Workforce Education Investment Accountability and Oversight board and requires the Workforce Training and Coordinating board to staff the legislative board, rather than senate committee services and office of program research (section 3);
- Removes requirement of a 26.5 percent salary increase for nurse educators at the community and technical colleges (section 5);
- Changes the name to the workforce education investment act; and
- Clarifies funding for the Washington College Grant Program.

These changes would not change the fiscal impact for the Office of Financial Management (OFM) compared to the original fiscal note.

Section 2 creates the workforce education investment account in the state treasury. All revenues from workforce investment surcharges on certain business activities under section 72 of the act must be deposited in the fund. Expenditures from the account may only occur after appropriation; and may only be used for higher education programs, higher education operations, higher education compensation and state-funded student aid programs.

Section 13 appropriates \$50,000 annually from the newly created workforce education investment account to implement career connected learning.

Section 52 of the bill provides a legislative intent to scale up career connected learning opportunities to address educational opportunity gaps and meet employer talent needs through statewide system development, resources for career launch and registered apprenticeships in K-12 and higher education and support for regional leadership and coordination.

Section 53 establishes the career connected learning cross-agency workgroup (workgroup) to scale-up and expand high-quality career connected learning opportunities.

The Governor is required to select the chair of workgroup and may consult or contract with entities with expertise in industry and education partnerships to provide staffing support and guidance for the workgroup.

The Office of the Governor must also provide a representative to participate on the workgroup.

Section 54 describes the workgroup's duties and responsibilities. These include, among others:

- Create and update guidance to endorse career launch programs;
- Mobilize private sector resources and coordinate external partnerships;
- Implement a marketing and communications plan;
- Develop a statewide inventory of support programs and resources to promote equitable participation in career connected learning;

- Build system functions in key agencies and existing systems;
- Develop and coordinate web resources;
- Develop financial and other support services to increase access and success to career connected programs for students facing barriers;
- Address credit transfer and articulation issues to ensure students in career launch programs receive appropriate credits in K-12 and college or postsecondary programs;
- Develop data systems and tracking and establish targets including equity-focused criteria;
- Submit a report and make budget recommendations to direct resources to career connected learning education programs;
- Support regional leadership and program intermediaries and the formation of regional networks;
- Develop a data enclave to measure progress and ensure equity of opportunity, led by the education research and data center at the Office of Financial Management (OFM).

Section 55 establishes a competitive grant program administered by the Employment Security Department (ESD). The Office of the Governor is required to work with ESD to establish grant criteria and guide the process for selection, in consultation with the cross-agency workgroup.

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.

This fiscal note assumes the Office of the Governor, through the Office of Financial Management (OFM) Legal and Legislative Affairs division, would contract for services under section 2 (4) for consultant or contracted expertise to support and guide the workgroup.

Contracted Services to Support Workgroup:

The estimated cost of this contract is based on a contracted team consisting of 1.0 executive director (\$199,000 salary and benefits) and 2.0 policy analysts (\$125,000 salary and benefits) plus travel, goods and services of \$192,000 in FY 2020 and \$199,000 in FY2021. Total contracted cost: \$641,000 in FY 2020 and \$648,000 in FY2021. These are one-time costs.

Marketing and Communications:

Under Section 54 (1) (c) the workgroup is required to implement a marketing and communications agenda to advance and promote a statewide system for career connected learning. OFM assumes the marketing and communications would also be provided as a contracted service.

Based on other statewide marketing campaigns, this is estimated to cost \$910,000 in FY 2020 and \$1,200,000 FY 2021, and ongoing.

This includes funding for media placement contracts, marketing vendor services, website design and staffing to manage the contracts.

- Media Placement Contract for radio, television and digital ads: \$750,000 in FY 2020 and \$1.0 million in FY 2021.

- Marketing Vendor Services to design new brand/logo and advertisements: \$75,000 in FY 2020 and \$100,000 in FY 2021
- Website design: \$10,000 in FY 2020
- 1.0 FTE Communications Specialist to manage media contracts, assumes 9 months in FY 2020: \$75,000 (salary and benefits) in FY 2020 and \$100,000 (salary and benefits) in FY 2021

Education Research and Data Center (ERDC):

Section 54 (5) directs the ERDC to develop a data enclave to measure progress and ensure equity by developing program codes to track career awareness and exploration, career connected learning and career launch programs, as defined in section 56 of the act.

The ERDC is also required to collect and disaggregate participation and outcomes data by race, gender, rurality, ability, foster youth, homeless youth, English language learner and other relevant categories.

The data enclave will allow users to run queries and models against ERDC data in a secure environment. Developing the data enclave is estimated to cost \$600,000 annually.

Data enclave – A data enclave allows users to run queries and models against data without taking the data out of a secure environment. The user runs their queries, the ERDC reviews the output for privacy concerns, and shares the results but not the data. Ideally, the data enclave would be used for all requesters of data from ERDC to maximize data security and the privacy of students and workers.

Establishing new regional and statewide metrics and data sources is estimated to cost \$350,000 annually, in contracted services, and have a staffing impact of 4.0 FTE for \$635,000 in FY 2020 and \$620,000 in FY 2021, and ongoing, based on the following:

- 1.0 FTE Senior Forecast Analyst: Linking and Matching Data - This FTE will be responsible for adding data sources, including but not limited to foster care, homeless and vocational training, to the ERDC's P-20 data warehouse; linking and matching data, and contributing to the implementation of data warehouse processes, such as profiling, extracting, loading new data sources; and will provide source to the data enclave. (\$127,000 per year in salary and benefits plus equipment, good and services)
- 1.0 FTE Senior Forecast Analyst: Data visualization - Additional data dashboards and visualizations will be needed for the development of career connected learning data both at the state and regional levels as well as aiding Career Connected Learning networks. (\$127,000 per year in salary and benefits plus equipment, good and services)
- 1.0 FTE Senior Forecast Analyst: Data governance – Additional data sharing agreements will be necessary to bring in new data sources. This FTE will evaluate the quantitative and technical aspects of data requests and data usage as well as reviewing data request results in the data enclave before release. (\$127,000 per year in salary and benefits plus equipment, good and services)
- 1.0 FTE Senior Forecast Analyst: Process Improvement – Establish statewide and regional metrics and develop new data sources required for the CCW work and initiative goals. This position will also help inform the work of the data visualization analyst and the efforts of the data governance position to identify and acquire new data streams necessary for the CCW work. (\$127,000 per year in salary and benefits plus equipment, good and services)

- Statewide + Regional CCL Measurement & Technical Assistance – ERDC would contract with or hire two to three FTEs to (1) establish statewide metrics and new data sources for CCW initiative goals; (2) provide data use, measurement support, and data-informed policy/practice/program development to CCW networks; and, (3) provide other data use and technical assistance for networks outside of CCW-explicit efforts.

Total 2019-21 estimate: \$3,136,000 in FY 2020; \$3,418,000 in FY 2021

Ongoing costs of: \$2,770,000, annually.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	3,136,000	3,418,000	6,554,000	5,540,000	5,540,000
Total \$			3,136,000	3,418,000	6,554,000	5,540,000	5,540,000

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	4.0	4.0	4.0	4.0	4.0
A-Salaries and Wages	381,000	381,000	762,000	762,000	762,000
B-Employee Benefits	128,400	133,400	261,800	266,800	266,800
C-Professional Service Contracts	1,901,000	2,198,000	4,099,000	3,100,000	3,100,000
E-Goods and Other Services	696,000	696,000	1,392,000	1,392,000	1,392,000
G-Travel	9,600	9,600	19,200	19,200	19,200
J-Capital Outlays	20,000		20,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	3,136,000	3,418,000	6,554,000	5,540,000	5,540,000

III. C - Operating FTE 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 2020	FY 2021	2019-21	2021-23	2023-25
Forecast Analyst	95,400	4.0	4.0	4.0	4.0	4.0
Total FTEs		4.0	4.0	4.0	4.0	4.0

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Department of Revenue Fiscal Note

Bill Number: 2158 S HB	Title: Workforce education	Agency: 140-Department of Revenue
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Account	FY 2020	FY 2021	2019-21	2021-23	2023-25
NEW-State 01 - Taxes 05 - Bus and Occup Tax	121,600,000	305,800,000	427,400,000	613,000,000	646,800,000
Total \$	121,600,000	305,800,000	427,400,000	613,000,000	646,800,000

Estimated Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	12.2	9.3	10.8	5.1	3.6
Account					
GF-STATE-State 001-1	1,393,900	897,800	2,291,700	1,003,600	658,800
Total \$	1,393,900	897,800	2,291,700	1,003,600	658,800

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:	Phone:	Date: 04/22/2019
Agency Preparation: Erin Valz	Phone: 360-534-1522	Date: 04/23/2019
Agency Approval: Don Gutmann	Phone: 360-534-1510	Date: 04/23/2019
OFM Review: Kathy Cody	Phone: (360) 902-9822	Date: 04/23/2019

Request # 2158-3-1

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.

Note: This fiscal note reflects language in SHB 2158, 2019 Legislative Session.

PART II - WORKFORCE EDUCATION INVESTMENT ACCOUNT

This part creates the workforce education investment account. Funds deposited into the account may be used only for higher education programs, higher education operations, higher education compensation, and state-funded student aid programs.

PART III-IV

These parts of the bill make education-related changes. These parts of the bill do not impact the Department of Revenue (Department).

PART V - WORKFORCE EDUCATION INVESTMENT ASSESSMENT

CURRENT LAW:

Washington's major business tax is the business and occupation (B&O) tax. The B&O tax is imposed on the gross receipts of business activities conducted within the state.

A taxpayer may pay more than one B&O tax rate, depending on the types of activities conducted. Major B&O tax rates are 0.471 percent for retailing, 0.484 percent for manufacturing, wholesaling, and extracting, and 1.5 percent for most services and other activities not classified elsewhere in the B&O tax code. Several preferential rates also apply to specific business activities.

PROPOSAL:

This proposal does the following:

- Increases the service and other activities rate from 1.5% to 1.8% for all "specified businesses." A specified business is a business that is primarily engaged in any combination of business activities captured within any of 44 categories of business activities that are based on certain North American Industry Classification System codes.
- Increases the service and other activities rate to 2.0% for "advanced computing" businesses, and all of their affiliates, with worldwide revenue that exceeds \$25 billion in the current or immediately preceding calendar year.
- Increases the service and other activities rate to 2.5% for "advanced computing" businesses, and all of their affiliates, with worldwide revenue that exceeds \$100 billion in the current or immediately preceding calendar year.
- The worldwide revenue thresholds are based on gross revenue from all business activities of the affiliated group, not just from advanced computing.

"Advanced computing" means designing or developing computer software or computer hardware, whether directly or contracting with another person, including modifications to computer software or computer hardware, cloud computing services, or operating an online marketplace, an online search engine, or online social networking platform.

EFFECTIVE DATE:

This part takes effect on January 1, 2020.

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.

ASSUMPTIONS

This proposal impacts 5 months of cash collections in Fiscal Year 2020 due to the January 1, 2020, effective date.

Additional service and other B&O tax on certain businesses assumptions:

- Taxpayers are subject to the additional service and other B&O tax if the taxpayer generates more than 50 percent of its taxable income from any combination of the categories on which the additional B&O tax is imposed.
- A small number of taxpayers do not have a North American Industrial Classification System (NAICS) code assigned in our system. As a result, these businesses will not be subject to the B&O tax surcharge for the purposes of this estimate.
- The Department has assigned the correct NAICS category to each taxpayer.
- If NAICS definitions are changed by the U.S. Census Bureau, the legislature will change appropriate statutes to ensure the statutes reflect current NAICS category definitions. Generally, the U.S. Census updates NAICS code definitions every seven years.
- Compliance will be as follows:
 - 90 percent compliance the first fiscal year.
 - 95 percent compliance for all fiscal years thereafter.
- There will be no additional revenue generated from annual filers during Fiscal Year 2020 due to the January 1, 2020, effective date.

Taxpayer counts:

Businesses impacted by increasing the service and other B&O tax: 82,100

DATA SOURCES

- Department excise tax returns
- Economic and Revenue Forecast Council, November 2018 forecast

REVENUE ESTIMATES

This bill increases state revenues by an estimated \$121.6 million in the 5 months of impacted collections in Fiscal Year 2020, and by \$305.8 million in Fiscal Year 2021, the first full year of impacted collections.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2020 -	\$ 121,600
FY 2021 -	\$ 305,800
FY 2022 -	\$ 303,300
FY 2023 -	\$ 309,800
FY 2024 -	\$ 318,800
FY 2025 -	\$ 328,000

Local Government, if applicable (cash basis, \$000): 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.

ASSUMPTIONS:

This legislation affects about 82,100 taxpayers who would report the additional service and other B&O tax.

The Department anticipates that a significant number of taxpayers will contest determinations and letter rulings.

FIRST YEAR COSTS:

The Department will incur total costs of \$1,393,900 in Fiscal Year 2020. These costs include:

Labor Costs - Time and effort equates to 12.2 FTEs.

- Provide increased interpretation and analysis of new laws.
- Set up, program and test computer system for three new line, reason, refund and transaction codes, assist with form development, oversee computer systems, resolve computer system problems, and conduct testing for each return period.
- Answer an increased number of taxpayer inquiries via email, telephone, and field office counter visits.
- Respond to letter ruling requests and email inquiries.
- Resolve additional error and out-of-balance and amended returns, conduct account examinations, respond to secure messages and correspondence, answer telephone questions, monitor reports and assist taxpayers with reporting.
- Collect additional balance due invoices.
- Hold hearings and write determinations related to administrative reviews of contested assessments and letter rulings.
- Additional time required for field audits of taxpayers subject to the new tax rate.
- Adopt one new administrative rule.

Object Costs - \$159,700.

- Contract computer system programming.
- Print and mail a special notice to taxpayers who do not file returns electronically.
- Agent seat licenses for the Telephone Information Center.
- Warrant filing fees and postage for collection of additional delinquent accounts.

SECOND YEAR COSTS:

The Department will incur total costs of \$897,800 in Fiscal Year 2021. These costs include:

Labor Costs - Time and effort equates to 9.3 FTEs.

- Provide increased interpretation and analysis of new laws.
- Answer an increased number of taxpayer inquiries via email, telephone, and field office counter visits.
- Respond to letter ruling requests and email inquiries.
- Resolve additional error and out-of-balance and amended returns, conduct account examinations, respond to secure messages and correspondence, answer telephone questions, monitor reports and assist taxpayers with reporting.
- Collect additional balance due invoices.
- Hold hearings and write determinations related to administrative reviews of contested assessments and letter rulings.
- Additional time required for field audits of taxpayers subject to the new tax rate.

Object Costs - \$500.

- Warrant filing fees and postage for collection of additional delinquent accounts.

ONGOING COSTS:

Ongoing costs for the 2021-23 Biennium equal \$1,003,600 and include similar activities described in the second year costs. Time and effort equates to 6.0 FTEs in Fiscal Year 2022 and 4.2 FTEs in Fiscal Year 2023.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	12.2	9.3	10.8	5.1	3.6
A-Salaries and Wages	778,100	600,100	1,378,200	673,200	436,600
B-Employee Benefits	233,300	180,000	413,300	201,800	131,000
C-Professional Service Contracts	140,800		140,800		
E-Goods and Other Services	160,200	96,500	256,700	105,100	74,000
G-Travel	1,200	1,200	2,400	2,200	2,200
J-Capital Outlays	80,300	20,000	100,300	21,300	15,000
Total \$	\$1,393,900	\$897,800	\$2,291,700	\$1,003,600	\$658,800

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 2020	FY 2021	2019-21	2021-23	2023-25
COMMUNICATIONS CNSLT 4	60,636	0.1		0.1		
EMS BAND 4	115,593	0.0		0.0		
EMS BAND 5	135,039	0.0		0.0		
EXCISE TAX EX 2	51,000	1.0	1.1	1.1	0.5	0.5
EXCISE TAX EX 3	56,256	0.5	0.3	0.4	0.2	0.2
FORMS AND RECORDS	54,924	0.1		0.1		
ANALYST SUPV IT SPEC 4	70,320	0.2		0.1		
IT SPEC 5	77,616	0.1		0.1		
MGMT ANALYST1	45,096	0.0		0.0		
MGMT ANALYST4	63,684	1.5		0.8		
REVENUE AGENT 2	52,332	0.1	0.1	0.1		
REVENUE AUDITOR 2	56,256	0.3	0.3	0.3	0.3	0.3
TAX INFO SPEC 1	40,908	2.6	2.0	2.3	1.0	1.0
TAX INFO SPEC 4	60,636	0.5	0.5	0.5	0.1	0.1
TAX POLICY SP 3	77,616	4.4	4.2	4.3	2.5	1.3
TAX POLICY SP 4	83,556	0.8	0.8	0.8	0.5	0.2
WMS BAND 3	98,308	0.0		0.0		
Total FTEs		12.2	9.3	10.8	5.1	3.6

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Should this legislation become law, the Department will use the complex rule-making process to adopt one new rule under chapter 458-20 WAC. Persons affected by this rule making would include selected service businesses.

Individual State Agency Fiscal Note

Bill Number: 2158 S HB	Title: Workforce education	Agency: 235-Department of Labor and Industries
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	5.0	5.0	5.0	5.0	5.0
Account					
Accident Account-State 608-1	536,000	485,000	1,021,000	970,000	970,000
Medical Aid Account-State 609-1	95,000	86,000	181,000	172,000	172,000
Total \$	631,000	571,000	1,202,000	1,142,000	1,142,000

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: 04/22/2019
Agency Preparation: Bobby Kendall	Phone: 902-6980	Date: 04/24/2019
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 04/24/2019
OFM Review: Anna Minor	Phone: (360) 902-0541	Date: 04/25/2019

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 53(1): Within existing resources, a career connected learning cross-agency work group is established to scale up and expand high-quality career connected learning opportunities in communities across the state.

Section 53(5)(a): The department of labor and industries in consultation with the regulatory apprenticeship council shall have representative on the workgroup established in section 53(1).

Section 54: The career connected learning cross-agency work group established in section 53 of this act shall have the following duties:

Section 54(1): Advance and promote the career connect Washington vision to create a statewide system for career connected learning and the need for joint action.

Section 54(2): By September 1, 2019, and by each September 1st thereafter, make budget recommendations to the office of financial management, to direct resources to education programs for career connected learning.

Section 54(2)(f): Support the registered apprenticeship system and the department of labor and industries to build capacity to expand registered apprenticeship pre-apprenticeship programs.

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.

The fiscal assumptions for Career Connected Learning align with the Governor's 2019-2021 proposed Operating Budget. Beginning July 1, 2019, a total of five (5) fulltime Apprenticeship Consultant 3s are needed to support CCL:

- One position will serve as a point person for the cross-agency work group and the development of a statewide system of career connected learning.
- Three positions will manage the increased workload associated with new apprenticeship and career launch programs.
- One position will coordinate statewide pre-apprenticeships.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
608-1	Accident Account	State	536,000	485,000	1,021,000	970,000	970,000
609-1	Medical Aid Account	State	95,000	86,000	181,000	172,000	172,000
Total \$			631,000	571,000	1,202,000	1,142,000	1,142,000

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	5.0	5.0	5.0	5.0	5.0
A-Salaries and Wages	311,000	311,000	622,000	622,000	622,000
B-Employee Benefits	123,000	123,000	246,000	246,000	246,000
C-Professional Service Contracts					
E-Goods and Other Services	146,000	136,000	282,000	272,000	272,000
G-Travel	1,000	1,000	2,000	2,000	2,000
J-Capital Outlays	50,000		50,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	631,000	571,000	1,202,000	1,142,000	1,142,000

III. C - Operating FTE 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 2020	FY 2021	2019-21	2021-23	2023-25
Apprenticeship Consultant 3	62,131	5.0	5.0	5.0	5.0	5.0
Total FTEs		5.0	5.0	5.0	5.0	5.0

Part IV: Capital Budget Impact

NONE

None.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

None.

Individual State Agency Fiscal Note

Bill Number: 2158 S HB	Title: Workforce education	Agency: 354-Workforce Training and Education Coordinating Board
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	2.3	2.2	2.3	2.2	2.3
Account					
General Fund-State 001-1	361,000	344,000	705,000	713,000	770,000
Total \$	361,000	344,000	705,000	713,000	770,000

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: 04/22/2019
Agency Preparation: Dave Pavelchek	Phone: 360-709-4630	Date: 04/24/2019
Agency Approval: Victoria DeBoer	Phone: 360 709-4620	Date: 04/24/2019
OFM Review: Breann Boggs	Phone: (360) 902-0659	Date: 04/26/2019

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 3(5) of the bill assigns the Workforce Board the role of providing overall staff support to the Oversight Board.

Section 3(7) of the bill identifies a role for Workforce Board in supporting the Oversight Board by providing data for assessment and evaluation of the efficacy of the full range of programs funded through the Workforce Education Investment Account.

Section 53 of the bill identifies the Workforce Board as a member of a cross-agency workgroup, which is charged with meeting at least six times per year to coordinate agency functions and external partnerships.

In Section 54, this workgroup is given an expansive list of duties and responsibilities, including creating guidance for endorsing “Career Launch” programs, implementing a marketing and communications plan, creating a statewide inventory of support services, developing new and coordinating existing web and other resources, addressing transfer and articulation issues, developing data systems, making policy recommendations, supporting regional leadership and local networks, and developing a data enclave for career-connected learning.

Among those responsibilities is a substantial body of work in assessment, development and implementation of data and evaluation work, including cross-agency data standards, collection, compilation, management, analysis, and dissemination. Participation in the workgroup’s data and evaluation activities will also be required of Workforce Board research staff. Research staff will be actively involved in consulting and coordinating with staff at partner agencies in developing standards, protocols, and systems.

Section 60 (17) of the bill charges the Workforce Board with incorporating the expansion of K-12 and postsecondary opportunities for career-connected learning into the planning efforts for the federal Carl D. Perkins (Perkins) Act. The planning process for the Perkins plan occurs every four years, with the next planning cycle already underway for FY20 submission.

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.

Section: 3(5) Providing staff support to the Legislative Workforce Education Investment Accountability and Oversight Board has three components: Logistics, a staff coordinator, and Data Analysis for Assessing Program Effectiveness. The scope of the Oversight Board portfolio is considerably larger than the current evaluation and policy activities of the Workforce Board. It includes additional programs such as student loans, policy issues such as federal constraints on child care support for education and training participants, and performance measures such as student retention rates.

Logistics –The Oversight Board will have 16 members, at least half of whom will not be state employees nor state legislators. The Oversight Board will meet four times a year, and produce an annual report of recommendations to the Legislature on workforce education priorities. Meeting arrangements, document and report production and distribution, and other administrative and clerical tasks will require 0.3 FTE of an Administrative Assistant 4 each year.

Staff Coordinator

The Staff Coordinator’s roles will include organizing meeting briefings and presentations, compiling and editing meeting materials, responding to further information requests from Oversight Board members, drafting and revising the annual report, and liaison with state agencies, and other organizations responsible for activities funded through the Workforce Education Investment Account. This position is budgeted as 1.0 FTE of WMS-1 each year.

Data Analysis for Assessing Program Effectiveness

Sec. 3(5) The Oversight Board’s annual report of recommendations about activities to be funded from the Workforce Education Investment Account is to be based on assessments of the extent to which existing workforce education investments are effective. In addition to the role as a provider of data on those programs within the current scope of the Workforce Board - which are designated in Section 3(7) and covered below - the programs to be funded from the Workforce Education Investment Account include substantial programs that are currently outside the Workforce Board’s current data compilation, analysis and expertise, such as student financial aid loans and grants, student retention and choice of majors at the baccalaureate level, and the participation requirements for working connections child care benefits. This will require compiling and developing understanding and competency about diverse data from the Education Research Data Center and other agencies.

Section 3(7): The scope of the Oversight Board’s program assessment mandate is larger than the career-connected learning and Career Launch programs that are addressed in the Section 54 narrative below. While the Board already works with data for programs such as apprenticeship, secondary and postsecondary career and technical education, and private career schools, there are additional components and focus areas of Oversight Board responsibility, such as student retention, that are beyond the current scope of the Workforce Board’s evaluation activities. This will require additional analysis and research expertise, as well as expansion of data collection, and an increase in the diversity of analytic methods applied.

The analytic and data compilation work required under Sections 3(5) and 3(7) is estimated to require an additional 0.7 FTE of Research Investigator 3 annually.

The estimated travel costs for Oversight Board members are based on the assumptions that eight of the sixteen Board members will request reimbursement, and that three of the four annual meetings would be in the central Puget Sound area, which would incur mileage charges, and one meeting would be in eastern Washington with corresponding costs for travel and per diem. Workforce Board staff travel costs are based on the same meeting schedule, plus additional travel to meet with Oversight Board members and other stakeholders outside of formal meetings.

An additional 0.2 FTE of an Administrative Assistant 4 will be required to maintain the current level of general administrative staff support at one admin assistant to 10 professional staff.

Sections 53 & 54, which implement a Career Connected Learning initiative, require substantial participation by the Workforce Board in a range of complex activities to achieve the goals of the multi-agency workgroup. This

section is required to be implemented “within existing resources.” The fiscal note on HB 1336 contains an estimate of the Workforce Board resources required for a full scale implementation of that initiative.

Section 60(17) requires the Workforce Board to integrate the new programs, strategies, and recommendations specified in this bill in the next edition of the state strategic plan required by the federal Carl D. Perkins Career and Technical Education Act, which is due on four-year cycles. A new plan is due to the federal Department of Education in 2020, and again in 2024. The Board assumes that the activity required for the planning process will include at least one public meeting focused on this topic, incorporating public comment, and integrating pertinent details into the federally required components of the plan. This will require a .1 FTE of the Deputy Director for Policy and Programs, to coordinate agency strategic planning, in FY20 and FY24, and to draft the plan in alignment with this bill.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	361,000	344,000	705,000	713,000	770,000
Total \$			361,000	344,000	705,000	713,000	770,000

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	2.3	2.2	2.3	2.2	2.3
A-Salaries and Wages	178,000	174,000	352,000	363,000	395,000
B-Employee Benefits	64,000	62,000	126,000	125,000	133,000
C-Professional Service Contracts					
E-Goods and Other Services	74,000	72,000	146,000	150,000	162,000
G-Travel	12,000	12,000	24,000	25,000	27,000
J-Capital Outlays	8,000		8,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	25,000	24,000	49,000	50,000	53,000
9-					
Total \$	361,000	344,000	705,000	713,000	770,000

III. C - Operating FTE 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 2020	FY 2021	2019-21	2021-23	2023-25
Admin Asst 4	53,592	0.5	0.5	0.5	0.5	0.5
Dep. Dir.	94,000	0.1		0.1		0.1
Prog. Mgr.	87,000	1.0	1.0	1.0	1.0	1.0
Research Investigator 3	77,600	0.7	0.7	0.7	0.7	0.7
Total FTEs		2.3	2.2	2.3	2.2	2.3

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2158 S HB	Title: Workforce education	Agency: 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 Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
Account					
General Fund-State 001-1	72,414	72,414	144,828	903,432	772,684
Total \$	72,414	72,414	144,828	903,432	772,684

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: 04/22/2019
Agency Preparation: Jed Bradley	Phone: 2066164684	Date: 04/24/2019
Agency Approval: Kelsey Rote	Phone: 2065437466	Date: 04/24/2019
OFM Review: Breann Boggs	Phone: (360) 902-0659	Date: 04/26/2019

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.

Substitute House Bill 2158 made the following changes to the underlying bill:

- Removes the legislative elements of the Workforce Education Investment Accountability and Oversight Board so it is not an official legislative board and changes the staffing to the Workforce Training and Education Coordinating Board.
- Strikes the specific requirement of a 26.5 percent salary increase for nurse educators at the community and technical colleges.
- Names the bill the Workforce Education Investment Act.
- Clarifies that appropriations for the Washington College Grant are to fund half the backlog of unserved students in fiscal year 2020.

None of these amendments would change the impact of this bill on the University of Washington. Therefore, the impact outlined below remains the same as the previous version.

Substitute House Bill 2158 increases revenue to fund investments in higher education enrollments, financial aid, and other items. Several policy decisions are similar to other proposed legislation, which we have attempted to identify below.

Part III establishes a legislative workforce education investment accountability and oversight board to provide guidance and recommendations to the legislature on what workforce education priorities should be funded with the workforce education investment account. The board consists of sixteen members, including one member representing four-year institutions and two students. Member terms are three years, except students who serve one year. The board will meet four times a year.

Part IV(A) Section 6 provides appropriations to the UW for the following purposes: (1) increase degree production in the college of engineering at the Seattle campus; (2) maintain the Washington state Academic Redshirt (STARS) Program; (3) add degree capacity and increase undergraduate enrollments engineering, mathematics, and science programs to support the biomedical innovation partnership zone at the Bothell campus; and (4) establish bachelor of science programs in mechanical and civil engineering at the Tacoma campus.

Part IV(B)(1) (similar to SB 5393) would create the Washington College Promise Scholarship (WCPS) program, which would replace the State Need Grant (SNG) beginning in the 2021-22 academic year. The program would be administered by the Washington Student Achievement Council (WSAC).

Section 16 establishes the program and defines parameters of eligibility for students to participate in the WCPS program, reimbursement of unused funds, and part-time enrollment.

Section 16(11) requires that students be awarded all need-based financial aid for which they qualify, as determined by the institution.

Sections 17 and 18 define eligibility that is pegged to financial need below seventy percent of the state median family income, add a definition of financial need, and set maximum award amounts pegged to fifteen quarter credit hours or the equivalent for students attending two or four year institutions. Maximum awards are equal to tuition and S&A fees.

Sections 19 and 20 modify requirements for the Caseload Forecast Council.

Sections 21 through 44 modify existing statutes to correct language that references the SNG program to reference the WCPS program, and repeal SNG program statutes.

Part IV(B)(2) (similar to SB 1542) would establish a state-run student loan program for students who graduate from Washington high schools and are pursuing undergraduate studies. Loans would be offered at a subsidized, one percent interest rate. The program would be funded by increasing real estate excise taxes on properties over one million dollars.

Section 46 establishes definitions, and defines “institutions of higher education” as including state universities, regional universities, the Evergreen State College, community and technical colleges, and private not-for-profit institutions.

Sections 47 through 51 require the Washington Student Achievement Council (WSAC) Office of Student Financial Assistance to administer the program and sets additional requirements for servicing student loans, account management, data collection, and reporting.

Part IV(B)(3) (similar to HB 1336) would expand offerings for career connected learning for K-12 students by increasing cross-sector collaboration and coordination. The following sections would have fiscal impact on the University of Washington:

Section 53 establishes a work group within existing resources to inform and coordinate expansion of career connected learning. This work group will include representation from the University of Washington.

Section 54(1)(i) would require the aforementioned career connected learning work group to address transfer and articulation issues to ensure continuity and credit portability between institutions.

Section 55 creates the “Career Connected Learning Grant Program,” intended to expand career connected learning throughout Washington State. It is possible that the University of Washington would receive a grant under Section 4, but we have not included the fiscal impact here because the possibility of receiving a grant and the amount of the grant is unknown.

Part IV(B)(4) (similar to HB 1927, which the UW did not provide a FN for) would amend the Washington State Opportunity Scholarship (WSOS) Program to include contributions from private organizations, corporations, municipalities, or counties. It also prohibits WSAC and higher education institutions from considering the WSOS as state-funded aid for the purpose of calculating awards for other state financial aid programs.

Section 64 adds language regarding private funds from federally recognized Indian tribe, municipality, or county to ensure that the funds are awarded to participants within that federally recognized Indian tribe, municipality, or county. The section removes language regarding the service requirement for advanced degrees in health professions.

Section 67 requires the office of student financial assistance and the institutions of higher education may not consider awards made under WSOS to be state-funded for the purpose of determining the value of an award for other state financial aid programs.

Part V creates additional surcharges on business activities occurring on or after January 1, 2020. In addition to the taxes imposed under RCW 36 82.04.290(2), a workforce education investment surcharge is imposed on specified persons. The surcharge is equal to the total amount of tax payable by the person on business activities taxed under RCW 82.04.290(2), including any additional tax due resulting from any other surcharges on such business activities, but before application of any tax credits, multiplied by the rate of twenty percent.

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.

For Part IV, Section 6 provides appropriations. Per OFM instructions, these appropriations are not finalized and we have not included amounts in the cash receipts table.

For Part IV(B)(2), a state-run student loan program could make it more affordable or attractive for students to seek educational opportunities at the UW or at other institutions. As a result, the UW could see additional undergraduate enrollment in its programs. That said, the University is not expecting significant increases in enrollment capacity at its three campuses, so any impact is indeterminate and likely to be minimal.

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.

Overall, the impact of this bill is indeterminate (primarily due to Part V), but we have included determinate amounts in expenditure tables. A part-by-part summary is below, with estimated totals at the end.

For Part III, Section 3(6) states that travel expenses will not be reimbursed. If a representative from UW serves on the Board there would be some expenses for staff time and travel expenses, likely under \$5,000. However, given that we do not know if or when UW staff would serve, the impact is indeterminate.

Total Cost for Part III: Less than \$5,000

For Part IV(B)(1), because WSAC would be tasked with establishing rules for the implementation of the program, there are still several unknowns. Below, we have attempted to provide commentary for sections that would affect the University of Washington:

Section 16(11): Note: If the WCPS is fully funded, then the UW would have approximately 2,700 more students per quarter (fall-spring) that are served by the WCPS. The UW currently backfills with institutional aid where SNG is not available for on-time applicants, so approximately 1,950 students currently receive institutional funding as a result. Given that the exact parameters of the program and associated rulemaking, state funding amounts and timelines, and other factors are unknown at this time, any overall expenditure changes as a result of additional students being eligible for aid are indeterminate. We are considering this subsection to be “no impact.”

The creation of the new program would require the University to review its current processes to align with any new requirements. Assuming, as above, that the University is able to award WCPS funds in the same way as State Need Grant, there would likely be minimal changes to our financial aid systems and processes. Due to an indeterminate increase in the number of students receiving state financial aid, we would see an increase in time spent by staff on interim and year-end reconciliation and reporting to the state that occur on an annual and quarterly basis. Currently, staff spend approximately 80 hours per year (0.04 FTE for an Associate Director) on these processes. Given the additional students eligible for the program, we estimate that the Associate Director

would be required to spend an additional 20 hours (0.01 FTE). Assuming a full-time annual salary of \$90,000 and a professional staff benefits rate of 34.1 percent, this would cost approximately \$1,200 in each year. These amounts are minimal so are not included in expenditure tables.

Total Cost for Part IV(B)(1): Less than \$5,000

For Part IV(B)(2), Sections 47 through 51 would provide additional loan options to UW students through a program implemented by WSAC. There are several unknowns, including the exact parameters of the program that would be implemented by WSAC, any limits on the number of students allowed to participate in the program, alignment with federal aid programs, and other factors. These unknowns could substantially increase or decrease the estimates provided below. However, a new student loan program would necessitate a variety of implementation costs and increased workload at the University, which we have attempted to estimate below:

- System changes to implement loan awarding, disbursement, and reporting modules: 1.0 FTE system programmer in FY22 and 0.25 FTE system programmer for ongoing maintenance of the loan system. Assuming a full-time annual salary of \$130,000 per year and a professional staff benefits rate of 34.1 percent, this would cost approximately \$174,330 in FY22 (\$130,000 salary and \$44,330 benefits) and \$43,582 in each year thereafter (\$32,500 salary and \$11,082 benefits).
- Financial aid counselors will be needed to communicate to students, adjust loans, and monitor Truth in Lending Act (TILA) requirements. We assume that having a state-run loan program with one percent interest that does not accrue until a student graduates would result in significant increases in the number of resident undergraduate students who borrow to pay for their education. We estimate that this could result in as many as 12,000 new borrowers at the University. Given current ratios of approximately 1.0 FTE counselor for every 3,000 borrowers at the UW, we estimate this would result in the need for up to 4.0 FTE counselors. Assuming a full-time annual salary of \$50,400 per year and a professional staff benefits rate of 34.1 percent, the cost of additional counselors would be approximately \$270,346 (\$201,600 salary and \$68,746 benefits) in FY22 and each year thereafter.

Total Cost for Part IV(B)(2): Given the above, we estimate the total cost as \$444,676 (\$331,600 salary and \$113,076 benefits) in FY22 and \$313,928 (\$234,100 salary and \$79,828 benefits) in each year thereafter.

Part IV(B)(3):

SECTION 53: we assume that a representative from the Council of Presidents would join the career connected learning work group created in Section 53. As such, there is no expense associated with this section.

SECTION 54(1)(i): The University of Washington does not currently have a policy in place to review and approve career launch credits. Creation of such a policy, and implementation of credits would require a coordinated review process between UW faculty and staff. This would require significant time from an enrollment management director, (.5 FTE with a full-time annual salary of \$108,000 and professional staff benefits rate of 34.1%). Therefore, the annual cost of this effort would be \$72,414 (\$54,000 in salary and \$18,414 in benefits). Some additional staff time would also be necessary to coordinate with other institutions to ensure consistency in policies, and the cost of this effort would not exceed \$5,000 and would be largely absorbed within existing staff resources.

Total Cost for Part IV(B)(3): Given the above, we estimate the total cost as approximately \$73,000 per year.

Part IV(B)(4): This section would require certain changes to loan awarding. A fiscal note was not requested on HB 1927 because changes would be within normal course of business in managing awarding processes and

systems. Therefore, we consider this section to be “no impact.”

Part V increases B&O taxes for certain professional services, which may apply to physicians in UW Physicians. We estimate that this increase would have an impact in the ballpark of at least \$1.65 million per year for physicians at UW Medicine entities other than Valley Medical Center, and at least \$300,000 per year for physicians at Valley. These amounts are highly indeterminate.

TOTALS BY PART:

III: Less than \$5,000 (not included in expenditures tables)

IV(B)(1): Less than \$5,000 (not included in expenditures tables)

IV(B)(2): Given the above, we estimate the total cost as \$444,676 (\$331,600 salary and \$113,076 benefits) in FY22 and \$313,928 (\$234,100 salary and \$79,828 benefits) in each year thereafter.

IV(B)(3): Approximately \$73,000 per year (\$54,000 in salary and \$18,414 in benefits).

V: At least \$1.65 million per year at UW Medicine entities, \$300,000 per year at Valley (indeterminate, not included in expenditures tables).

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	72,414	72,414	144,828	903,432	772,684
Total \$			72,414	72,414	144,828	903,432	772,684

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years					
A-Salaries and Wages	54,000	54,000	108,000	673,700	576,200
B-Employee Benefits	18,414	18,414	36,828	229,732	196,484
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-					
Total \$	72,414	72,414	144,828	903,432	772,684

NONE

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2158 S HB	Title: Workforce education	Agency: 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.

Estimated Operating Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

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: 04/22/2019
Agency Preparation: Chris Jones	Phone: 509-335-9682	Date: 04/25/2019
Agency Approval: Chris Jones	Phone: 509-335-9682	Date: 04/25/2019
OFM Review: Breann Boggs	Phone: (360) 902-0659	Date: 04/26/2019

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.

Per Section 1, SHB 2158 provides additional resources for workforce investments in Washington, including investments to help people earn the credentials essential to obtain family-wage jobs.

Section 3 creates the workforce education investment accountability and oversight board. At least one member must be from the four-year sector of higher education.

Section 16 creates the Washington college grant program to provide a statewide free college program for eligible participants and greater access to postsecondary education for Washington residents. Awards to eligible students are to begin in academic year 2020-21. Students must demonstrate financial need and be enrolled or accepted for enrollment for at least three quarter credits or the equivalent semester credits at an institution of higher education in Washington. Students must be residents as defined in RCW 28B.15.012(2) and file an annual application for financial aid. The award may not extend beyond five years or one hundred twenty-five percent of the published length of the student's program. Students must maintain satisfactory academic progress.

Section 17 states that until academic year 2020-21, students with family incomes between zero and fifty percent of the state median family income (MFI) shall receive the maximum Washington college grant as defined in RCW 28B.92.030. Grants for students with incomes between fifty-one and seventy percent of the state MFI shall be prorated. Beginning 2020-21, students with MFI between zero and seventy percent shall receive the maximum Washington college grant award. Grants for students between seventy-one and one-hundred percent of the state MFI shall be prorated.

Section 18 (5) defines the maximum Washington college grant as tuition and estimated fees for fifteen quarter credits or the equivalent, including operating fees, building fees, and services and activities fees.

Section 47 creates the Washington student loan program.

Section 48 states that beginning with academic year 2021-22, the office of student financial assistance may award student loans to eligible student from the funds available in the Washington student loan account. The interest rate must be set as one percent, to begin accruing six months after the borrower is no longer enrolled on at least a half-time basis.

Section 53 creates a career connected learning cross-agency work group to scale up and expand high-quality career connected learning opportunities in the state. One representative must be from the public baccalaureate institutions.

Section 55 creates the career connected learning grant program, to be administered by the employment security department. Eligible program intermediary applicants include postsecondary education institutions.

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.

Section 48: The cash receipts impact of a new state student loan program is indeterminate and would be determined by any changes in enrollment caused by the loan program, which would make WSU more accessible

to prospective students.

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.

Section 3: It is unknown if a representative from WSU would serve on the board. If WSU does participate, then costs are estimated to be less than \$5,000, but are ultimately indeterminate at this time.

Section 16: This bill would not change state financial aid policy under RCW 28B.15.820, and in particular the amount WSU deposits into its institutional aid fund.

Section 16(3) states that all eligible students are entitled to the Washington College Grant in academic year 2020-21.

Under current WSU financial aid policy, students who receive the SNG and/or Pell grant are eligible for WSU's Cougar Commitment financial aid program. Without changing institutional aid policies, more students would be eligible for Cougar Commitment due to the increased population of SNG/Washington College Grant recipients. WSU currently funds Cougar Commitment through a combination of institutional grants and tuition waivers. For purposes of the fiscal note, WSU assumes that it would evaluate its institutional aid policies to preclude exceeding existing fiscal resources due to the increased population of students receiving SNG/Washington College Grant.

WSU also assumes that the Washington College Grant can be implemented with existing financial aid staff resources.

Section 48: FY21 would incur the greatest expenditures because Student Financial Services (SFS) would need to establish systems to manage the program for WSU students. This program would require WSU Student Financial Services to develop and configure the Student Information System (SIS) to support awarding, disbursement, and reporting of the new loan program. To accomplish this, WSU SFS would require an Application Systems Analyst (.75 FTE, \$95,000) and Application Developer (.50 FTE, \$75,000). WSU assumes benefits at a rate of 34%. FTE requirements would lessen after FY21 as the SIS changes would require only maintenance beyond the development and implementation year.

SFS would require additional staff (3.0 FTE) to effectively communicate with students and families, distribute financial awards, troubleshoot student issues, and ensuring compliance of the program. WSU assumes that a majority of qualified resident undergraduates would choose a loan under this program due to its low interest rate.

Section 53: It is unknown if a representative from WSU would serve on the work group. If WSU does participate, then costs are estimated to be less than \$5,000, but are ultimately indeterminate at this time.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2158 S HB	Title: Workforce education	Agency: 370-Eastern Washington University
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Operating Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

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: 04/22/2019
Agency Preparation: Alexandra Rosebrook	Phone: (509) 359-7364	Date: 04/25/2019
Agency Approval: Alexandra Rosebrook	Phone: (509) 359-7364	Date: 04/25/2019
OFM Review: Breann Boggs	Phone: (360) 902-0659	Date: 04/26/2019

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.

House Bill 2158 increases revenue to fund investments in higher education enrollments, financial aid, and other items. Several policy decisions are similar to other proposed legislation, which we have attempted to identify below.

Part III establishes a legislative Workforce Education Investment Accountability and Oversight Board to provide guidance and recommendations to the legislature on which workforce education priorities should be funded with the workforce education investment account. The board consists of sixteen members, including one member representing four-year institutions and two students. Member terms are three years, except students who serve one year. The board will meet four times a year.

Part IV(A) Section 10 provides appropriations to Eastern for the following purposes: (1) to create a computer engineering degree and (2) develop a coordinated care network.

Part IV(B)(1) (similar to SB 5393) would create the Washington College Grant (WCGP) program, which would replace the State Need Grant (SNG) beginning in the 2021-22 academic year. The program would be administered by the Washington Student Achievement Council (WSAC).

Section 16 establishes the program and defines parameters of eligibility for students to participate in the WCPS program, reimbursement of unused funds, and part-time enrollment.

Section 16(11) requires that students be awarded all need-based financial aid for which they qualify, as determined by the institution.

Sections 17 and 18 define eligibility pegged to financial need below seventy percent of the state median family income, add a definition of financial need, and set maximum award amounts pegged to fifteen quarter credit hours or the equivalent for students attending two or four year institutions. Maximum awards are equal to tuition and S&A fees.

Sections 19 and 20 modify requirements for the Caseload Forecast Council.

Sections 21 through 44 modify existing statutes to correct language that references the SNG program to now reference the WCPS program and repeal SNG program statutes.

Part IV(B)(2) (similar to SB 1542) would establish a state-run student loan program for students who graduate from Washington high schools and are pursuing undergraduate studies. Loans would be offered at a subsidized, one percent interest rate. The program would be funded by increasing real estate excise taxes on properties over one million dollars.

Section 46 establishes defines “institutions of higher education” as including state universities, regional universities, the Evergreen State College, community and technical colleges, and private not-for-profit institutions.

Sections 47 through 51 require the Washington Student Achievement Council (WSAC) Office of Student

Financial Assistance to administer the program and sets additional requirements for servicing student loans, account management, data collection, and reporting.

Part IV(B)(3) (similar to HB 1336) would expand offerings for career connected learning for K-12 students by increasing cross-sector collaboration and coordination. The following sections would have fiscal impact on Eastern:

Section 53 establishes a work group within existing resources to inform and coordinate expansion of career connected learning. This work group includes representation from a public baccalaureate institution.

Section 54(1)(i) would require the aforementioned career connected learning work group to address transfer and articulation issues to ensure continuity and credit portability between institutions.

Section 55 creates the “Career Connected Learning Grant Program,” intended to expand career connected learning throughout Washington State. It is possible that Eastern would receive a grant under Section 4, but we have not included the fiscal impact here because the possibility of receiving a grant and the amount of the grant is unknown.

Part IV(B)(4) (similar to HB 1927; Eastern did not provide a previous fiscal note) would amend the Washington State Opportunity Scholarship (WSOS) Program to include contributions from private organizations, corporations, municipalities, or counties. It also prohibits WSAC and higher education institutions from considering the WSOS as state-funded aid for the purpose of calculating awards for other state financial aid programs.

Section 64 adds language regarding private funds from federally recognized Indian tribe, municipality, or county to ensure that the funds are awarded to participants within that federally recognized Indian tribe, municipality, or county. The section removes language regarding the service requirement for advanced degrees in health professions.

Section 67 requires the office of student financial assistance and the institutions of higher education may not consider awards made under WSOS to be state-funded for the purpose of determining the value of an award for other state financial aid programs.

Part V creates additional surcharges on business activities occurring on or after January 1, 2020. In addition to the taxes imposed under RCW 36 82.04.290(2), a workforce education investment surcharge is imposed on specified persons. The surcharge is equal to the total amount of tax payable by the person on business activities taxed under RCW 82.04.290(2), including any additional tax due resulting from any other surcharges on such business activities, but before application of any tax credits, multiplied by the rate of twenty percent.

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.

For Part IV, Section 6 provides appropriations. Per OFM instructions, these appropriations are not final. We have not included amounts in the cash receipts table.

For Part IV(B)(2), a state-run student loan program could make it more affordable or attractive for students to seek educational opportunities at Eastern or at other institutions. As a result, Eastern could see additional undergraduate enrollment in its programs. That said, the university is not expecting significant increases in enrollment capacity at its three campuses, so any impact is indeterminate and likely to be minimal.

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.

Overall, the impact of this bill is indeterminate, so we have not included any amounts in expenditure tables. That said, several sections have determinate amounts, identified below and summarized at the end:

For Part III, Section 3(6) states that travel expenses will not be reimbursed. If a representative from Eastern serves on the Board there would be some expenses for staff time and travel expenses, likely under \$5,000. However, given that we do not know if or when Eastern staff would serve, the impact is indeterminate.

Total Cost for Part III: Less than \$5,000

For Part IV(B)(1), because WSAC would be tasked with establishing rules for the implementation of the program, there are still several unknowns. Below, we have attempted to provide commentary for sections that would affect the Eastern:

Section 16(11): Note: If the Washington College Grant program (WCGP) is fully funded, then Eastern would have approximately 600 more students per year (fall-spring) that are served by the WCGP. Eastern currently backfills with institutional aid where SNG is not available for on-time applicants, so approximately 1,100 students currently receive institutional funding as a result. Given that the exact parameters of the program and associated rulemaking, state funding amounts and timelines, and other factors are unknown at this time, any overall expenditure changes as a result of additional students being eligible for aid are indeterminate. We are considering this subsection to be “no impact.”

The creation of the new program would require the university to review its current processes to align with any new requirements. Assuming, as above, that the university is able to award WCGP funds in the same way as SNG, there would likely be minimal changes to our financial aid systems and processes. Due to an indeterminate increase in the number of students receiving state financial aid, we would see an increase in time spent by staff on interim and year-end reconciliation and reporting to the state that occur on an annual and quarterly basis. Currently, staff spend approximately 80 hours per year (0.04 FTE for an Associate Director) on these processes. Given the additional students eligible for the program, we estimate that the Associate Director would be required to spend an additional 20 hours (0.01 FTE). Assuming a full-time annual salary of \$90,000 and a professional staff benefits rate of 34.1 percent, this would cost approximately \$1,200 in each year. These amounts are minimal and thus not included in expenditure tables.

Total Cost for Part IV(B)(1): Less than \$5,000

For Part IV(B)(2), Sections 47 through 51 would provide additional loan options to Eastern students through a program implemented by WSAC. There are several unknowns, including the exact parameters of the program that would be implemented by WSAC, any limits on the number of students allowed to participate in the program, alignment with federal aid programs, and other factors. These unknowns could substantially increase or decrease the estimates provided below. However, a new student loan program would necessitate a variety of implementation costs and increased workload at the university, which we have attempted to estimate:

- System changes to implement loan awarding, disbursement, and reporting modules: 1.0 FTE system programmer in FY22 and 0.25 FTE system programmer for ongoing maintenance of the loan system. Assuming a full-time annual salary of \$95,000 per year and a professional staff benefits rate of 33 percent, this would cost approximately \$126,350 in FY22 (\$95,000 salary and \$31,350 benefits) and \$31,588 in each year thereafter (\$23,750 salary and \$7,838 benefits).

- Financial aid counselors will be needed to communicate to students, adjust loans, and monitor Truth in Lending Act (TILA) requirements. We assume that having a state-run loan program with one percent interest that does not accrue until a student graduates would result in significant increases in the number of resident undergraduate students who borrow to pay for their education. We estimate that this could result in as many as 3,000 new borrowers at the university. Given current ratios of approximately 1.0 FTE counselor for every 3,000 borrowers at Eastern, we estimate this would result in the need for up to 1.0 FTE counselors. Assuming a full-time annual salary of \$44,847 per year and a professional staff benefits rate of 33 percent, the cost of additional counselors would be approximately \$65,375 (\$44,847 salary and \$20,528 benefits) in FY22 and each year thereafter.

Total Cost for Part IV(B)(2): Given the above, we estimate the total cost as \$191,725 (\$139,847 salary and \$51,878 benefits) in FY22 and \$96,963 (\$68,597 salary and \$28,366 benefits) in each year thereafter.

Part IV(B)(3):

SECTION 53: we assume that a representative from the Council of Presidents would join the career connected learning work group created in Section 53. As such, there is no expense associated with this section.

SECTION 54(1)(i): Eastern does not currently have a policy in place to review and approve career launch credits. Creation of such a policy and implementation of credits would require a coordinated review process between Eastern faculty and staff. This would require significant time from a Director of Articulation and Transfer Policy. Eastern estimates .5 FTE Director of Articulation and Transfer Policy approximately \$55,195 (\$83,000 annual salary at .5 FTE \$41,500 and benefits at 33% \$13,695). Some additional staff time would also be necessary to coordinate with other institutions to ensure consistency in policies. The cost of this effort would not exceed \$5,000 and would be largely absorbed within existing staff resources.

Total Cost for Part IV(B)(3): Given the above, we estimate the total cost as approximately \$60,195 per year.

TOTALS BY PART:

III: Less than \$5,000

IV(B)(1): Less than \$5,000

IV(B)(2): Given the above, we estimate the total cost as \$191,725 (\$139,847 salary and \$51,878 benefits) in FY22 and \$96,963 (\$68,597 salary and \$28,366 benefits) in each year thereafter.

IV(B)(3): \$60,195 per year.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE

None

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2158 S HB	Title: Workforce education	Agency: 375-Central Washington University
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

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: 04/22/2019
Agency Preparation: Lisa Plesha	Phone: (509) 963-1233	Date: 04/25/2019
Agency Approval: Lisa Plesha	Phone: (509) 963-1233	Date: 04/25/2019
OFM Review: Breann Boggs	Phone: (360) 902-0659	Date: 04/26/2019

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.

Substitute House Bill 2158 increases revenue to fund investments in higher education enrollments, financial aid, and other programs. This revenue bill includes several policy decisions which mirror other proposed legislation from this session. We have identified those below.

Part III establishes a legislative workforce education investment accountability and oversight board to provide guidance and recommendations to the legislature on what workforce education priorities should be funded with the workforce education investment account. The board consists of sixteen members, including one member representing the four-year institutions of higher education and two students. Member terms are three years, except students who serve one year. The board will meet four times a year.

Part IV(A) Section 7 provides appropriations to Central Washington University for the following purposes: (1) increase the number of certified K-12 teachers; and (2) increase mental health counseling at Central Washington University.

Part IV(B)(1) would create the Washington College Grant program, which would replace the State Need Grant program beginning in the 2020-21 academic year. The program would be administered by the Washington Student Achievement Council (WSAC).

Section 16 creates the program and defines the parameters for student eligibility to participate in the grant program, reimbursement of unused funds, and part-time enrollment and requires that students be awarded all need-based financial aid for which they qualify, as determined by the institution.

Sections 17 and 18 define eligibility tied to financial need below 70% of the state median family income (MFI), modify the definitions of financial need, and set award amounts to a maximum of 15 quarter credit hours or equivalent for students attending two or four-year institutions. Maximum awards are equal to tuition and S&A fees.

Sections 19 and 20 modify requirements for the Caseload Forecast Council.

Sections 21 through 44 correct language in existing statutes to repeal WSNG and replace with WCPS program.

Part IV(B)(2) would establish a state-run student loan program for students who graduate from Washington high schools and are pursuing undergraduate studies. Loans would be offered at a subsidized, one percent interest rate. The program would be funded by increasing real estate excise taxes on properties over one million dollars.

Section 46 establishes definitions, and defines “institutions of higher education” as including state universities, regional universities, the Evergreen State College, community and technical colleges, and private not-for-profit institutions.

Sections 47 through 51 require the Washington Student Achievement Council (WSAC) Office of Student Financial Assistance to administer the program and sets additional requirements for servicing student loans, account management, data collection, and reporting.

Part IV(B)(3) would expand offerings for career connected learning for K-12 students by increasing cross-sector collaboration and coordination.

Section 53 establishes a career connected learning cross-agency work group. The work group must include one representative of the public four-year institutions of higher education and one representative from the SBCTC. The work group will meet at least six times during the calendar year.

Section 54(1)(i) defines the responsibilities of the work group. Broadly, they are to advance and promote career connected learning in Washington state, by addressing transfer and articulation issues to ensure continuity and credit portability between institutions.

Section 55 creates the “Career Connected Learning Grant Program,” intended to expand career connected learning throughout Washington State. At this time it is unknown whether CWU would receive a grant under this section, and therefore we have not included the fiscal impact here.

Part IV(B)(4) would amend the Washington State Opportunity Scholarship (WSOS) Program to include contributions from private organizations, corporations, municipalities, or counties. It also prohibits WSAC and higher education institutions from considering the WSOS as state-funded aid for the purpose of calculating awards for other state financial aid programs.

Section 64 adds language regarding private funds from federally recognized Indian tribe, municipality, or county to ensure that the funds are awarded to participants within that federally recognized Indian tribe, municipality, or county. The section removes language regarding the service requirement for advanced degrees in health professions.

Section 67 requires the office of student financial assistance and the institutions of higher education may not consider awards made under WSOS to be state-funded for the purpose of determining the value of an award for other state financial aid programs.

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.

Part IV, Section 7 provides appropriations to Central Washington University. Because these appropriations have not been voted into law, we have not included these amounts in the cash receipts table.

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, Section 3(6) states that any travel expenses will not be reimbursed. Travel costs to serve on the Board would likely amount to less than \$5,000. However, given that CWU does not know whether we would be selected to have a representative on the Board, expenditures are indeterminate.

Part IV(B)(1) Based on guidance from WSAC and OFM, CWU is to assume WCPS would be packaged in the same way as the current WSNG program. If the WCPS is fully funded, CWU anticipates awarding an additional 2500 students under the new program.

Changes to this program represent no additional cost to CWU.

Part IV(B)(2) would provide an additional loan option for CWU students who are Washington State residents. Though many of the program details are unknown, such as whether there would be limits placed on the number of student participants or how this program would align with other federal aid programs, CWU has attempted to estimate any financial impacts associated with the potential increase in student loan borrowers. It is possible that as many as 10,000 students would choose to pursue the state loan option over federal loans due to the nature of the program which does not tie a student's "need" to the loan subsidy. This would qualify some students for a subsidized loan who would otherwise be ineligible under the federal program.

A new student loan program would require a number of implementation costs at CWU, which we have outlined below:

- System changes to enhance loan awarding, disbursements, and reporting requirements. .5 FTE Developer in FY 2020 and .25 FTE System Process Analyst for ongoing maintenance. (.5 FTE Developer * \$80,000 + 34% benefit rate = \$53,600 plus .25 FTE System Process Analyst * \$40,000 + 34% benefit rate = \$13,400) \$67,000
- An additional 1 FTE Financial Aid Counselor would be needed to counsel students, adjust loan awards, and monitor Truth in Lending (TILA) requirements as CWU would anticipate additional student borrowers who would take advantage of this affordable loan program. (1.0 FTE Financial Aid Counselor * \$50,000 + 34% benefits rate = \$67,000)
- 1 FTE Program Specialist would be needed to process new loan awards, adjustments and disbursements, including creating any export files to be sent to WSAC to record new loans, adjustments and disbursements, and to troubleshoot loan awarding issues (1.0 FTE Program Specialist * \$37,000 + 34% benefits rate = \$49,580)

Total Cost for Part IV(B)(2) is estimated at \$183,580 in FY 2021 and \$129,980 in FY 2022, and each year thereafter.

Part IV(B)(3), Section 53 establishes the career connected learning cross-agency workgroup for which CWU assumes the Council of Presidents would select the representative of the public baccalaureate institutions, and for which there would be on associated expenses to CWU.

Section 54(1)(i) would require a coordinated review process between faculty and staff to develop a policy to approve and review career launch credits. CWU assumes a .5 FTE @ \$110,000 annual salary and benefits to address transfer and articulation issues outlined in this section, which correlates to an annual salary of \$55,000 and benefits of \$18,700 (34%), totaling \$73,700 per year.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2158 S HB	Title: Workforce education	Agency: 380-Western Washington University
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

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: 04/22/2019
Agency Preparation: Dana Weigel	360-650-2811	Date: 04/25/2019
Agency Approval: Ted Castro	(360) 650-4694	Date: 04/25/2019
OFM Review: Breann Boggs	(360) 902-0659	Date: 04/26/2019

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.

House Bill 2158 increases revenue to fund investments in higher education enrollments, financial aid, and other items. Several policy decisions are similar to other proposed legislation, which we have attempted to identify below.

Part III establishes a legislative workforce education investment accountability and oversight board to provide guidance and recommendations to the legislature on what workforce education priorities should be funded with the workforce education investment account. The board consists of sixteen members, including one member representing four-year institutions and two students. Member terms are three years, except students who serve one year. The board will meet four times a year.

Part IV(A) Section 8 provides appropriations to WWU for the following purposes: (1) increase access to science, technology, engineering, and mathematic degrees including prehealthcare, energy science and technology, and electrical engineering and; 2) to hire additional academic advisors and develop a first-year experience program.

Part IV(B)(1) (similar to SB 5393) would create the Washington College Promise Scholarship (WCPS) program, which would replace the State Need Grant (SNG) beginning in the 2021-22 academic year. The program would be administered by the Washington Student Achievement Council (WSAC).

Section 16 establishes the program and defines parameters of eligibility for students to participate in the WCPS program, reimbursement of unused funds, and part-time enrollment.

Section 16(11) requires that students be awarded all need-based financial aid for which they qualify, as determined by the institution.

Sections 17 and 18 define eligibility that is pegged to financial need based on percent of the state median family income, add a definition of financial need, and set maximum award amounts pegged to fifteen quarter credit hours or the equivalent for students attending two or four year institutions. Maximum awards are equal to tuition and S&A fees.

Sections 19 and 20 modify requirements for the Caseload Forecast Council.

Sections 21 through 44 modify existing statutes to correct language that references the SNG program to reference the WCPS program, and repeal SNG program statutes.

Part IV(B)(2) (similar to SB 1542) would establish a state-run student loan program for students who graduate from Washington high schools and are pursuing undergraduate studies. Loans would be offered at a subsidized, one percent interest rate. The program would be funded by increasing real estate excise taxes on properties over one million dollars.

Section 46 establishes definitions, and defines “institutions of higher education” as including state universities, regional universities, the Evergreen State College, community and technical colleges, and private not-for-profit institutions.

Sections 47 through 51 require the Washington Student Achievement Council (WSAC) Office of Student Financial Assistance to administer the program and sets additional requirements for servicing student loans, account management, data collection, and reporting.

Part IV(B)(3) (similar to HB 1336) would expand offerings for career connected learning for K-12 students by increasing cross-sector collaboration and coordination. The following sections would have fiscal impact on the Western Washington University:

Section 53 establishes a work group within existing resources to inform and coordinate expansion of career connected learning. This work group may include representation from Western Washington University.

Section 54(1)(i) would require the aforementioned career connected learning work group to address transfer and articulation issues to ensure continuity and credit portability between institutions.

Section 55 creates the “Career Connected Learning Grant Program,” intended to expand career connected learning throughout Washington State. It is possible that Western Washington University would receive a grant under Section 4, but we have not included the fiscal impact here because the possibility of receiving a grant and the amount of the grant is unknown.

Part IV(B)(4) (similar to HB 1927, for which WWU did not provide a FN) would amend the Washington State Opportunity Scholarship (WSOS) Program to include contributions from private organizations, corporations, municipalities, or counties. It also prohibits WSAC and higher education institutions from considering the WSOS as state-funded aid for the purpose of calculating awards for other state financial aid programs.

Section 64 adds language regarding private funds from federally recognized Indian tribe, municipality, or county to ensure that the funds are awarded to participants within that federally recognized Indian tribe, municipality, or county. The section removes language regarding the service requirement for advanced degrees in health professions.

Section 67 requires that the office of student financial assistance and the institutions of higher education may not consider awards made under WSOS to be state-funded for the purpose of determining the value of an award for other state financial aid programs.

Part V creates additional surcharges on business activities occurring on or after January 1, 2020. In addition to the taxes imposed under RCW 36 82.04.290(2), a workforce education investment surcharge is imposed on specified persons. The surcharge is equal to the total amount of tax payable by the person on business activities taxed under RCW 82.04.290(2), including any additional tax due resulting from any other surcharges on such business activities, but before application of any tax credits, multiplied by the rate of twenty percent.

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.

For Part IV, Section 6 provides appropriations. Per OFM instructions, since these appropriations are not finalized we have not included amounts in the cash receipts table.

For Part IV(B)(2), a state-run student loan program could make it more affordable or attractive for students to seek educational opportunities at WWU or at other institutions. As a result, WWU could see additional undergraduate enrollment in its programs. That said, Western is not expecting significant increases in enrollment capacity at this time, so any impact is indeterminate and likely to be minimal.

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.

Overall, the impact of this bill is highly indeterminate, so we have not included any amounts in expenditure tables. That said, several sections have determinate amounts, identified below and summarized at the end: For Part III, if a representative from WWU serves on the Board there would be some expenses for staff time and travel expenses, likely under \$8,000. However, given that we do not know if or when WWU staff would serve, the impact is indeterminate.

Total Cost for Part III: Less than \$8,000

Part IV Section 8 provides appropriations in increased access to STEM courses and degree programs. The amounts appropriated will be used to hire additional faculty to all for higher enrollments in courses for prehealthcare, electrical engineering, and energy science and technology. It is currently unknown exactly what the breakdown of expenditures will be per program, but expenditures will match appropriations. Section 8 also provides funding for hiring additional academic advisors and developing a first-year experience program. All appropriated funding will be used for salary and benefits for academic advisors. Expenditures will also match appropriations in this area.

For Part IV(B)(1), because WSAC would be tasked with establishing rules for the implementation of the program, there are still several unknowns. Below, we have attempted to provide commentary for sections that would affect Western:

Section 16(11): Note: If the WCPS is fully funded, WWU would have approximately 763 more students per quarter (fall-spring) that are served by the WCPS. Some of these 763 additional state aid recipients would require the usual manual handling associated with enrollment level revisions, return of State aid for school withdrawals, counseling, advising, reporting, survey, and document processing. Given that the exact parameters of the program and associated rulemaking, state funding amounts and timelines, and other factors are unknown at this time, any overall expenditure changes as a result of additional students being eligible for aid are indeterminate. Because this bill does not change institutional aid policy, we are considering this subsection to be “no impact.”

The creation of the new program would require the University to review its current processes to align with any new requirements. Assuming, as above, that the University is able to award WCPS funds in the same way as State Need Grant, there would likely be minimal changes to our financial aid systems and processes. Based on the estimated increased number of manual revisions due to enrollment level revisions (e.g., full-time to half-time), awarding additional students with the grant/scholarship, awarding other students with institutional aid that is freed up by the WCPS increase, return of state aid processing for students making full school withdrawals, counseling and advising, document processing, and reporting and reconciling, WWU estimates needing staff time equivalent up to .01 FTE of a Financial Aid Counselor for a total of up to \$5,600 annually (salary plus benefits). This amount is minimal so is not included in expenditure tables.

Total Cost for Part IV(B)(1): Less than \$6,000

For Part IV(B)(2), Sections 47 through 51 would provide additional loan options to WWU students through a program implemented by WSAC. There are several unknowns, including the exact parameters of the program that would be implemented by WSAC, any limits on the number of students allowed to participate in the program, alignment with federal aid programs, and other factors. These unknowns could substantially increase or decrease the estimates provided below. However, a new student loan program would necessitate a variety of

implementation costs and increased workload at the University, which we have attempted to estimate below:

Financial aid counselors will be needed to communicate to students, adjust loans, and monitor Truth in Lending Act (TILA) requirements. We assume that having a state-run loan program with 1 percent interest that does not accrue until a student graduates would result in significant increases in the number of resident undergraduate students who borrow to pay for their education. Given current ratios of financial aid counselors to borrowers, we estimate this would result in the need for up to 1.0 FTE counselors. Assuming a full-time annual salary of \$54,000 per year and a benefits rate of 40 percent, the cost of an additional counselor would be approximately \$75,600 (\$54,000 salary and \$21,600 benefits) in FY22 and each year thereafter.

System changes to implement loan awarding, disbursement, and reporting modules would require up front work in FY21 of 1.0 FTE system programmer (salary \$94,000 and benefits \$37,600). Fiscal years after that would require 0.5 FTE of a system programmer for ongoing maintenance of loan system (salary \$47,000 and benefits \$18,800).

Total cost would be through FTE. For FY21 it would amount to \$131,600. For each year after that the total would be \$141,400.

Total Cost for Part IV(B)(2): Given the above, we estimate the total cost as \$131,600 in FY21 and \$141,400 for each year thereafter.

Part IV(B)(3):

SECTION 53: we assume that a representative from the Council of Presidents would join the career connected learning work group created in Section 53. As such, there is no expense associated with this section.

SECTION 54(1)(i): Western does not currently have a policy in place to review and approve career launch credits. Creation of such a policy, and implementation of credits would require a coordinated review process between faculty and staff. This would require significant time from the Registrar, (.5 FTE with a full-time salary of \$106,000 with additional \$42,000 in benefits). Therefore, the annual cost of this effort would be \$74,000. Some additional staff time would also be necessary to coordinate with other institutions to ensure consistency in policies, and the cost of this effort would not exceed \$5,000 and would be largely absorbed within existing staff resources.

Total Cost for Part IV(B)(3): Given the above, we estimate the total cost as approximately \$79,000 per year.

TOTALS BY PART:

III: Less than \$8,000

IV(B)(1): Less than \$6,000

IV(B)(2): \$131,600 in FY21 and \$141,400 for each year thereafter.

IV(B)(3): Approximately \$79,000 per year.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2158 S HB	Title: Workforce education	Agency: 540-Employment Security Department
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	2.0	2.0	2.0	2.0	2.0
Account					
All Other Funds-State 000-1	2,450,000	7,950,000	10,400,000	15,900,000	15,900,000
Total \$	2,450,000	7,950,000	10,400,000	15,900,000	15,900,000

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: 04/22/2019
Agency Preparation: Heather McCormack-Martin	Phone: 360-902-9570	Date: 04/23/2019
Agency Approval: Sondra Walsh	Phone: 360/902-0023	Date: 04/23/2019
OFM Review: Anna Minor	Phone: (360) 902-0541	Date: 04/25/2019

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 substitute version of the bill does not change the fiscal impact to the agency.

Section 11 of the bill appropriates funds from Workforce Education Investment Account to ESD to administer the career connected learning grant program established in section 55 of the bill. If this bill passes ESD will receive \$2,450,000 in Year 1 and \$7,950,000 in Year 2 - totaling 10.4 million for the biennium.

The bill creates a fiscal impact on ESD to administer the program. ESD will be responsible for managing the grant awards to the regional networks and intermediaries. In addition, ESD will serve on the new board "Legislative Workforce Education Investment Accountability Oversight Board."

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.

N/A

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.

This version of the bill does not change the fiscal impact to ESD The cost remains the same.

This bill creates in section 55 a competitive grant program for career connected learning, ESD will be responsible for administering this new grant program. ESD will work with the Governor's office to establish grant criteria and guide the process for the selection process. In addition, a member of ESD will serve on the newly created Legislative Workforce Education Investment Accountability Oversight Board."

The associated cost to ESD administer this program and serve on the board is as follows:

0.50 FTE - WMS2 to administer the program and provide policy guidance.

0.50 FTE – WMS1 to provide basic independent review to ensure grantee expenditures are appropriate and consistent with state accounting policies and procedures and state audit requirements. ESD does not intend to monitor funds distributed to other state agencies

1.00 FTE – Management Analyst 5 to manage the grants. This assumes 9 local network contracts and 6-10 intermediary contracts.

Section 11 of the bill states that ESD will receive \$2,450,00 in Year 1 and \$7,950,000 in Year 2 - totaling 10.4 million over the biennium. For each year thereafter \$7,950,000 is projected to be received.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
000-1	All Other Funds	State	2,450,000	7,950,000	10,400,000	15,900,000	15,900,000
Total \$			2,450,000	7,950,000	10,400,000	15,900,000	15,900,000

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	2.0	2.0	2.0	2.0	2.0
A-Salaries and Wages	161,317	161,317	322,634	322,634	322,634
B-Employee Benefits	64,527	64,527	129,054	129,054	129,054
C-Professional Service Contracts					
E-Goods and Other Services	37,000	37,000	74,000	74,000	74,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	2,139,245	7,639,245	9,778,490	15,278,490	15,278,490
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	47,911	47,911	95,822	95,822	95,822
9-					
Total \$	2,450,000	7,950,000	10,400,000	15,900,000	15,900,000

III. C - Operating FTE 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 2020	FY 2021	2019-21	2021-23	2023-25
MANAGEMENT ANALYST 5	77,616	1.0	1.0	1.0	1.0	1.0
WMS BAND 1	76,374	0.5	0.5	0.5	0.5	0.5
WMS BAND 2	91,027	0.5	0.5	0.5	0.5	0.5
Total FTEs		2.0	2.0	2.0	2.0	2.0

Part IV: Capital Budget Impact

NONE

No Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

No Rulemaking

Individual State Agency Fiscal Note

Bill Number: 2158 S HB	Title: Workforce education	Agency: 699-Community and Technical College System
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

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: 04/22/2019
Agency Preparation: Brian Myhre	Phone: 360-704-4413	Date: 04/25/2019
Agency Approval: Cherie Berthon	Phone: 360-704-1023	Date: 04/25/2019
OFM Review: Breann Boggs	Phone: (360) 902-0659	Date: 04/26/2019

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

The substitute bill differs from the original bill in several ways, including:

- The Workforce Education Investment Accountability and Oversight Board, established under the bill, would no longer be a legislative board. Staff support would be provided by the Workforce Training and Education Coordinating Board instead of the Legislature.
- Removes reference to a specific percentage by which nurse educator salaries at community and technical colleges should be increased.
- Names the bill the Workforce Education Investment Act.

These changes would not change the fiscal impact when compared to the original bill.

This bill would implement new, and expand existing, workforce education opportunities to help prepare people for jobs that will require postsecondary credentials. A Workforce Education Investment Account would be created to provide funding to carry out the various initiatives listed in the bill.

SECTION 2

Would create the Workforce Education Investment Account. The account would be funded from the B&O tax surcharges listed in section 72 of the bill.

SECTION 3

Section 3(1)(b) – Would create the Legislative Workforce Education Investment Accountability and Oversight Board. The Board must include 1 member from the community and technical college sector

Section 3(10)

The Board is to report recommendations to the legislature by December 1, of each year.

SECTION 4

This section would appropriate funds to the Washington Student Achievement Council for several items including:

- Section 4(1) would appropriate funds for the Washington College Grant Program (formerly State Need Grant) for unserved students and for the maximum grant increase to full tuition and fees and for the apprenticeship program.
- Section 4(2) would appropriate funds in FY 2021 for expanding the income eligibility threshold for the Grant Program as described in section 17.
- Section 4(3) would appropriate funds in FY 2021 for the Washington Student Loan Program created in section 74.

SECTION 5

This section would appropriate funds to the Washington State Board for Community and Technical Colleges for several items including:

- Section 5(1) for Guided Pathways
- Section 5(2) to increase Nurse Educator salaries
- Section 5(3) to increase high-demand faculty salaries in FY 2021
- Section 5(4) for enrollments in new career launch programs as defined in Section 56

SECTION 12

Section 12(3) would appropriate funds to the Office of Superintendent of Public Instruction for Marysville school district to collaborate with Everett Community College, among others, to develop a Regional Apprenticeship Pathways Pilot Program.

SECTION 14

Would appropriate funds in FY 2021 to the Department of Children, Youth and Families to eliminate the work requirement under the Working Connections Childcare Program for single parents who are pursuing a vocational education on a full-time basis at a community, technical or tribal college as authorized in sections 69 and 70 of the bill.

SECTIONS 15 – 44

Would create the Washington College Grant Program to replace the State Need Grant Program, to be administered by the Office of Student Financial Assistance at the Washington Student Achievement Council. Until the 2020-21 academic year, students between 0% and 50% of state median family income (MFI) would be entitled to the maximum grant award with students between 50% and 70% of MFI receiving a prorated percentage of the maximum award. Starting in the 2020-21 academic year, students between 0% and 70% of MFI would be entitled to the maximum grant award with students between 71% and 100% of MFI receiving a prorated percentage of the maximum award.

SECTIONS 45 – 51

Would create the Washington Student Loan Program, to be administered by the Office of Student Financial Assistance at the Washington Student Achievement Council. Beginning with the 2021-22 academic year, eligible students may be awarded loans under the Program from funds available in the Washington Student Loan Account that is created in section 50 of the bill. Interest rates must be set at one percent.

SECTIONS 52 – 60

Would seek to expand career connected learning opportunities to address persistent educational opportunity gaps. A statewide career connected learning system would address; a statewide system development through cross-sector coordination, resources for K-12 and higher education partners to support career launch and registered apprenticeship programs and support for regional leadership and coordination.

Section 53 - Within existing resources, a Career Connected Learning Cross-Agency Work Group would be established to scale up and expand high-quality career connected learning opportunities. The Work Group must include a representative from the State Board for Community and Technical Colleges. The workgroup must meet at least six times during the calendar year and report progress to the Governor and Legislature by September 1 of each year.

Section 55 – Would establish the Career Connected Learning Grant Program administered by the Employment Security Department. Grants would go to regional career connected learning networks and program

intermediaries. Networks can include higher education institutions.

Section 58 would create the Career Connected Learning Account

SECTIONS 68 – 71

Would exempt eligible students from work requirements as a condition of receiving working connection child care benefits. Section 70 specifies eligibility as being; a single parent, full-time student, pursuing vocational education that lead to a degree or certificate, but not resulting in a bachelor's degree or better.

SECTIONS 72

Would impose twenty percent surcharges on Business and Occupation (B&O) taxes paid by certain entities. The surcharges would take effect on business activities occurring on or after January 1, 2020.

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.

No cash receipts impact.

SECTIONS 15 – 44

These sections of the bill would create the Washington College Grant Program. For the purposes of this fiscal note, it is assumed that students receiving grants are already enrolled in college using other funding sources. Therefore there would not be any additional students and there would be no change in anticipated revenues.

SECTIONS 45 – 51

These sections of the bill would create the Washington Student Loan Program to be administered by the Office of Student Financial Assistance. While having a state-run loan program with a low interest rate may attract additional students, for the purposes of this fiscal note, it is assumed that a majority of qualified students choosing a loan under this program would be existing students. Based on this assumption, no additional cash receipts would be received by the community and technical college system.

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.

There would be indeterminate expenditure impacts as a result of provisions of this bill.

SECTION 5

This section would appropriate funds to the State Board for Community and Technical Colleges for various activities, including:

- Funds appropriated for Guided Pathways would be used to improve student success by increasing student support services and academic advising, redesigning academic programs help students choose and stay on their academic career goals, and tracking student progress towards their goals.
- Funds appropriated for nurse educator salaries would be used to increase salaries
- Funds appropriated for High-Demand Faculty salaries would be used to increase salaries for faculty in high-demand areas with the aim of being no less than the average salary identified by the College and University Professional Association or similar organization.
- Funds appropriated for new career launch programs would be used for student enrollments in new career launch programs. Career launch programs include registered apprenticeships and programs that include;

supervised paid work experience, classroom learning aligned to academic and employer standards and culmination in a valuable credential beyond a high diploma or 45 credits toward a degree.

It is expected that expenditures related to the work described above will be proportionate to the final level of appropriations in the bill.

SECTION 12

This section would appropriate funds to the Office of Superintendent of Public Instruction for Marysville school district to collaborate with Everett Community College, among others, to develop a Regional Apprenticeship Pathways Pilot Program.

Marysville School District may contract with Everett Community College for faculty and student services for the participants of the apprenticeship preparation program. The program is slated to begin operations in September 2019 (fiscal year 2020). Amounts are be unknown at this time but any increased expenditures would equal cash receipts received from the school district and net to zero.

SECTIONS 15-44

These sections would create the Washington College Grant Program. Eligible students would be entitled to a grant starting in the 2020-21 academic year. Grants under the Program would be awarded at amounts specified in the bill. It is assumed that grants would serve existing students and therefore, not result in additional expenditure impacts. If any additional students did enroll as a result of the Grant Program The number of students, and resulting expenditures, would be unknown at this time.

SECTIONS 45 – 51

These sections would create the Washington Student Loan Program to be administered by the Office of Student Financial Assistance. Beginning with the 2021-22 academic year (FY 2022), loans under the program would be awarded to eligible students from funds available in the Washington Student Loan Account, created in section 50 of the bill.

Beginning with the 2021-22 academic year, eligible students may be awarded loans under the Program from funds available in the Washington Student Loan Account, created in section 50 of the bill. It is assumed that loans would serve existing students and therefore, not result in additional expenditure impacts.

It is assumed that the majority of students choosing a loan under this program would be existing students. It is assumed that some existing students, who don't have any type of loan, may choose to apply for a loan under this program. This fiscal note calculates expenditures driven by workload for these additional students.

It is estimated approximately 12,000 existing students who do not apply for loans now, would apply for the state student loan program. Financial aid counselors would be needed to communicate to these students, adjust loans, and monitor Truth in Lending Act (TILA) requirements. Based on current counselor to student ratios in higher education, the community and technical college system would need an additional 4 FTE – Financial Aid Counselor (\$72,000 Salary & Benefits) to serve these students.

It is assumed that additional counselors would be needed starting in the second half of FY 2021 with full implementation in FY 2022.

\$72,000 Salary & Benefits X 2 FTE = \$144,000

These costs would be in FY 2021

\$72,000 Salary & Benefits X 4 FTE = \$288,000

These costs would start in FY 2022 onward.

SECTIONS 52 – 60

These sections would seek to expand career connected learning opportunities to address persistent educational opportunity gaps by creating a statewide career connected learning system.

Section 53 would establish a Career Connected Learning Cross-Agency Work Group. The workgroup duties as outlined in sections 53 and 54 reflect a governance body responsible for the establishment and implementation of a new statewide system of regional networks and career launch programs. This work would require one full-time Policy Associate and 0.1 FTE of a Workforce Director.

1 FTE Policy Associate: \$118,000 (Salary and Benefits)

0.1 FTE Workforce Director: \$15,000 (Salary and Benefits)

Associated Goods & Services: \$9,000

Total: \$142,000

Additionally, SBCTC would work with 34 colleges to implement consistent new course coding to identify a new category of classes (in accordance with the definition in section 5). This would require 0.3 FTE of a Policy Research Associate to coordinate, first with the ERDC and other workgroup members, then with the colleges' Institutional Research Departments to roll out a consistent coding method. This workload is assumed to be ongoing to coordinate CCL data between colleges, the ERDC and the governing workgroup.

0.3 FTE Policy Research Associate: \$34,000 (Salary and Benefits)

Section 54(1)(i) includes requirements to: (1) address transfer and articulation issues related to high-school and college credits for career launch students in high schools, dropout reengagement programs, colleges and apprenticeships; and (2) work to expand the portability of credits to the maximum extent possible.

This work is time-intensive, requiring program-level coordination among the 34 colleges. To accomplish this work SBCTC would require two full-time policy associates. The first would work with colleges that offer or plan to offer career launch programs in order to maximize the options for articulation and transfer to other post-secondary institutions. This work will need to be monitored and updated on an annual basis. The second policy associate would work with 200+ apprenticeship programs to manage and coordinate the articulations and transfer possibilities between registered apprenticeships and additional training and college programming options. Both of these positions would also coordinate with other institutions of higher education, both public and private, and the career launch network across the state.

Costs for each position:

Policy Associate: \$118,000 (Salary and Benefits)

Travel to colleges/ CCW regions: \$10,000

Associated Goods & Services: \$9,000

Total \$137,000 per FTE

\$137,000 X 2 FTE = \$274,000

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE

No capital budget impact.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

No rule-making required.



Multiple Agency Ten-Year Analysis Summary

Bill Number 2158 S HB	Title Workforce education
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This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

Estimated Cash Receipts

	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	2020-29 TOTAL
Office of Financial Management	0	0	0	0	0	0	0	0	0	0	0
Department of Revenue	121,600,000	305,800,000	303,200,000	309,800,000	318,800,000	328,000,000	337,600,000	347,400,000	357,500,000	367,900,000	3,097,600,000
Department of Labor and Industries	0	0	0	0	0	0	0	0	0	0	0
Workforce Training and Education Coordinating Board	0	0	0	0	0	0	0	0	0	0	0
University of Washington	0	0	0	0	0	0	0	0	0	0	0
Washington State University Indeterminate Impact	0	0	0	0	0	0	0	0	0	0	0
Eastern Washington University Indeterminate Impact	0	0	0	0	0	0	0	0	0	0	0
Central Washington University	0	0	0	0	0	0	0	0	0	0	0
Western Washington University	0	0	0	0	0	0	0	0	0	0	0
Employment Security Department	0	0	0	0	0	0	0	0	0	0	0
Community and Technical College System	0	0	0	0	0	0	0	0	0	0	0
Total	121,600,000	305,800,000	303,200,000	309,800,000	318,800,000	328,000,000	337,600,000	347,400,000	357,500,000	367,900,000	3,097,600,000



Ten-Year Analysis

Bill Number 2158 S HB	Title Workforce education	Agency 105 Office of Financial Management
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Name of Tax or Fee	Acct Code											

Narrative Explanation (Required for Indeterminate Cash Receipts)

The Office of Financial Management receives no cash receipts for the requirements of this bill.

Agency Preparation: Jim Jenkins	Phone: 360-902-0403	Date: 4/23/2019 1:53:33 pm
Agency Approval: Aaron Butcher	Phone: 360-902-0406	Date: 4/23/2019 1:53:33 pm
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 2158 S HB	Title Workforce education	Agency 140 Department of Revenue
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Estimated Cash Receipts

Name of Tax or Fee	Acct Code	Fiscal Year 2020	Fiscal Year 2021	Fiscal Year 2022	Fiscal Year 2023	Fiscal Year 2024	Fiscal Year 2025	Fiscal Year 2026	Fiscal Year 2027	Fiscal Year 2028	Fiscal Year 2029	2020-29 TOTAL
B&O Tax	New	121,600,000	305,800,000	303,200,000	309,800,000	318,800,000	328,000,000	337,600,000	347,400,000	357,500,000	367,900,000	3,097,600,000
Total		121,600,000	305,800,000	303,200,000	309,800,000	318,800,000	328,000,000	337,600,000	347,400,000	357,500,000	367,900,000	3,097,600,000
Biennial Totals		427,400,000		613,000,000		646,800,000		685,000,000		725,400,000		3,097,600,000

Narrative Explanation (Required for Indeterminate Cash Receipts)

Note: This fiscal note reflects language in SHB 2158, 2019 Legislative Session.

PART II - WORKFORCE EDUCATION INVESTMENT ACCOUNT

This part creates the workforce education investment account. Funds deposited into the account may be used only for higher education programs, higher education operations, higher education compensation, and state-funded student aid programs.

PART III-IV

These parts of the bill make education-related changes. These parts of the bill do not impact the Department of Revenue (Department).

PART V - WORKFORCE EDUCATION INVESTMENT ASSESSMENT

CURRENT LAW:

Washington's major business tax is the business and occupation (B&O) tax. The B&O tax is imposed on the gross receipts of business activities conducted within the state.



Ten-Year Analysis

Bill Number 2158 S HB	Title Workforce education	Agency 140 Department of Revenue
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Narrative Explanation (Required for Indeterminate Cash Receipts)

A taxpayer may pay more than one B&O tax rate, depending on the types of activities conducted. Major B&O tax rates are 0.471 percent for retailing, 0.484 percent for manufacturing, wholesaling, and extracting, and 1.5 percent for most services and other activities not classified elsewhere in the B&O tax code. Several preferential rates also apply to specific business activities.

PROPOSAL:

This proposal does the following:

- Increases the service and other activities rate from 1.5% to 1.8% for all "specified businesses." A specified business is a business that is primarily engaged in any combination of business activities captured within any of 44 categories of business activities that are based on certain North American Industry Classification System codes.
- Increases the service and other activities rate to 2.0% for "advanced computing" businesses, and all of their affiliates, with worldwide revenue that exceeds \$25 billion in the current or immediately preceding calendar year.
- Increases the service and other activities rate to 2.5% for "advanced computing" businesses, and all of their affiliates, with worldwide revenue that exceeds \$100 billion in the current or immediately preceding calendar year.
- The worldwide revenue thresholds are based on gross revenue from all business activities of the affiliated group, not just from advanced computing.

"Advanced computing" means designing or developing computer software or computer hardware, whether directly or contracting with another person, including modifications to computer software or computer hardware, cloud computing services, or operating an online marketplace, an online search engine, or online social networking platform.

EFFECTIVE DATE:

This part takes effect on January 1, 2020.

ASSUMPTIONS

This proposal impacts 5 months of cash collections in Fiscal Year 2020 due to the January 1, 2020, effective date.

Additional service and other B&O tax on certain businesses assumptions:

- Taxpayers are subject to the additional service and other B&O tax if the taxpayer generates more than 50 percent of its taxable income from any combination of the categories on which the additional B&O tax is imposed.
- A small number of taxpayers do not have a North American Industrial Classification System (NAICS) code assigned in our system. As a result, these businesses will not be subject to the B&O tax surcharge for the purposes of this estimate.
- The Department has assigned the correct NAICS category to each taxpayer.



Ten-Year Analysis

Bill Number 2158 S HB	Title Workforce education	Agency 140 Department of Revenue
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Narrative Explanation (Required for Indeterminate Cash Receipts)

- If NAICS definitions are changed by the U.S. Census Bureau, the legislature will change appropriate statutes to ensure the statutes reflect current NAICS category definitions. Generally, the U.S. Census updates NAICS code definitions every seven years.
- Compliance will be as follows:
 - 90 percent compliance the first fiscal year.
 - 95 percent compliance for all fiscal years thereafter.
- There will be no additional revenue generated from annual filers during Fiscal Year 2020 due to the January 1, 2020, effective date.

Taxpayer counts:

Businesses impacted by increasing the service and other B&O tax: 82,100

DATA SOURCES

- Department excise tax returns
- Economic and Revenue Forecast Council, November 2018 forecast

REVENUE ESTIMATES

This bill increases state revenues by an estimated \$121.6 million in the 5 months of impacted collections in Fiscal Year 2020, and by \$305.8 million in Fiscal Year 2021, the first full year of impacted collections.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2020 -	\$ 121,600
FY 2021 -	\$ 305,800
FY 2022 -	\$ 303,300
FY 2023 -	\$ 309,800
FY 2024 -	\$ 318,800
FY 2025 -	\$ 328,000

Local Government, if applicable (cash basis, \$000): none.

Agency Preparation: Erin Valz	Phone: 360-534-1522	Date: 4/23/2019 1:28:36 pm
Agency Approval: Don Gutmann	Phone: 360-534-1510	Date: 4/23/2019 1:28:36 pm
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 2158 S HB	Title Workforce education	Agency 235 Department of Labor and Industries
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Name of Tax or Fee	Acct Code											

Narrative Explanation (Required for Indeterminate Cash Receipts)

L&I will not have cash receipts associated with this bill.

Agency Preparation: Bobby Kendall	Phone: 902-6980	Date: 4/24/2019 12:52:04 pm
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 4/24/2019 12:52:04 pm
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 2158 S HB	Title Workforce education	Agency 354 Workforce Training and Education Coordinating Board
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Name of Tax or Fee	Acct Code											

Agency Preparation: Dave Pavelchek	Phone: 360-709-4630	Date: 4/24/2019 11:20:48 am
Agency Approval: Victoria DeBoer	Phone: 360 709-4620	Date: 4/24/2019 11:20:48 am
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 2158 S HB	Title Workforce education	Agency 360 University of Washington
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Name of Tax or Fee	Acct Code											

Agency Preparation: Jed Bradley	Phone: 2066164684	Date: 4/24/2019 1:53:13 pm
Agency Approval: Kelsey Rote	Phone: 2065437466	Date: 4/24/2019 1:53:13 pm
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 2158 S HB	Title Workforce education	Agency 365 Washington State University
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts
 Partially Indeterminate Cash Receipts
 Indeterminate Cash Receipts

Estimated Cash Receipts

Name of Tax or Fee	Acct Code											
Total												

Biennial Totals

Narrative Explanation (Required for Indeterminate Cash Receipts)

Section 48: The cash receipts impact of a new state student loan program is indeterminate and would be determined by any changes in enrollment caused by the loan program, which would make WSU more accessible to prospective students.

Agency Preparation: Chris Jones	Phone: 509-335-9682	Date: 4/25/2019 4:52:15 pm
Agency Approval: Chris Jones	Phone: 509-335-9682	Date: 4/25/2019 4:52:15 pm
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 2158 S HB	Title Workforce education	Agency 370 Eastern Washington University
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts
 Partially Indeterminate Cash Receipts
 Indeterminate Cash Receipts

Estimated Cash Receipts

Name of Tax or Fee	Acct Code											
Total												

Biennial Totals

Narrative Explanation (Required for Indeterminate Cash Receipts)

For Part IV, Section 6 provides appropriations. Per OFM instructions, these appropriations are not final. We have not included amounts in the cash receipts table.

For Part IV(B)(2), a state-run student loan program could make it more affordable or attractive for students to seek educational opportunities at Eastern or at other institutions. As a result, Eastern could see additional undergraduate enrollment in its programs. That said, the University is not expecting significant increases in enrollment capacity, so any impact is indeterminate and likely to be minimal.

Agency Preparation: Alexandra Rosebrook	Phone: (509) 359-7364	Date: 4/25/2019 4:43:47 pm
Agency Approval: Alexandra Rosebrook	Phone: (509) 359-7364	Date: 4/25/2019 4:43:47 pm
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 2158 S HB	Title Workforce education	Agency 375 Central Washington University
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Name of Tax or Fee	Acct Code											

Agency Preparation: Lisa Plesha	Phone: (509) 963-1233	Date: 4/25/2019 2:51:23 pm
Agency Approval: Lisa Plesha	Phone: (509) 963-1233	Date: 4/25/2019 2:51:23 pm
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 2158 S HB	Title Workforce education	Agency 380 Western Washington University
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Name of Tax or Fee	Acct Code												
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Narrative Explanation (Required for Indeterminate Cash Receipts)

For Part IV, Section 6 provides appropriations. Per OFM instructions, since these appropriations are not finalized we have not included amounts in the cash receipts table.

For Part IV(B)(2), a state-run student loan program could make it more affordable or attractive for students to seek educational opportunities at WWU or at other institutions. As a result, WWU could see additional undergraduate enrollment in its programs. That said, Western is not expecting significant increases in enrollment capacity at this time, so any impact is indeterminate and likely to be minimal.

Agency Preparation: Dana Weigel	Phone: 360-650-2811	Date: 4/25/2019 4:39:05 pm
Agency Approval: Ted Castro	Phone: (360) 650-4694	Date: 4/25/2019 4:39:05 pm
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 2158 S HB	Title Workforce education	Agency 540 Employment Security Department
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Name of Tax or Fee	Acct Code												
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Narrative Explanation (Required for Indeterminate Cash Receipts)

Section 72 of the bill does impose a new tax. This tax will be collected by Department of Revenue (DOR). ESD will receive revenue from the collection of that tax therefore the 10 year analysis impact is for the DOR.

Agency Preparation: Heather McCormack-Martin	Phone: 360-902-9570	Date: 4/23/2019 4:56:40 pm
Agency Approval: Sondra Walsh	Phone: 360/902-0023	Date: 4/23/2019 4:56:40 pm
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 2158 S HB	Title Workforce education	Agency 699 Community and Technical College System
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

No Cash Receipts

 Partially Indeterminate Cash Receipts

 Indeterminate Cash Receipts

Name of Tax or Fee	Acct Code											

Narrative Explanation (Required for Indeterminate Cash Receipts)

This bill would implement new, and expand existing, workforce education opportunities to help prepare people for jobs that will require postsecondary credentials. A Workforce Education Investment Account would be created to provide funding to carry out the various initiatives listed in the bill. Activities listed in the bill would be funded by a twenty percent surcharge on Business and Occupation (B&O) taxes paid by certain entities. The surcharges would take effect on business activities occurring on or after January 1, 2020.

The Washington State Board for Community and Technical Colleges does not set, administer or collect any of the taxes listed in this bill.

Agency Preparation: Brian Myhre	Phone: 360-704-4413	Date: 4/25/2019 11:40:11 am
Agency Approval: Cherie Berthon	Phone: 360-704-1023	Date: 4/25/2019 11:40:11 am
OFM Review:	Phone:	Date: