

Multiple Agency Fiscal Note Summary

Bill Number: 2513 2S HB AMS WM S7308.2	Title: Higher ed. debt collection
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Estimated Cash Receipts

Agency Name	2019-21		2021-23		2023-25	
	GF- State	Total	GF- State	Total	GF- State	Total
University of Washington	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Washington State University	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Central Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Western Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Community and Technical College System	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Total \$	0	0	0	0	0	0

Estimated Operating Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
University of Washington	.3	46,235	46,235	.5	92,470	92,470	.5	92,470	92,470
Washington State University	.0	4,530	4,530	.0	2,380	2,380	.0	2,380	2,380
Eastern Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Central Washington University	.7	163,058	163,058	.3	35,112	35,112	.3	35,112	35,112
The Evergreen State College	Fiscal note not available								
Western Washington University	.4	70,335	70,335	.2	15,158	15,158	.2	15,158	15,158
Community and Technical College System	.0	68,000	68,000	.0	136,000	136,000	.0	136,000	136,000
Community and Technical College System	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Total \$	1.4	352,158	352,158	1.0	281,120	281,120	1.0	281,120	281,120

Estimated Capital Budget Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
University of Washington	.0	0	0	.0	0	0	.0	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
Community and Technical College System	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

NONE

Prepared by: Breann Boggs, OFM	Phone: (360) 902-0659	Date Published: Preliminary 3/9/2020
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Individual State Agency Fiscal Note

Bill Number: 2513 2S HB AMS WM S7308.2	Title: Higher ed. debt collection	Agency: 360-University of Washington
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.0	0.5	0.3	0.5	0.5
Account					
General Fund-State 001-1	0	46,235	46,235	92,470	92,470
Total \$	0	46,235	46,235	92,470	92,470

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: Michele Alishahi	Phone: 360-786-7433	Date: 03/03/2020
Agency Preparation: Lauren Hatchett	Phone: 2066167203	Date: 03/06/2020
Agency Approval: Kelsey Rote	Phone: 2065437466	Date: 03/06/2020
OFM Review: Breann Boggs	Phone: (360) 902-0659	Date: 03/09/2020

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.

Compared to the previous version of the Second Substitute, 2S HB HB AMS WM S7308.2 makes the following changes:

- Allows institutions of higher education to charge a fee for a transcript, even when the transcript must be released;
- Adds pursuit of military, national guard, or other postsecondary opportunities to the circumstances under which an institution of higher education must release an official transcript, regardless of debt; and
- Adds a new section with required reporting by the public institutions of higher education on use of transcript and registration holds, debt levels, and debt collection practices.

Given that these changes limit the University of Washington's use of transcript and registration holds as a tool for debt collection, we anticipate a significant, but indeterminate, fiscal impact greater than \$50,000 beginning in FY21 and each subsequent year.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

This bill would likely result in material negative cash receipts due to changes in debt collection practices and the potential change in student payment behavior going forward.

It is unknown how many students would no longer pay debt if official transcripts were not withheld for past-due balances related to non-tuition debt, including institutional student loans. It is also unknown how many students would no longer pay debt if registration holds were limited to only tuition, room and board, or financial aid related debts. Some additional fees included: library fees, parking fees, Hall Health charges, laboratory charges, Husky Union Building charges, etc. Without these holds, past-due balances will likely be referred to a third party collections agency, and ultimately they may be uncollectable.

We anticipate a significant, but indeterminate, negative cash receipts impact potentially totaling millions of dollars in each year.

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 1

This section limits the practice of withholding official transcript and registration privileges as a tool for debt collection. It is likely that the University of Washington will refer significantly more students to a third-party collections agency in order to collect past-due balances. Because of this, we anticipate increased FTE for Student Fiscal Services which is detailed below:

- 0.5 FTE Lead Counselor (\$70,000 annual salary and benefits rate of 32.1%, totaling \$35,000 in salary and

\$11,235 in benefits) in FY21 and each subsequent year. This position would correspond directly with students and refer accounts to a third-party collections agency; increase the effort to contact students regarding past-due student institution loans; and perform the manual process to remove the hold to provide transcripts for the purposes of a job application, transferring to another institution, applying for financial aid, pursuing opportunities in the military or national guard.

SECTION 2

This section would require the University of Washington to report annually to the Governor and Legislature regarding the transcript and registration holds used as debt collection tools. We anticipate increased coordination and workload from the Office of the University Registrar and Student Fiscal Services and these costs would be absorbed within existing resources.

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	0	46,235	46,235	92,470	92,470
Total \$			0	46,235	46,235	92,470	92,470

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		0.5	0.3	0.5	0.5
A-Salaries and Wages		35,000	35,000	70,000	70,000
B-Employee Benefits		11,235	11,235	22,470	22,470
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 \$	0	46,235	46,235	92,470	92,470

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
Lead Counselor	70,000		0.5	0.3	0.5	0.5
Total FTEs			0.5	0.3	0.5	0.5

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2513 2S HB AMS WM S7308.2	Title: Higher ed. debt collection	Agency: 365-Washington State University
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.0	0.1	0.0	0.0	0.0
Account					
General Fund-State 001-1	0	4,530	4,530	2,380	2,380
Total \$	0	4,530	4,530	2,380	2,380

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: Michele Alishahi	Phone: 360-786-7433	Date: 03/03/2020
Agency Preparation: Chris Jones	Phone: 509-335-9682	Date: 03/05/2020
Agency Approval: Chris Jones	Phone: 509-335-9682	Date: 03/05/2020
OFM Review: Breann Boggs	Phone: (360) 902-0659	Date: 03/05/2020

Part II: Narrative Explanation

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

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

Section 1 (2) of P 2S HB 2513 states that institutions of higher education may not do any of the following for purposes of debt collection, unless the debts are for unpaid tuition fees, room and board fees, financial aid funds owed, or fees charged to provide the transcript: (a) refuse to provide an official transcript for a student because the student owes a debt; (b) condition the provision of a transcript on the payment of the debt; (c) charge a higher fee for obtaining the transcript, or provide less than favorable treatment of the request because a student owes a debt; or (d) use transcript issuance as a tool for debt collection.

Section 1 (3) states that an institution may not withhold a student's official transcript, regardless of debt, if the official transcript is requested by a student or entity for the purpose of: (a) job applications; (b) transferring to another institution; (c) applying for financial aid; or (d) pursuing opportunities in the military or national guard.

Section 1 (4) states that institutions may not withhold registration privileges as a debt collection tool, excluding the case of any debts related to nonpayment of tuition fees, unpaid room and board fees, or any financial aid funds owed.

Section 1 (6) provides definitions, including the definition of "tuition fees" as meaning tuition fees as defined in RCW 28B.15.020, services and activities fees as defined in RCW 28B.15.041, technology fees as defined in RCW 28B.15.051, and fees charged for nonstate funded, fee-based, self-supporting degree, certificate, or continuing education courses.

Section 2 (1) states that institutions of higher education shall report to the governor and the higher education committees of the legislature in accordance with RCW 43.01.036 annually beginning on December 1, 2020, on transcript and registration holds used as debt collection tools. This Section has been added since the previous bill version and a fiscal impact less than \$5,000 is reported in the expenditure section.

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.

WSU estimates that the requirements of the bill will result in foregone cash receipts in the form of uncollected debt.

Current WSU policy allows a transcript hold to be placed on a student's account once the account is 30 days past due. P 2S HB 2513 would allow transcript holds for the purposes of unpaid tuition fees, room and board fees, financial aid funds owed or transcript fees, but not if the student is requesting the transcript for purposes of applying for a job, transferring to another institution, or applying for financial aid. These exclusions would likely prevent WSU from withholding transcripts for many cases but this cannot be estimated with available data. For purposes of the fiscal note, WSU is not estimating an impact on uncollected tuition fees.

Current WSU policy places a registration hold on a student's account if there is an outstanding balance of \$500 or greater. P 2S HB 2513 only allows institutions to withhold registration privileges as a debt collection tool for unpaid tuition fees, unpaid room and board fees, and any unpaid financial aid funds.

Since it is difficult to estimate from existing data how much debt is collected due to the transcript and registration hold policies, WSU has made the following assumptions in its calculation:

- The total outstanding balance used in the analysis is as of June 30, 2019.
- Identified charges do not include tuition, S&A or technology fees
- Accounts include those for both current and former students
- Accounts are identified as having either a transcript or registration hold as of June 30, 2019

The total balances as of June 30, 2019 for accounts with registration and/or transcript holds was approximately \$7,400,000. It is important to note that this reflects cumulative student balances going back to at least FY2012 (this was the year WSU transitioned to its current student information system) for approximately 6,500 accounts. Since the total includes housing and dining fees, for which a registration or transcript hold may still apply under the bill's requirements, the total lost revenue will be less than \$7,400,000. Total unpaid housing and dining balances were approximately \$3,800,000 at the end of FY19.

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 2 states that institutions of higher education shall report to the governor and the higher education committees of the legislature in accordance with RCW 43.01.036 annually beginning on December 1, 2020, on transcript and registration holds used as debt collection tools. This will require approximately 0.03 FTE of an Applications Systems Developer in FY21 to build the necessary queries for the report. Approximately 0.02 FTE for the Collections Program Manager to compile the report will be needed each year. The total annual cost to produce the report is less than \$5,000.

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	0	4,530	4,530	2,380	2,380
Total \$			0	4,530	4,530	2,380	2,380

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		0.1	0.0	0.0	0.0
A-Salaries and Wages		3,280	3,280	1,600	1,600
B-Employee Benefits		1,250	1,250	780	780
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 \$	0	4,530	4,530	2,380	2,380

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
Application Systems Analyst/Developer	87,000		0.0	0.0		
Collections Manager	40,000		0.0	0.0	0.0	0.0
Total FTEs			0.1	0.0	0.0	0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2513 2S HB AMS WM S7308.2	Title: Higher ed. debt collection	Agency: 370-Eastern 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 and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Michele Alishahi	Phone: 360-786-7433	Date: 03/03/2020
Agency Preparation: Alexandra Rosebrook	Phone: (509) 359-7364	Date: 03/06/2020
Agency Approval: Alexandra Rosebrook	Phone: (509) 359-7364	Date: 03/06/2020
OFM Review: Breann Boggs	Phone: (360) 902-0659	Date: 03/09/2020

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.

2SHB 2513 amends RCW 28B.10.293. Section 1(2) Institutions of higher education may not do any of the following for the purposes of debt collection, unless the debts are related to nonpayment of tuition fees, room and board fees or financial aid funds owed (allows transcript fee – previously unallowed): (a) Refuse to provide an official transcript; (b) Condition the provision of an official transcript because the student owes a debt; (c) charge a higher fee for obtaining an official transcript (d) Use transcripts as a tool for debt collection. (3) Institutions of higher education may not withhold a student's official transcript, regardless of debt, if the official transcript is requested by a student or entity for the following purposes: (a) job application; (b) transferring to another institutions; (c) applying for financial aid (d) Pursuit of opportunities in the military or national guard; or (e) Pursuit of other postsecondary opportunities (4) Institutions of higher education may not withhold registration privileges as a debt collection tool excluding the case of any debts related to nonpayment of tuition fees, room and board, financial aid owed. (5) If an institutions of higher education chooses to withhold official transcripts or registration privileges, the institutions shall disclose to students through email and the class registration process at the start of each academic term.

Section 2 Institutions of higher education shall report to the governor and the higher education committees of the legislature in accordance with RCW 43.01.036 annually beginning on December 1, 2020, on transcript and registration holds used as debt collection tools, including: (1) the policy including time frames and amounts for which holds are to be used and the lowest amount for which an institution assigns a debt to a third party collection agency, (2) The number of official transcripts and registration privileges being withheld by each institution; (3) The number of past-due accounts assigned to third-party collection agencies.

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.

This bill would likely result in material negative cash receipts due to changes in debt collection practices and the potential change in the future student payment behavior.

Section 1(2) Transcript Holds

Eastern Washington University is unable to identify how many students would no longer pay student account debt if transcripts were no longer withheld for students who owe debt. We assume that this amount would substantially increase as a result of this bill, but to what extent is indeterminate. For example, without Transcript Holds, the uncollectible amount for tuition of the last quarter prior to a student graduating likely will increase. Eastern Washington University had over 2,000 students graduate in June 2019.

The approximate past-due balance is \$5,572,008.

Section 1(5) Registration holds

Registration holds have a number of exceptions that may be continue to be collected, however, Eastern still has outstanding accounts receivable that would have could be uncollectible as a result of this proposed bill. In the past few years EWU has implemented policies to provide additional flexibility to our students for payment of the costs of attendance. EWU changed the registration hold level from \$200 to \$1000. This allowed many students to continue pursuing their educational goals while the institution counseled students on keeping current on their

accounts. EWU also implemented a payment plan for students which enables a student to pay the cost of attendance over 3 payments per term. EWU routinely provides small amount short term loans to students which in many cases allows the student to stay enrolled.

Furthermore, mandatory student fees are typically associated with debt service payments for revenue bonds such as mandatory fees for student facilities. Elimination of administrative holds may negatively impact the ability to collect mandatory fees over time and therefore impact debt service and effective operation of mandatory fee funded facilities.

Given the wide range of fee and significant revenue impact, this section would potentially allow students with significant amounts owed to continue to register for courses and incur additional housing expenses. Therefore, we would anticipate a significant but indeterminate negative cash receipts impact potentially reaching into the millions over time without a means to effectively collect amounts owed. The annual negative cash receipts impact to EWU could easily surpass a hundred thousand dollars per year.

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 section limits the practice of withholding official transcript and registration privileges as a tool for debt collection. It is likely that significantly more students will be referred to a third-party collections agency in order to collect past-due balances. Because of this, we anticipate increased FTE for Student Fiscal Services.

Section 1(5)

Under this sub-section, Eastern Washington University is required disclose to students through email, during the registration process for each academic term information on any debts owed by the student to the institution, including information on the payment of the debt, who to contact to set up a payment plan, and any consequence that will result from nonpayment of the debt. This change would necessitate a change in University policy as departments typically use EWU Portal, the University's internal portal, to inform students if official transcripts or registration privileges are withheld. It is unknown how individual departments would change their current communications with students. It is likely that units that encounter a larger volume of student debt each quarter (e.g. Housing and Transportation Services) will need to build out automated messaging systems in FY21. Given this, expenditures for this section are indeterminate, but greater than \$50,000.

Section 2

Under this sub-section, Eastern is required to report to the governor, beginning December 1, 2020 on transcript and registration holds. Eastern currently collects this information and will absorb the costs in existing resources.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

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*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2513 2S HB AMS WM S7308.2	Title: Higher ed. debt collection	Agency: 375-Central Washington University
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.0	1.4	0.7	0.3	0.3
Account					
General Fund-State 001-1	0	163,058	163,058	35,112	35,112
Total \$	0	163,058	163,058	35,112	35,112

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: Michele Alishahi	Phone: 360-786-7433	Date: 03/03/2020
Agency Preparation: Lisa Plesha	Phone: (509) 963-1233	Date: 03/05/2020
Agency Approval: Lisa Plesha	Phone: (509) 963-1233	Date: 03/05/2020
OFM Review: Breann Boggs	Phone: (360) 902-0659	Date: 03/05/2020

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.

2SHB 2513 as amended has the following effects:

- Allows institutions of higher education to charge a fee for a transcript, even when the transcript must be released.
- Adds pursuit of military, national guard, or other postsecondary opportunities to the circumstances under which an institution of higher education must release an official transcript; regardless of debt.
- Adds a new section with required reporting by the public institutions of higher education on use of transcript and registration holds, debt levels, and debt collection practices.

In addition to the aforementioned changes, 2SHB 2513 also does the following:

- Institutions may only withhold an official transcript for the purpose of collecting debts if the outstanding debt owed to the institution relates to the non-payment of tuition fees, room and board fees, financial aid funds owed, or fees charged to provide the transcript.
- Institutions may not withhold the official transcript, regardless of debt, if it is requested by a student or entity for the purposes of job applications, transferring to another institution, or applying for financial aid.
- Institutions may only withhold registration privileges if a student owes for tuition fees, room & board fees, or financial aid funds owed to the institution.
- If the institution does withhold a transcript or registration privileges as a tool for debt collection, they must disclose to the student through email and the class registration process the amount of debt owed, payment information, and any consequences that will result from non-payment of the debt.
- "Debt" is defined as any money, obligation, claim, or sum, due or owing, or alleged to be due or owing, from a student.
- "Tuition fees" includes the following elements as defined by statute; tuition fees: RCW 28B.15.020, services and activities fees: RCW 28B.15.041, technology fees: RCW 28B.15.051, and fees charged for non-state funded, fee-based, self-supporting degree, certificate, or continuing education courses.
- "Room and board fees" is defined as any money, obligation, claim, or sum, due or owing, or alleged to be due or owing, from a student for the provision of contractually agreed to on-campus housing or meal services plans.

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.

Changes in CWU's ability to use transcript and registration holds as a means of collecting past due balances would likely result in material negative cash receipts.

It is unknown how many students would fail to pay their debts to CWU if we were no longer able to withhold transcripts for any debts owed to the university as a result of the exclusions listed in Section 1(3). Section 1(3) would require CWU to release a student's official transcript, regardless of debt, if the request is for a job application, necessary to transfer to another institution, or applying for financial aid. It is estimated that a majority of transcript requests are for the aforementioned reasons. CWU continues to assume the number of students and thus the amount of debt owed to the university would increase, but to what extent is indeterminate.

In 2019 the amount of all debts that were between 31 days and 1 year past due totaled \$2.4 million at June

30,2019. Should CWU be limited in their current practices of withholding transcripts, regardless of debt, if the request was for a job application, transferring to another institution, or applying for financial aid, that number would most likely increase without some mechanism to compel students to pay their bills. Additionally, at June 30, 2019 the amount of debt owed to CWU that did not include tuition fees (as defined), room & board, or financial aid and was between 31-days and 1 year past due totaled \$1 million. It is assumed this figure would also increase if CWU were unable to withhold transcripts or registration privileges as a result of this bill passing into law.

Given the impact of these changes students could potentially be allowed continued transcript and registration privileges while leaving CWU with reduced ability to collect debts owed to the university. Because of this, CWU anticipates a significant but indeterminate negative cash receipts impact that could increase uncollectible account balances by millions of dollars annually.

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.

Because of the limitations on in house collection of debts that 2S HB 2513 will impose on CWU, we anticipate needing to refer more accounts to third-party collection agencies as a result of this bill. With this increase will come the cost for additional FTE to handle the workload.

-0.3 FTE Fiscal Technician 3 (\$13,200+ 33% benefits rate) to manage past due accounts starting in FY21 and beyond

To modify and integrate existing systems for changes to transcript and registrations holds, update existing policies, and establish new communications to students regarding their debts (Section 1(6))CWU estimates the work of in FY21 only:

-0.25 FTE Application Development Journey level position (\$24,000 + 33% benefits rate) to update all electronic systems that are designed to implement the transcript and registration holds for past due balances, including student billing, automated hold assignment/release mechanisms, collections applications, and communications.

-0.25 FTE Business Analyst Journey level position (\$24,000 + 33% benefits rate) to integrate all new business processes and communications

-0.1 FTE Director of Student Financial Services (\$11,500 + 33% benefits rate) to update all published policies and create new student communications related to the new requirements for withholding transcripts and registration.

Total cost to comply with Section 1: \$96,691 in FY21 and \$17,556 in subsequent years.

Section 2 would require increased instances of reporting various components of CWU's receivables portfolio starting December 1,2020. The actual reporting component could be absorbed with existing Student Financial Services resources, but prior to the reporting implementation date, some system modification and configuration of the data would need to be performed in anticipation of the reporting requirements. CWU estimates needing:

-0.20 FTE Application Development Journey (\$19,200 + 33% benefits rate)

-0.20 FTE Business Analyst Journey (19,200 + 33% benefits rate)

-0.10 FTE Director of Student Financial Services (to audit and verify data used in reporting) (\$11,500 + 33% benefits rate)

Total cost to comply with Section 2 in FY21: \$66,367

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	0	163,058	163,058	35,112	35,112
Total \$			0	163,058	163,058	35,112	35,112

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		1.4	0.7	0.3	0.3
A-Salaries and Wages		122,600	122,600	26,400	26,400
B-Employee Benefits		40,458	40,458	8,712	8,712
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 \$	0	163,058	163,058	35,112	35,112

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
Director of Student Financial Services	115,000		0.2	0.1		
Fiscal Technician 3	44,000		0.3	0.2	0.3	0.3
IT Application Development Journey	96,000		0.5	0.2		
IT Business Analyst Journey	96,000		0.5	0.2		
Total FTEs			1.4	0.7	0.3	0.3

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2513 2S HB AMS WM S7308.2	Title: Higher ed. debt collection	Agency: 380-Western Washington University
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.0	0.7	0.4	0.2	0.2
Account					
General Fund-State 001-1	0	70,335	70,335	15,158	15,158
Total \$	0	70,335	70,335	15,158	15,158

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: Michele Alishahi	Phone: 360-786-7433	Date: 03/03/2020
Agency Preparation: Kristen Stouder	Phone: (360) 650-2811	Date: 03/06/2020
Agency Approval: Ted Castro	Phone: (360) 650-4694	Date: 03/06/2020
OFM Review: Breann Boggs	Phone: (360) 902-0659	Date: 03/09/2020

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.

2513 2S HB AMS WM S7308.2 sets limits on transcript and registration holds as debt collection practices. Compared to our most recent fiscal note on this bill (2513 P 2SHB S-6962.2) 2513 2S HB AMS WM S7308.2 makes the following changes to Section 2 reporting requirements, which are listed below:

Section 1(2) is expanded from the prior version to allow the the withholding of student transcripts only for those debts related room and board, financial aid funds owed in addition to tuition fees or fees related to the transcript issuance. However, section 1(3) requires that transcripts requested for purposes of job applications, transferring to other institutions, or applications for financial aid cannot be withheld regardless of debt type.

Section 1(4) limits registration holds except for debt collection related to unpaid tuition fees, unpaid room and board fees, or any financial aid funds owed by the student to the institution or state. This has not changed from 2SHB 2513.

Section 1(5) requires a proactive notification process by email or secure portal for students who incur a registration or transcript hold for outstanding debt. The notification must include the amount of debt owed, information on payment, and consequences of unpaid debt.

Section 1(7) clarifies tuition fees to include all tuition fees as defined in RCW 28B.15.020, service and activity fees (RCW 28B.15.041), technology fees (RCW 28B.15.051), fees for non-state funded, fee-based, self-supporting degree, certificate or continuing education courses. (This is the same definition as 2SHB 2513).

Section 2 contains new annual reporting requirements for debt collection practices. We have updated the Expenditures and FTE tables accordingly.

Compared to 2SHB 2513, our fiscal note for 2513 P 2SHB S-6962.2 differs in these areas:

- The types of debt allowed for transcript holds under section 1(2) are expanded from prior versions of the bill but exceptions are listed for transcript holds. We have updated our expected loss of revenue in the Cash Receipts section accordingly.
- The reporting requirements in Section 2 are removed and we have updated costs accordingly.

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.

Western estimates that 2513 P 2S HB S-6962.2 would result in an indeterminate but significant negative cash receipts for the institution due to uncollected student debts. Western's current practice is to place registration and transcript holds on student accounts for outstanding late balances. Generally, these holds are effective in encouraging students to repay debts and the inability to place such holds would result in a loss of revenue. At WWU, tuition, course fees, on-campus housing charges, and meal plan charges are considered late if they are unpaid after the first day of the term. Other miscellaneous fees (e.g., ID card fees, parking or library fees) are considered late after they have aged 30 days. When a student incurs an unpaid debt, a hold is placed on the

account. The hold applies to multiple student services, including both course registration privileges and transcript requests.

2513 P 2S HB S-6962.2 restricts transcript holds to only allow transcript holds related to tuition fees, housing and dining, and financial aid debts. However, this bill does not allow transcript holds for students requesting transcripts for job applications, transfer applications to other institutions, or applications for financial aid regardless of debt type. WWU believes it likely that most, if not all, requests for official transcripts would fall under the reasons listed and prevent WWU from collecting on these debts. For purposes of this fiscal note, we assume that this effectively limits potential collection of all unpaid debts for transcript holds because students would likely cite these reasons listed for needing a transcript.

2513 P 2S HB S-6962.2 allows for registration holds for unpaid debts related to room and board charges, financial aid funds owed, and unpaid tuition fees (this is the same as for the prior version of the bill (2SHB 2513)).

Western has examined data from fiscal year 2019 to estimate the potential of foregone revenue. During FY2019, holds were placed on student accounts and the charges due totaled \$11,120,412. At the end of the academic year, the remaining balance of unpaid debts was \$1,646,500. For purposes of this fiscal note, we assume the paid debt amount of \$9,473,912 was due to the effectiveness of the holds on student accounts. Please note that the \$9,473,912 of paid student debt was for current active students in FY19, for most of whom the registration holds encouraged debt repayment. The \$1,646,500 of unpaid student debt from FY19 is from students who have separated from WWU and no longer have active student accounts. However, account holds remain on these student accounts should the separated students later request services such as official transcripts.

Due to reporting limitations, we are unable to precisely disaggregate the \$9,473,912 of paid student debt by the type of charge. However, through a process of sampling open student accounts and examining the proportion of unpaid debts remaining by debt type, Western estimates that 39% (\$3,694,825) of the \$9,473,912 was tuition-related debt, 9% of debt (\$852,652) was for tuition and dining related charges, and 1% (\$94,739) was for debt related to financial aid. These three types of debt would likely be repaid by students under 2513 P 2S HB S-6962.2 because WWU would be allowed to continue to place registration holds for these types of debt to encourage repayment. The remainder of student debt amounted to approximately \$4,831,695, which under provisions of this bill would likely result in foregone revenue due to limitations on account holds for these debt types.

We did not previously provide estimates of the impact of this legislation on the unpaid student debt but wanted to include an estimate in this fiscal note. The still unpaid debt amount (\$1,646,500) from FY19 is for former students who are no longer enrolled. For these students the transcript hold process is effective for repayment of debts when these students later require official transcripts. We are unable to report precisely, but generally WWU sees a 1/3 eventual debt recovery rate (approximately \$548,285 if using FY19 numbers). Although this bill allows for transcript holds for certain types of debt, we expect that in practice students would cite an exception listed in the bill for the transcript (such as a job application) which would undermine our ability to collect on this unpaid debt. The restrictions on transcript holds under this bill could result in an annual loss of revenue of up to \$548,285.

The figures above do not account for additional student parking debts collected during FY2019 which are discussed separately here due to separate reporting systems. In FY2019, students incurred a total parking debt amount of \$61,026. Holds were placed on these student accounts, resulting in nearly a 100% payment rate of the student parking debt. Under provisions of this bill, WWU would not be able to place student account holds on

parking debts, which would result in an estimated loss of revenue of \$61,026 annually.

Taken together, the limitations in this bill on placing holds on student accounts would result in a significant annual reduction in cash receipts due to uncollected debt in the amount of approximately \$5,441,000 (\$4,831,695 from debts not related to tuition, housing and dining, or financial aid, \$61,026 for parking debts, and up to \$548,285 for inactive students requesting services such as official transcripts).

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

We expect the following expenditures related to section 1(6), which requires the proactive email notification of current students of debts:

- Approximately .2 FTE for an IT Support Technician 2 to make necessary system changes to allow for email notifications (Annual salary = \$80,000, benefits rate = 36%). This is for FY 21 only for initial setup.
- Approximately .2 FTE for a Fiscal Support Supervisor to collaborate with the IT Support Technician 2 for development of changes to current system to implement proactive email notifications for FY21 initial setup and .1 FTE in subsequent years for ongoing work (annual salary = \$53,000, benefits rate = 43%).

For section 2 which requires new reporting, we expect the following costs:

- .1 FTE IT Support Technician 2 for FY 21 for required programming to current system to make necessary changes for reporting as required in this bill (annual salary \$80,000, benefits rate = 36%).
- .1 FTE Manager, Student Business office in FY21 for collaboration in implementing new reporting requirements, and .05 FTE in subsequent years for annual reporting (annual salary \$73,000, benefits rate = 32%).
- .1 FTE Assistant Director, Student Business Office in FY21 for collaboration in implementing new reporting requirements, and .05 FTE in subsequent years for annual reporting (annual salary \$97,000, benefits rate = 33%).

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	0	70,335	70,335	15,158	15,158
Total \$			0	70,335	70,335	15,158	15,158

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		0.7	0.4	0.2	0.2
A-Salaries and Wages		51,600	51,600	10,600	10,600
B-Employee Benefits		18,735	18,735	4,558	4,558
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 \$	0	70,335	70,335	15,158	15,158

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
Assistant Director, Student Business Office	97,000		0.1	0.1	0.1	0.1
Fiscal Specialist Supervisor	53,000		0.2	0.1	0.1	0.1
IT Support Technician 2	80,000		0.3	0.2		
Manager, Student Business Office	73,000		0.1	0.1	0.1	0.1
Total FTEs			0.7	0.4	0.2	0.2

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2513 2S HB AMS WM S7308.2	Title: Higher ed. debt collection	Agency: 699-Community and Technical College System
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
Account					
General Fund-State 001-1	0	68,000	68,000	136,000	136,000
Total \$	0	68,000	68,000	136,000	136,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Michele Alishahi	Phone: 360-786-7433	Date: 03/03/2020
Agency Preparation: Cherie Berthon	Phone: 360-704-1023	Date: 03/06/2020
Agency Approval: Brian Myhre	Phone: 360-704-4413	Date: 03/06/2020
OFM Review: Breann Boggs	Phone: (360) 902-0659	Date: 03/09/2020

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 second substitute, as amended by committee, differs from the second substitute in the following ways:

- States that release of a student's transcript can be conditioned on the payment of a transcript fee
- Prohibits the withholding of a transcript if the student pursuing opportunities in the military, National Guard and in pursuit of other postsecondary opportunities.
- Modifies the requirement to submit a report to the Governor and the Legislature on transcript and registration holds when used as debt collection tools

This bill would limit the practice of transcript and registration holds when used as a debt collection measure.

SECTION 1

Section 1(2)

Except for debt related to tuition fees, room and board fees and financial aid funds owed, institutions of higher education would be prohibited from the following:

- Refusing to provide a transcript for a current or former student on the grounds that a student owes a debt
- Except for a transcript fee, requiring a debt to be paid before receiving a transcript
- Charging a higher transcript fee because a student owes a debt
- Using transcript issuance as a tool for debt collection

Section 1(3) would prohibit colleges from withholding transcripts, regardless of debt, except for charging a transcript fee, if the transcript is requested by a student or entity for; job applications, transfer to another college, applying for financial aid, pursuit of opportunities in the military or National Guard and for the pursuit of other postsecondary opportunities.

Section 1(4) would prohibit colleges from withholding registration privileges as a debt collection tool except for debt related to the nonpayment of tuition fees, room and board fees, and financial aid owed to the college.

Section 1(5) requires colleges that use withholding of transcripts and registration as a debt collection tool to disclose to all students via a secure portal or email, and the class registration process, the amount of debt if any that they owe, information about paying the debt, consequences of not paying the debt.

Section 1(6) creates definitions for "institutions of higher education", "debt" and "tuition fees", "room and board fees" and "financial aid funds owed".

"Tuition Fees", as defined in the bill, are tuition fees as defined in RCW 28B.15.020, services and activities fees as defined in RCW 28B.15.041, technology fees as defined in RCW 28B.15.051, and fees for non-state funded, fee-based, self-supporting degree, certificate or continuing education courses, or similar charges for non-public institutions.

Section 2

Colleges would be required to submit a report to the Governor and the Higher Education Committees of the Legislature on the practice of transcript and registration holds used as debt collection tools. The report must include:

- Each college's policy on transcript and registration holds, including time frames and amounts for which holds are to be used and the lowest amount for which an institution will assign debt to a collection agency
- The number of official transcripts and registration holds at each college
- The number of past due accounts assigned to collection agencies

Reports must be submitted by December 1, 2020 and annually thereafter.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Indeterminate cash receipts impact.

It is assumed that limiting a colleges' ability to use transcript and registration holds for the purposes of debt collection will change student behavior and would result in a loss of cash receipts in the form of debt that is no longer able to be collected. We cannot estimate how many students would not pay their debt if transcripts were no longer withheld for non-payment.

Our colleges have varied policies on the amount of debt that triggers a transcript hold. A recent survey indicates, our colleges have from 50 to 350 transcript holds in place due to unpaid student debt and fines. For illustrative purposes, if each of the 34 colleges had an average of \$300,000 in uncollected debt per year and \$100,000 remained uncollected due to the policies in this bill, this would result an annual loss of \$3.4 million in cash receipts.

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 1 - Indeterminate expenditure impact - It is anticipated that any reduction in the amount of cash receipts collected would result in a corresponding reduction in expenditures.

Section 2 – The reporting requirement in this bill would result in additional costs for the colleges beginning in FY 2021. To track the information required in the report, we anticipate colleges would spend approximately 25 hours per year. Another 20 hours would be required to compile the information and draft a report to the Legislature.

Director of Enrollment Services or Registrar annual salary \$90,000 or \$43.27 per hour.

\$43.27 x 45 hours = \$2,000 (rounded)

\$1,730 x 34 colleges = \$68,000

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	0	68,000	68,000	136,000	136,000
Total \$			0	68,000	68,000	136,000	136,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years					
A-Salaries and Wages		68,000	68,000	136,000	136,000
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	68,000	68,000	136,000	136,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required