

Multiple Agency Fiscal Note Summary

Bill Number: 5194 2S SB	Title: Comm. & technical colleges
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Estimated Cash Receipts

Agency Name	2021-23			2023-25			2025-27		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	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.								
The Evergreen State College	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Community and Technical College System	0	0	(6,056,000)	0	0	(6,056,000)	0	0	(6,056,000)
Total \$	0	0	(6,056,000)	0	0	(6,056,000)	0	0	(6,056,000)

Estimated Operating Expenditures

Agency Name	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Children, Youth, and Families	Fiscal note not available											
Student Achievement Council	.6	161,000	161,000	161,000	.3	70,000	70,000	70,000	.3	70,000	70,000	70,000
Student Achievement Council	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
University of Washington	1.0	138,118	138,118	138,118	1.0	138,118	138,118	138,118	1.0	138,118	138,118	138,118
Washington State University	.0	0	0	0	.0	0	0	0	.0	0	0	0
Eastern Washington University	Fiscal note not available											
Central Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.											
The Evergreen State College	.4	137,125	137,125	137,125	.3	97,512	97,512	97,512	.0	9,064	9,064	9,064
The Evergreen State College	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Western Washington University	Fiscal note not available											
Community and Technical College System	221.2	40,789,000	40,789,000	40,789,000	229.1	63,684,000	63,684,000	63,684,000	221.0	67,436,000	67,436,000	67,436,000
Total \$	223.2	41,225,243	41,225,243	41,225,243	230.7	63,989,630	63,989,630	63,989,630	222.3	67,653,182	67,653,182	67,653,182

Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Children, Youth, and Families	Fiscal note not available								
Student Achievement Council	.0	0	0	.0	0	0	.0	0	0
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	Fiscal note not available								
Central Washington University	.0	0	0	.0	0	0	.0	0	0
The Evergreen State College	.0	0	0	.0	0	0	.0	0	0
Western Washington University	Fiscal note not available								
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

Prepared by: Breann Boggs, OFM	Phone: (360) 485-5716	Date Published: Preliminary 2/26/2021
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Individual State Agency Fiscal Note

Bill Number: 5194 2S SB	Title: Comm. & technical colleges	Agency: 340-Student Achievement Council
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.8	0.3	0.6	0.3	0.3
Account					
General Fund-State 001-1	126,000	35,000	161,000	70,000	70,000
Total \$	126,000	35,000	161,000	70,000	70,000

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: 02/22/2021
Agency Preparation: Carla Idohl-Corwin	Phone: 360-753-7847	Date: 02/24/2021
Agency Approval: Don Bennett	Phone: 360-753-7810	Date: 02/24/2021
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 02/25/2021

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.

Changes in 2SSB 5194 from earlier versions of this bill primarily impact community and technical colleges. The agency fiscal note for the Washington Student Achievement Council (WSAC) is unchanged.

The overall purpose of 2SSB 5194 is to improve certificate and degree completion rates in community and technical colleges through increased student supports for first generation and underrepresented students in the context of a broader strategy to improve diversity, equity, and inclusion.

Sections of the bill that assign duties and responsibilities to the Washington Student Achievement Council (WSAC) are described below:

Sections 8 and 9 expand the Washington College Grant (WCG) by adding a new student support stipend program for costs related to housing, transportation, food, and medical care. Books, materials, or equipment could also be paid by the stipend if not covered by other financial aid. The stipend amount is subject to appropriation.

As program administrator for the Washington College Grant (WCG), WSAC would:

- Determine stipend program guidelines and reporting requirements for participating colleges
- Determine college allocations
- Determine maximum stipend awards
- Allocate distributions to colleges
- Manage and maintain accountability of appropriated funds
- Monitor student eligibility
- Adopt rules

Section 10 changes the residency requirements for the undocumented student support loan program to align with established residency requirements for tuition and financial aid programs (RCW 28B.15.012(2)(e)). WSAC is program administrator for the undocumented student support loan program (Ch. 28B.96 RCW).

Section 11 changes Washington's tuition equity law, which allows some undocumented and non-citizen students to meet residency requirements. Sec. 11(2)(e) changes the residency requirement from being in Washington three years immediately prior to earning a high school diploma or equivalent and continuously living in the state until college admittance to living in the state for at least one year prior to admittance and having a high school diploma or equivalent.

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.

Overall expenditures are indeterminate as the amount of the student support stipends is subject to amounts appropriated (Sections 8-9). Also, the number of students eligible for WCG and other state financial aid who

would meet the revised residency requirement is unknown (Section 11).

Sections 8 and 9 (WCG Student Support Stipends):

These sections expand the Washington College Grant (WCG) by adding a new student support stipend program for costs related to housing, transportation, food, and medical care. The stipend costs are indeterminate as described above and subject to appropriations. For reference, in 2020-21 an estimated 97,500 students will receive Washington College Grant. For each \$1000 in average stipend per student, the annual cost for student support stipends would be \$97.5 million.

As program administrator for the Washington College Grant (WCG), WSAC costs to implement the stipend program are as follows:

Year One (FY22): Developing the program, updating rules and program guidance to institutions, updating IT systems, and making payments for the new subprogram of WCG would require 0.3 FTE Associate Director, 0.3 FTE Program Manager, 0.1 FTE IT Software Developer, and 0.1 FTE Communication Consultant at a total cost of \$126,000 in FY2022.

Year Two (FY23) and each year after: Making ongoing payments, providing fund management, and monitoring compliance would require 0.3 FTE Program Manager at a cost of \$35,000 annually beginning in FY2023.

Assumptions for this estimate of fiscal impact:

- The term “stipend” refers to need-based student financial aid.
- Students will have to file a FAFSA/WASFA.
- Students must meet all other WCG eligibility criteria.
- Awards will be restricted to need for costs above tuition and fees.
- Medical care costs are out-of-pocket medical expenses unreimbursed by insurance which will be allowed to increase cost of attendance on a student-by-student level determination. Housing, transportation, books, materials, equipment, and food are already included in a student’s cost of attendance calculation. However, consideration of extenuating and unusual expenses may be considered by financial aid administrators using professional judgment to adjust standard cost of attendance elements.

Section 10 (Residency requirements for undocumented student support loan program):

This section changes the residency requirements for the undocumented student support loan program. WSAC is program administrator for the undocumented student support loan program, which was created by 2020 legislation effective July 1, 2021. Program design and implementation planning is currently underway, so aligning the residency definition for this program to the current tuition and financial aid definition does not create any additional fiscal impact.

Section 11 (Resident student definition):

WSAC is responsible for residency rule making (RCW 28B.77.020(11)) and ensures residency requirements for financial aid programs and resident tuition are followed (RCW 28B.92.200). This section changes the existing tuition equity law (RCW 28B.15.012(2)(e)), which allows some undocumented and non-citizen students to meet residency requirements. Current law requires a student to live in Washington for three years prior to earning a high school diploma or equivalent and continuously living in the state until college admittance. This section changes the requirement having a high school diploma or equivalent and living in the state one year prior to being admitted to a public university, college, or community or technical college within the state of Washington.

The fiscal impact of this change in the residency definition for Washington College Grant and College Bound Scholarship expenditures is indeterminate because the number of students who would be eligible as residents, which sector they enroll in, and their enrollment status is all unknown. One assumption is this change would likely impact financial aid applicants who complete a Washington Application for State Financial Aid (WASFA), not a Free Application for Federal Student Aid (FAFSA). In 2019-20 academic year, there were 5,400 WASFA filers (filers does not mean enrolled) of which 2,574 received Washington College Grant funding.

WSAC would not incur additional administrative costs to implement the residency change, as guidance for interpreting the resident student definition is provided on an ongoing basis.

Staff time estimates are rounded to the nearest 0.1 FTE and staff-related and other costs are rounded to the nearest \$1000.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	126,000	35,000	161,000	70,000	70,000
Total \$			126,000	35,000	161,000	70,000	70,000

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 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.8	0.3	0.6	0.3	0.3
A-Salaries and Wages	67,000	18,000	85,000	36,000	36,000
B-Employee Benefits	26,000	4,000	30,000	8,000	8,000
C-Professional Service Contracts					
E-Goods and Other Services	32,000	12,000	44,000	24,000	24,000
G-Travel	1,000	1,000	2,000	2,000	2,000
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 \$	126,000	35,000	161,000	70,000	70,000

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*

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
Associate Director	101,000	0.3		0.2		
Communication Consultant	79,000	0.1		0.1		
Program Manager A	60,000	0.3	0.3	0.3	0.3	0.3
Software Developer	101,000	0.1		0.1		
Total FTEs		0.8	0.3	0.6	0.3	0.3

III. D - Expenditures By Program (optional)

Program	FY 2022	FY 2023	2021-23	2023-25	2025-27
Financial Aid & Grant Programs (030)	126,000	35,000	161,000	70,000	70,000
Total \$	126,000	35,000	161,000	70,000	70,000

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

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

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.

The Washington Student Achievement Council would need to adopt administrative rules for residency and the WCG stipend program.

Individual State Agency Fiscal Note

Bill Number: 5194 2S SB	Title: Comm. & technical colleges	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 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
Account					
General Fund-State 001-1	69,059	69,059	138,118	138,118	138,118
Total \$	69,059	69,059	138,118	138,118	138,118

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: 02/22/2021
Agency Preparation: Lauren Hatchett	Phone: 2066167203	Date: 02/25/2021
Agency Approval: Kelsey Rote	Phone: 2065437466	Date: 02/25/2021
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 02/25/2021

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 first substitute, the second substitute only changes the section numbers that would impact the University of Washington (UW). The text is unchanged within these sections, and so we have just amended section numbers for this fiscal note.

Section 9 would establish the Washington College Grant Stipend Program.

Section 10 would change the definition of “resident student” in RCW 28B.96.010 to include residency classification under RCW 28B.15.012(2)(e).

Section 11 would change the definition of “resident student” in RCW 28B.15.012(2)(e) so that residency, via the affidavit, has fewer requirements.

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 9

This section would establish the Washington College Grant Stipend Program which would provide eligible students support stipends for housing, transportation, food, and medical care. Students may also use the stipends to cover the cost of books, materials, or equipment required for the completion of their course of study if not already covered by other sources of student aid. These stipend funds may enable more students to attend and remain enrolled at the UW, but the number of additional students is unknown and thus the potential fiscal impact is indeterminate.

SECTION 10

RCW 28B.15.012(2)(e) replaces struck language in this section; however, this RCW essentially restates the struck language. Therefore, this section would not result in any fiscal impacts for the UW.

SECTION 11

This section amends the “resident student” definition under RCW 28B.15.012 so that the residency classification is extended to any person who has completed and obtained a high school diploma, or the equivalent of a diploma, and continuously lived in the state of Washington for at least a year before the individual is admitted to a public institution of higher education. Students who fall under this classification would file an affidavit indicating that they will file an application to become a permanent resident at the earliest opportunity and demonstrate a willingness to engage in any other activities necessary to acquire citizenship.

This section would result in an increase in the number of “resident” students at the UW who would be classified as “non-resident” students under the current system. It is unknown exactly how many students would be eligible and apply for residency status and so anticipated cash receipts are indeterminate. However, even if a small number of students (e.g. 5 students) were granted residency status, the negative cash receipts total would be significant, more than \$50K in FY22 and in each subsequent year.

To further demonstrate the potential impact of these changes, we estimate 10 to 100 students per fiscal year, who

were previously not eligible to apply for residency, may apply and be granted residency. The current tuition rate at the UW is \$10,629 for resident undergraduate students and \$37,998 for non-resident undergraduate students, or a differential of \$27,369. For 10 to 100 students the UW would expect to lose \$273,690 to \$2,736,900, respectively, in tuition revenue per fiscal 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 11

This section would require the UW to process and evaluate significantly more affidavits filed by non-resident students seeking residency status. In order to meet this demand and fulfill the obligations of the bill, the UW would need to hire an additional Counseling Services Coordinator in the Office of the University Registrar. Expenditures for this position are described below:

1.0 FTE Counseling Services Coordinator (\$53,000 annual salary with a professional staff benefits rate of 30.3%) totaling \$69,059 in FY22 and each subsequent year.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	69,059	69,059	138,118	138,118	138,118
Total \$			69,059	69,059	138,118	138,118	138,118

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
A-Salaries and Wages	53,000	53,000	106,000	106,000	106,000
B-Employee Benefits	16,059	16,059	32,118	32,118	32,118
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 \$	69,059	69,059	138,118	138,118	138,118

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 2022	FY 2023	2021-23	2023-25	2025-27
Counseling Services Coordinator	53,000	1.0	1.0	1.0	1.0	1.0
Total FTEs		1.0	1.0	1.0	1.0	1.0

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

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 5194 2S SB	Title: Comm. & technical colleges	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:

NONE

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: 02/22/2021
Agency Preparation: Anne-Lise Brooks	Phone: 509-335-8815	Date: 02/25/2021
Agency Approval: Chris Jones	Phone: 509-335-9682	Date: 02/25/2021
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 02/26/2021

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 11 amends the residency requirements in RCW 28B.15.012. In order to achieve residency status a student needs to live in Washington for one year instead of three. It also removes the requirement that they receive their high school diploma in Washington.

II. B - Cash receipts Impact

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

The differential between resident and non-resident tuition is approximately \$15,000 annually for undergraduate students and \$14,000 for graduate students. The number of students that would qualify and take advantage of the change in residency requirements is indeterminate but it is estimated that there would be enough students to produce a loss in cash receipts greater than \$50,000.

II. C - Expenditures

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 5194 2S SB	Title: Comm. & technical colleges	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:

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: 02/22/2021
Agency Preparation: Erin Sargent	Phone: 509-963-2395	Date: 02/23/2021
Agency Approval: Lisa Plesha	Phone: (509) 963-1233	Date: 02/23/2021
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 02/23/2021

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.

2S SB 5194 proposes to provide increased equity and access in community & technical colleges with changes to the definition of a resident student and criteria to establish residency, which affects all institutions of higher education.

Sections 1- 8 are requirements that strictly pertain to the Community & Technical Colleges.

Section 9 would establish the Washington College Grant Stipend Program.

Section 10 strikes language in subsection (5) (d) (i –iv) defining a resident student and adds language that states a resident student is one who meets the requirements under 28B.15.012 (2)(e) as defined below:

Section 11 RCW 28B.15.012 is amended to define resident student as: (2)(e) Any person who has completed and obtained a high school diploma, or a person who has received the equivalent of a diploma; who has continuously lived in the state of Washington for at least a year before being admitted to an institution of higher education under subsection (1) of this section. These potential changes to the in-state residency requirements could have indeterminate impacts to the tuition revenues at Central Washington University as more students who would otherwise only qualify for nonresident tuition under the current rules, would now qualify as resident students; foregoing the out of state differential they currently pay.

Changes in the second substitute bill do not pose a change to the previous fiscal note response.

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 9 creates the Washington College Grant Stipend for housing, transportation, food and medical care for eligible students. Stipends are also allowed for books and supplies necessary for as student's course of study if other forms of aid are not sufficient to cover those costs. Impacts as a result of this program are indeterminate, but may provide eligible students with more resources to continue their courses of study and thus impact retention rates and ongoing tuition revenues.

Section 10 and 11, which refer to amendments to the definition of "resident student" as defined in RCW 28B.15.012(2)(e) would expand the resident student eligibility to any person who has obtained a high school diploma or equivalent and has continuously lived in Washington state for at least one year prior to being admitted to a public institution of higher education. Eligible students would file an affidavit stating their intention to become a permanent resident and engage in any other activities necessary to acquire citizenship.

It is estimated that somewhere between 5 and 8 students per year might qualify as a "resident" student under these new rules who would otherwise not be eligible under current statute. This number is likely to increase as enrollments increase and therefore the exact number of affected students is indeterminate. However, based on this small population, CWU would still experience foregone cash receipts greater than \$50,000 annually due to the lost nonresident tuition differential the students would pay under the current rules.

In the 2020-21 academic year, the nonresident operating fee differential was \$16,062 per year for a full time undergraduate student. If CWU had to approve in-state residency for between 5 and 8 students annually under these new rules, who would have otherwise paid nonresident tuition under the current rules, we would experience between \$80,310 and \$128,496 in foregone operating fee revenues annually.

Changes in the second substitute bill do not pose a change to the previous fiscal note response.

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 11 could potentially create an increase in residency affidavits that Central Washington University would have to review and process each year. This number, though indeterminate, would likely increase over time as enrollments increased.

For a scalable impact, if it takes 1 hour to review a residency affidavit and in the 2019-2020 academic year, CWU reviewed ~1,400 affidavits, we could expect in a normal year to expend ~1,400 hours toward this effort or .67 FTE of a Secretary Supervisor at an annual cost of \$44,500 (.67 FTE * \$50,000 annual salary + 33% benefits rate). For each additional 10 affidavits, it would cost CWU an additional \$320 in staffing effort to review.

Changes in the second substitute bill do not pose a change to the previous fiscal note response.

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

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 5194 2S SB	Title: Comm. & technical colleges	Agency: 376-The Evergreen State College
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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 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.4	0.4	0.4	0.3	0.0
Account					
General Fund-State 001-1	71,060	66,065	137,125	97,512	9,064
Total \$	71,060	66,065	137,125	97,512	9,064

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: 02/22/2021
Agency Preparation: Laura Coghlan	Phone: (360) 867-6510	Date: 02/25/2021
Agency Approval: Holly Joseph	Phone: 360-867-6652	Date: 02/25/2021
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 02/25/2021

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 bill SSB 5194 added a new section with fiscal impact for the Washington State Institute for Public Policy (WSIPP).

The 2nd substitute updated the language regarding the WSIPP study, but estimated cost was not changed.

The section establishing the Washington College Grant Stipend program was moved from section 11 (original and 1st substitute bills) to section 9 in the 2nd substitute.

The section amending residency requirements in was relocated from section 13 (original and 1st substitute bills) to section 11 in the 2nd substitute but without substantive change in content.

The indeterminate impact on areas of the Evergreen State College, other than WSIPP, were not changed by this 2nd substitute.

Sec. 4(2)(a) of 2SSB 5194 directs The Washington State Institute for Public Policy, in consultation with the workforce education investment accountability and oversight board under RCW 28C.18.200, shall complete an evaluation of the guided pathways model. To the extent possible, the institute shall complete a preliminary report that evaluates the effect of the guided pathways model on early student outcomes including, but not limited to, student retention and persistence, college level English and math within the first year, and graduation and transfer rates. The preliminary report must review the implementation of the guided pathways model in Washington and any available evidence of the effectiveness of the guided pathways model. The preliminary report must be submitted by December 15, 2023.

(b) The Washington state institute for public policy shall complete a final report that evaluates the effect of the guided pathways on longer-term student outcomes including, but not limited to, degree completion, time to degree, transfer to four-year institutions, employment, and earnings, to the extent possible. The final report must be submitted by December 15, 2029.

(c) Both the preliminary and final reports must consider differences in outcomes by racial and ethnic subgroups and socioeconomic status.

Section 9 would establish the Washington College Grant Stipend Program.

Section 11 amends the residency requirements in RCW 28B.15.012. In order to achieve residency status a student needs to live in Washington for one year instead of three prior to admission to a higher education institution. It also removes the requirement that they receive their high school diploma in Washington.

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 9:

This section would establish the Washington College Grant Stipend Program which would provide eligible students support stipends for housing, transportation, food, and medical care. Students may also use the stipends to cover the cost of books, materials, or equipment required for the completion of their course of study if not already covered by other sources of student aid. These stipend funds may enable more students to attend and

remain enrolled at The Evergreen State College, but the number of additional students is unknown and thus the potential fiscal impact is indeterminate.

Section 11:

This section amends the “resident student” definition under RCW 28B.15.012 so that the residency classification is extended to any person who has completed and obtained a high school diploma, or the equivalent of a diploma, and continuously lived in the state of Washington for at least a year before the individual is admitted to a public institution of higher education. Students who fall under this classification would file an affidavit indicating that they will file an application to become a permanent resident at the earliest opportunity and demonstrate a willingness to engage in any other activities necessary to acquire citizenship.

As a result, some students who would currently be classified as "non-resident" students for tuition and fee assessment would become eligible for "resident" tuition rates.

At estimated AY 21-22 rates, the differential between resident and non-resident tuition is \$20,667 annually for undergraduate students and \$14,565 for graduate students. The number of students that would qualify and take advantage of the change in residency requirements is indeterminate, but even if 3 students moved from non-resident to resident rates, it would produce a loss in cash receipts greater than \$50,000.

II. C - Expenditures

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

Section 4 would require the following expenditures for WSIPP:

WSIPP assumes that the State Board for Community and Technical Colleges (SBCTC) will provide data for the preliminary report due in 2023 and the Education Research and Data Center (ERDC) will provide data for the final report due in 2029. WSIPP assumes that the data will be free of cost and made available in a timely manner.

In order to complete the assignment outlined in Sec. 4(2)(a) of 2SSB 5194 WSIPP would assign the following resources:

FY 22

0.34 FTE Researcher to scope the study, conduct literature reviews, conduct interviews, and begin the data acquisition process.

0.06 FTE Methods Review to develop a study plan.

FY23

0.37 FTE Researcher to continue conducted interviews and process the data.

FY24

0.39 FTE Researcher for data analysis and report writing.

0.06 FTE Methods Review for methodological review.

0.06 FTE Editing/Publication for publication.

FY25-FY27

0.02 FTE Researcher to monitor the evaluation.

FY 28: Total cost for FY28 is \$51,304: \$31,452 in salaries, \$8,492 in benefits, \$10,609 in goods and services,

and \$750 in fees.

0.20 FTE Researcher to begin the data acquisition process and submit the Washington State Institutional Review Board (WSIRB) application.

0.05 FTE Methods Review to develop a study plan.

-Assumes \$750 in WSIRB fees.

FY 29: Total cost for FY29 is \$59,520: \$37,031 in salaries, \$9,998 in benefits, and \$12,491 in goods and services.

0.30 FTE Researcher for data processing and analysis.

FY 30: Total cost for FY30 is \$102,219: \$63,155 in salaries, \$17,612 in benefits, and \$21,452 in goods and services.

0.39 FTE Researcher for data analysis and report writing.

0.05 FTE Methods Review for methodological review.

0.06 FTE Editing/Publication for publication.

The total cost to complete both the preliminary and final reports is \$456,743.

*Goods and other services include 13% for office expenses and 12% indirect rate for The Evergreen State College.

Section 9:

This section would establish the Washington College Grant Stipend Program which would provide eligible students support stipends for housing, transportation, food, and medical care. Students may also use the stipends to cover the cost of books, materials, or equipment required for the completion of their course of study if not already covered by other sources of student aid. Per section 9 (3), the WSAC Office of Student Financial Assistance will adopt rules regarding the distribution and awarding of stipends. At this time, Evergreen's Financial Aid Office assumes that clear rules and eligibility parameters would be established for the stipend program, and thus they perceive that additional workload to package and distribute this new form of aid may be absorbed within current staff FTE. Since the dollar amount to be allocated through the program is not yet known, nor the number of students who would eligible, and the complexity of program administration has yet to be determined, we note that potential impact on Financial Aid staff levels is indeterminate.

Section 11:

Evergreen expects that workload associated with processing additional residency applications and affidavits can be absorbed within existing staff in Registration and Records.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	71,060	66,065	137,125	97,512	9,064
Total \$			71,060	66,065	137,125	97,512	9,064

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 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.4	0.4	0.4	0.3	0.0
A-Salaries and Wages	44,210	41,103	85,313	60,276	5,639
B-Employee Benefits	11,937	11,098	23,035	16,772	1,523
C-Professional Service Contracts					
E-Goods and Other Services	14,913	13,864	28,777	20,464	1,902
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 \$	71,060	66,065	137,125	97,512	9,064

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*

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
Editing/Publication	86,484				0.0	
Methods Review	114,252	0.1		0.0	0.0	
Researcher	105,036	0.3	0.4	0.4	0.2	0.0
Total FTEs		0.4	0.4	0.4	0.3	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

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 5194 2S SB	Title: Comm. & technical colleges	Agency: 699-Community and Technical College System
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2022	FY 2023	2021-23	2023-25	2025-27
Inst of HI ED-Operating Fees	(3,028,000)	(3,028,000)	(6,056,000)	(6,056,000)	(6,056,000)
Acct-Private/Local 149-7					
Total \$	(3,028,000)	(3,028,000)	(6,056,000)	(6,056,000)	(6,056,000)

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	213.4	229.1	221.2	229.1	221.0
Account					
General Fund-State 001-1	19,172,000	21,617,000	40,789,000	63,684,000	67,436,000
Total \$	19,172,000	21,617,000	40,789,000	63,684,000	67,436,000

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

- ☒ 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: 02/22/2021
Agency Preparation: Brian Myhre	Phone: 360-704-4413	Date: 02/25/2021
Agency Approval: Cherie Berthon	Phone: 360-704-1023	Date: 02/25/2021
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 02/26/2021

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 bill differs from the substitute in the following ways:

SECTION 3

- Requires colleges to submit strategic plans to the State Board on a biennial basis, rather than annual basis.
- Removes the requirement for the State Board to develop a model campus climate survey tool.
- Removes the requirement for the State Board to develop minimum standards for faculty diversity programs.
- Require colleges to include faculty diversity programs in their strategic plans.

SECTION 4

- Allows, rather than requires, Guided Pathways advising services to include processes that help students explore possible career and educational choices.
- Modifies elements required of the Washington State Institute of Public Policy report due December 15, 2023

SECTION 5

- Removes the requirement to achieve a system-wide ratio of full-time to part-time faculty of at least 70 percent and the requirement to establish equal pay for equal work for all faculty members
- Subject to funding, requires that colleges increase full-time tenured positions by 200 in each year, starting with the 2022-23 academic year
- Requires the State Board to assess the impact of the 600 additional faculty on student completion rates and make recommendations about future steps to increase full-time faculty by December 15, 2025.

SECTION 6

- Colleges using the mental health access grant funding from the pilot program must hire counselors having specific graduate-level training for meeting the mental and behavioral health needs of students.

SECTION 7

- Requires the State Board to adopt rules regarding minimum hiring standards for faculty counselors.

Changes in the bill would change the fiscal impacts when compared to the prior bill.

This bill would implement various initiatives to increase equitable access and educational success at community and technical colleges for all residents of the state, particularly students from communities of color and low-income communities.

SECTION 3 – STRATEGIC PLANS and OUTREACH

Beginning July 30, 2022 and biennially thereafter, all community and technical colleges would be required to submit strategic plans to the State Board for Community and Technical Colleges (State Board) for achieving diversity, equity and inclusion (DEI) on their campuses. Colleges are required to include faculty diversity programs designed to increase recruitment and retention of faculty from diverse racial, ethnic and cultural backgrounds in their strategic plans. Colleges are encouraged to use campus climate surveys to help formulate and update their strategic plans.

Each community and technical college would be required to establish a culturally appropriate outreach program to communities of color, students with disabilities, neurodiverse communities and low-income communities designed to assist potential students to understand the opportunities available in the community and technical college system and help navigate the student aid system.

SECTION 4 – STUDENT SUCCESS SUPPORT PROGRAMS and GUIDED PATHWAYS IMPLEMENTATION

Directs community and technical colleges to fully implement guided pathways. At a minimum, guided pathways implementation must include:

- (a) Comprehensive mapping of student educational pathways with student end goals in mind.
- (b) Dedicated advising and career counseling that helps students make informed program choices and develop completion plans.
- (c) Data analysis of student learning as well as program and service outcomes.
- (d) A student success support infrastructure using programs that the state board for community and technical colleges finds have been effective in closing equity gaps among historically underserved student populations and improve student completion rates.

SECTION 5 – FACULTY CONVERSIONS AND PAY EQUALIZATION

Subject to funding, the community and technical college system would be required to increase full-time tenured positions by 200 each year for three years, starting with the 2022-23 academic year with a stated goal of accomplishing the increase via part-time to full-time faculty conversions.

The State Board is required to collect data and assess the impact of the 600 additional faculty on student completion rates. The State Board must convene representatives of faculty, staff and administration to assess the outcomes as a result of increasing full-time faculty and make recommendations about future steps to take. A report on the findings and recommendations is due to the legislature by December 15, 2025.

SECTION 6 – MENTAL HEALTH COUNSELING AND SERVICES PILOT PROGRAM

The State Board for Community and Technical Colleges (State Board) would administer a pilot program to issue grants to colleges to increase student access to mental health counseling and services.

The State Board, in collaboration with a selection committee, would select eight community or technical colleges to participate in the pilot program. The selection committee is to include; one college President, one college Vice President of Student Services or Instruction, two faculty counselors, one student. Each college selected would receive a grant to implement strategies to increase student access to on-campus mental health counseling and services. Colleges selected are required to submit a joint report to the legislature by November 1, 2023. The pilot program would expire on July 1, 2025.

SECTION 7 – ESTABLISH MINIMUM COUNSELOR STANDARDS

By September 1, 2021, the State Board is directed to adopt rules regarding minimum hiring standards for faculty counselors. The standards do not apply to counselors employed before September 1, 2021.

SECTION 10 – MODIFY RESIDENCY REQUIREMENTS FOR UNDOCUMENTED STUDENT LOAN PROGRAM

Residency requirements for the undocumented student loan program are reduced from three years to one year of residency in the state.

SECTION 11 – MODIFY STUDENT RESIDENCY REQUIREMENTS FOR NON-PERMANENT INDIVIDUALS

The definition of resident student for the tuition rate purposes is revised for students who are non-permanent residents. The required time needed to qualify as a resident is reduced from three years to one year.

II. B - Cash receipts Impact

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

The following section of the bill would have cash receipts impact.

Section 11 of the bill would revise the definition of resident student for the tuition rate purposes for students who are non-permanent residents. The required time needed to qualify as a resident is reduced from three years to one year.

Reducing the amount of time needed to qualify for resident tuition rates will reduce the number of students paying non-resident rates. This will result in a loss of revenue to the community and technical college system.

There are an average of 1,676 International Students in the community and technical college system. Assuming one-third of those students would pursue the requirements needed to obtain resident status would result in 555 students paying resident rates instead of non-resident rates.

It is estimated that \$5,376,000 would be collected from these students under current law while \$2,348,000 would be collected under the terms of this bill. The revenue loss would be the difference between the two.

$\$5,376,000 - \$2,348,000 = \$3,028,000$ revenue loss FY22 onward

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 following sections of the bill would have expenditure impacts.

SECTION 3 – STRATEGIC PLANS and OUTREACH

STRATEGIC PLANS

Beginning July 30, 2022 all community and technical colleges would be required, on a biennial basis, to submit strategic plans to the State Board for Community and Technical Colleges (State Board) for achieving diversity, equity and inclusion on their campuses. Colleges are encouraged to use campus climate surveys to develop and update strategic plans. Colleges are also to include opportunities to for students from diverse communities to form student-based organizations and use community-based organizations that permit students to mentor and assist one another in navigating the educational system and access trained mentors.

It is estimated to take an average of 1 FTE Strategic Plan Administrator at each college to oversee and administer the gathering and analysis of campus climate survey data, the annual development and submission of strategic plans, the creation and operation of student-based and community-based organizations and other diversity, equity and inclusion activities.

1 FTE Strategic Plan Administrator X \$125,000 salary and benefits X 34 colleges = \$4,250,000 in FY 2022 and biennially thereafter

Colleges are required to include faculty diversity programs designed to increase recruitment and retention of faculty from diverse racial, ethnic and cultural backgrounds in their strategic plans. Faculty diversity programs must be based on proven practices in diversity hiring processes.

It is assumed that the State Board would establish consistent standards, based on proven practices in diversity hiring, for colleges to use in developing their faculty diversity programs. It is estimated to require 1.0 FTE Human Resource Consultant 3 (HRC 3) at the State Board to establish the standards.

1.0 FTE X \$82,000 salary and benefits = \$82,000 in FY 2022 one-time costs

It is estimated to require an average of 0.5 FTE Human Resource Consultant 3 (HRC 3) at each college to fulfill recruitment and retention duties related to diversity program initiatives contained in the strategic plans.

0.5 FTE X \$82,200 salary and benefits X 34 colleges = \$1,398,000 FY 2023 onward

RECRUITMENT AND OUTREACH

Each community and technical college would be required to establish a culturally appropriate outreach program to communities of color, students with disabilities, neurodiverse communities and low-income communities designed to assist potential students to understand the opportunities available in the community and technical college system and help navigate the student aid system.

It is estimated to take an average of 2 FTE Outreach/Recruitment Coordinators per college to provide outreach services to help potential students in the above named groups navigate the community and technical college and financial student aid systems.

2 FTE DEI Outreach/Recruitment Coordinators per college X 34 colleges X \$70,000 salary and benefits colleges = \$4,760,000 FY 2022 onward

CAMPUS CLIMATE SURVEYS

Colleges are encouraged to use campus climate surveys to develop and update strategic plans for diversity, equity and inclusion.

It is assumed that campus climate surveys would be performed on an annual basis so that year-over-year trends can be analyzed and there are no gaps in data when developing the strategic plans. It is assumed the State Board would take on the role of overseeing the survey process for the college system and would contract for developing, conducting and analyzing the data resulting from the campus climate assessment surveys. Approximately 365,000 faculty, staff and students would have to be surveyed on an annual basis. It is estimated to cost \$125,000 annually starting in FY 2022. These costs would be on-going.

Total costs for Section 3

FY22 – \$4,250,000 + \$82,000 + \$4,760,000 + \$125,000 = \$9,217,000

FY23 – \$1,398,000 + \$4,760,000 + \$125,000 = \$6,283,000

FY24 – \$4,250,000 + \$1,398,000 + \$4,760,000 + \$125,000 = \$10,533,000

FY25 – \$1,398,000 + \$4,760,000 + \$125,000 = \$6,283,000

FY26 – \$4,250,000 + \$1,398,000 + \$4,760,000 + \$125,000 = \$10,533,000 every even year onward

FY27 – \$1,398,000 + \$4,760,000 + \$125,000 = \$6,283,000 every odd year onward

SECTION 4 – STUDENT SUCCESS SUPPORT PROGRAMS and GUIDED PATHWAYS IMPLEMENTATION

Community and technical colleges are directed to fully implement guided pathways. At a minimum, guided pathways implementation must include:

- (a) Comprehensive mapping of student educational pathways with student end goals in mind.
- (b) Dedicated advising and career counseling that helps students make informed program choices and develop completion plans.
- (c) Data analytics that measure student learning as well as program and service outcomes.
- (d) A student success support infrastructure using programs that the state board for community and technical colleges finds have been effective in closing equity gaps among historically underserved student populations and improve student completion rates.

Section 4 would expand the required elements of Guided Pathways beyond those defined in HB 2158 (2019). This would result in additional costs to implement the program.

STUDENT SUCCESS PROGRAMS AND GUIDED PATHWAYS

This section would necessitate that colleges have Program Directors, Student Advisors and Career and Employment Specialist to carry out the aims of the program.

It is estimated to take an average of 1 FTE Program Director at each college to oversee, train and coordinate program staff and faculty, in addition to leading efforts on evaluation and data collection. 1 FTE Program Director X \$125,000 salary and benefits X 34 colleges = \$4,250,000 FY 2022 onward

It is anticipated that 1 additional Student Advisor on average would be needed at each college to help implement the program. 1 FTE Program Advisors X 34 colleges X \$70,000 salary and benefits = \$2,380,000 FY 2022 onward.

It is estimated to take an average of 1 FTE Career and Employment Specialist at each college to facilitate career exploration, assist students with finding immediate employment compatible with their course schedules and encourage networking and internship opportunities. 1 FTE Career and Employment Specialist X \$70,000 salary and benefits X 34 colleges = \$2,380,000 FY 2024 onward

Total costs for Section 4

FY22 – \$4,250,000 + \$2,380,000 + \$2,380,000 = \$9,010,000 onward

SECTION 5 – FACULTY CONVERSIONS

The community and technical college system would be required to increase full-time tenured positions by 200 each year for three years, starting with the 2022-23 academic year (FY 2023), with a stated goal of accomplishing the increase via part-time to full-time faculty conversions.

PART-TIME TO FULL-TIME CONVERSIONS

For the purposes of performing calculations for this fiscal note, FTEs, rather than positions, are used. It is assumed that the requirements of this section will be accomplished via the state goal of part-time to full-time conversions.

The average differential between part-time and full-time faculty is \$27,000.

200 conversions each year X \$27,000 differential = \$5,400,000 per year

FY23 – \$ 5,400,000

FY24 – \$10,800,000

FY25 – \$16,200,000

FY26 – \$16,200,000

FY27 – \$16,200,000 onward

CONVENE WORKGROUP AND ASSESS OUTCOMES

The State Board is required to collect data and assess the impact of the 600 additional faculty on student completion rates. The State Board must convene representatives of faculty, staff and administration to assess the outcomes as a result of increasing full-time faculty and make recommendations about future steps to take. A report on the findings and recommendations is due to the legislature by December 15, 2025.

Collecting data and convening a workgroup of faculty, staff and administrative personnel from all the colleges to assess the outcomes of increasing full-time faculty and create a report to make recommendations to the legislature will result in costs.

It is estimated that costs at the SBCTC to collect data, work with all the colleges to analyze outcomes and oversee development of the report will cost approximately \$30,000 plus \$5,000 in expenditures at each college.

SBCTC - \$30,000

\$5,000 X 34 colleges = \$170,000

\$30,000 + \$170,000 = \$200,000 one-time costs in FY26

Total costs for Section 5

While section 5 of the bill expires on July 1, 2027, it is assumed that any conversions completed would continue.

FY23 – \$ 5,840,000

FY24 – \$10,800,000

FY25 – \$16,200,000

FY26 – \$16,200,000 + \$200,000 = \$16,400,000

FY27 – \$16,200,000 onward

SECTION 6 – MENTAL HEALTH COUNSELING AND SERVICES PILOT PROGRAM

The State Board for Community and Technical Colleges (State Board) is directed to administer a pilot program to issue grants to colleges to increase student access to mental health counseling and services.

There would be two cost elements for this section of the bill. Costs for the administration of the pilot program and costs for the grants to colleges.

ADMINISTER PILOT PROGRAM

Section 2 of the bill would require the State Board to administer a pilot program to issue grants to colleges to increase student access to mental health counseling and services. The State Board is to work with a selection committee to select colleges that would participate in the pilot.

The State Board would require 0.1 FTE Policy Associate to work with the selection committee to develop criteria for the selection process, oversee the selection of colleges and awarding of funds and monitor progress and expenditures by the pilot colleges.

$0.1 \text{ FTE} \times \$120,000 = \$12,000$ ongoing costs from FY 2022 through FY 2025

GRANTS TO COLLEGES

Implementing strategies to increase student access to mental health counseling and services can be accomplished in several ways. For the purposes of this fiscal note it is assumed that colleges participating in the pilot program would hire qualified faculty counselors to expand mental health counseling and services directly to students.

Colleges selected for the pilot program would require 1.0 FTE of a Faculty Counselor (\$109,000 salary and benefits) with specialized skills in mental health counseling and approximately \$5,000 per year in Goods & Services.

$\$109,000 + \$5,000 = \$114,000$

$\$114,000 \times 8 \text{ colleges} = \$912,000$ ongoing costs from FY 2022 through FY 2025

TOTAL COSTS:

$\$12,000 + \$912,000 = \$924,000$ ongoing costs from FY 2022 through FY 2025

SECTION 7 – ESTABLISH MINIMUM COUNSELOR STANDARDS

By September 1, 2021, the State Board is directed to establish minimum hiring standards for faculty counselors and may also develop a process for hiring counselors that do not meet the minimum standards if the counselor agrees to meet the standards within two years from the date of first hire.

It is estimated to require 0.25 FTE Human Resource Consultant 3 (HRC 3) at the State Board to establish the minimum counselor standards that would be implemented at the colleges.

$0.25 \text{ FTE} \times \$82,000 \text{ salary and benefits} = \$21,000 \text{ FY 2022}$

TOTAL COMBINED COSTS OF BILL

FY22 – \$ 19,172,000

FY23 – \$ 21,617,000

FY24 – \$ 31,267,000

FY25 – \$ 32,417,000

FY26 – \$ 35,943,000

FY27 – \$ 31,493,000

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	19,172,000	21,617,000	40,789,000	63,684,000	67,436,000
Total \$			19,172,000	21,617,000	40,789,000	63,684,000	67,436,000

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	213.4	229.1	221.2	229.1	221.0
A-Salaries and Wages	14,880,000	16,964,000	31,844,000	50,544,000	53,822,000
B-Employee Benefits	4,127,000	4,488,000	8,615,000	12,810,000	13,364,000
C-Professional Service Contracts	125,000	125,000	250,000	250,000	250,000
E-Goods and Other Services	40,000	40,000	80,000	80,000	
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 \$	19,172,000	21,617,000	40,789,000	63,684,000	67,436,000

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 2022	FY 2023	2021-23	2023-25	2025-27
Career and Employment Specialist	55,000	34.0	34.0	34.0	34.0	34.0
Faculty Counselor	81,000	8.0	8.0	8.0	8.0	
Human Resource Consultant 3	62,700	1.3	17.0	9.1	17.0	17.0
Outreach/Recruitment Coordinator	55,000	68.0	68.0	68.0	68.0	68.0
Program Director	98,000	34.0	34.0	34.0	34.0	34.0
State Board Policy Associate	89,000	0.1	0.1	0.1	0.1	
Strategic Plan Administrator	98,000	34.0	34.0	34.0	34.0	34.0
Student Advisor	55,000	34.0	34.0	34.0	34.0	34.0
Total FTEs		213.4	229.1	221.2	229.1	221.0

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

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required