

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5237 SB	<b>Title:</b> Education law noncompliance
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## Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Local Gov. Other						
Local Gov. Total						

## Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Superintendent of Public Instruction	16.6	4,988,000	4,988,000	4,988,000	16.6	4,638,000	4,638,000	4,638,000	16.6	4,638,000	4,638,000	4,638,000
<b>Total \$</b>	<b>16.6</b>	<b>4,988,000</b>	<b>4,988,000</b>	<b>4,988,000</b>	<b>16.6</b>	<b>4,638,000</b>	<b>4,638,000</b>	<b>4,638,000</b>	<b>16.6</b>	<b>4,638,000</b>	<b>4,638,000</b>	<b>4,638,000</b>

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Other									
Local Gov. Total									

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Superintendent of Public Instruction	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Other									
Local Gov. Total									

## Estimated Capital Budget Breakout

<b>Prepared by:</b> Val Terre, OFM	<b>Phone:</b> (360) 280-3973	<b>Date Published:</b> Final
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5237 SB	<b>Title:</b> Education law noncompliance	<b>Agency:</b> 350-Superintendent of Public Instruction
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## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	16.7	16.6	16.6	16.6	16.6
<b>Account</b>					
General Fund-State 001-1	2,669,000	2,319,000	4,988,000	4,638,000	4,638,000
<b>Total \$</b>	2,669,000	2,319,000	4,988,000	4,638,000	4,638,000

### 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: Ailey Kato	Phone: 786-7434	Date: 01/10/2023
Agency Preparation: Troy Klein	Phone: (360) 725-6294	Date: 01/26/2023
Agency Approval: TJ Kelly	Phone: 360 725-6301	Date: 01/26/2023
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/27/2023

## Part II: Narrative Explanation

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

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

Section 1 of the bill is an intent section.

Section 2 of the bill is a definitions section.

Section 3 of the bill would create a new process to allow individual or broad complaints to be filed with the Office of the Superintendent of Public Instruction (OSPI), as well as require OSPI to adopt rules establishing a process for handling said complaints, which must be based on alleged noncompliance with state law by a local superintendent, school district board of directors, or member of a board of directors.

Section 4 of the bill would require OSPI to investigate, and if OSPI finds willful noncompliance, require the district to hold public hearings and adopt a compliance action plan to remedy the violations. This plan must be developed in collaboration with OSPI, and OSPI must provide assistance to school districts.

Section 5(1) of the bill requires that school districts must conduct at least two public hearings in addition to the public hearing required in section 4 if OSPI investigates a complaint and finds willful noncompliance. Section 5(2) of the bill would allow OSPI to impose penalties for willful noncompliance, including withholding of up to 20 percent of a school district's funding.

Section 6 of the bill requires the Professional Educator Standards Board (PESB) to adopt rules that make a superintendent's willful noncompliance with state law an act of unprofessional conduct and provides that a superintendent, whether certificated or not, may be held accountable for such conduct under rules established under this section. It is a defense if the superintendent can show that they were actively attempting to bring the school district into compliance with state law.

The bill would further require PESB to enact rules penalizing superintendents if found by OSPI to have committed willful noncompliance.

The bill further obliges any school board member to follow the laws of the state of Washington and defines the failure to do so as a violation of the member's oath of office.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

This bill would have no cash receipts impact on OSPI.

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

OSPI cost impact:

Section 3 of the bill requires OSPI to engage in rulemaking and development of procedures to investigate complaints, timelines, compliance action plans, and consequences. OSPI estimates that this would require about a .5 FTE for a

Director level exempt position at a cost of approximately \$97,000 in FY 2024, and \$92,000 in years thereafter.

Section 4 of the bill requires OSPI to investigate every complaint alleging noncompliance with state law under section 2(4). Current OSPI staffing levels are not sufficient to support the large increase in the number of complaints it is assumed that OSPI could receive that would require investigation. By way of comparison, OSPI's Office of Professional Practices (OPP) has a current FTE allocation of 4 investigators and 1 director to cover a narrow subject matter of investigation. Further, all OPP investigations must begin with a school district investigation of a complaint. This bill would require an original investigation at OSPI for all broad complaints, a new process. The bill also covers much broader subject matters than what OPP currently investigates. A conservative estimate of the workload created by this bill is over three times the FTE's that OPP currently utilizes for its work. OSPI estimates that this increase in workload would require an additional 15 Investigator 3's, range 57, step M to complete the work that is outlined in the section. The cost for these investigators is estimated at \$2,206,000 in FY 2024, and \$2,036,000 in years thereafter. In addition, OSPI estimates that the new investigators would require a director-level supervisor to oversee the team of investigators of all noncompliance with state laws. The estimated cost for this position is \$202,000 in FY 2024, and \$191,000 in years thereafter.

Section 5 of the bill states that OSPI would be authorized to withhold up to 20% of state funds for basic education allocation to school districts and requires those funds be redirected to support compliance action plans to address noncompliance with state laws. OSPI estimates that this would require staffing and contracting costs from OSPI's School Business Services Office to calculate any amount to be withheld, and also ensure ongoing withholdings until the situation is resolved. This work is estimated to require about a .03 FTE for an exempt Director 3 position, and a .02 FTE for a WMS 2 level Program Supervisor at a total estimated one-time cost of \$9,000 in FY 2024. Also, a contact estimated at about \$141,000 for FY 2024 would be required to make programming and system changes necessary in the School Apportionment System.

**PESB cost impact:**

To implement the bill, PESB would need to review and modify rules as necessary. Specifically, PESB would need to: Conduct stakeholder engagement and research activities to inform rule development and clarify when a superintendent will be held accountable, the nature of the investigation process, and consequences for superintendents. This engagement and research may include:

- Listening sessions and follow up with various concerned stakeholders (promotion, developing agendas, preparing materials, arranging interpreters, etc.).
- Surveys and related data analysis.
- Review other states' procedures.
- Draft rules.
- Present rules to the board for feedback and approval.
- Finalize rules.
- Conduct rule-related communications.
- Provide post-adoption communication and outreach.
- Provide technical support, such as the development and periodic revision of guidance to support implementation of rule and other types of technical support.

This would require a .1 FTE PESB Exempt Program Manager, and the cost for this is estimated at \$14,000 in FY 2024, for subsequent years, ongoing activities such as revising rules, ensuring fidelity of rule implementation, and communication and outreach would fall within PESB's regular scope of work and would not require additional resources.

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	2,669,000	2,319,000	4,988,000	4,638,000	4,638,000
<b>Total \$</b>			2,669,000	2,319,000	4,988,000	4,638,000	4,638,000

**III. B - Expenditures by Object Or Purpose**

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	16.7	16.6	16.6	16.6	16.6
A-Salaries and Wages	1,375,000	1,361,000	2,736,000	2,722,000	2,722,000
B-Employee Benefits	740,000	734,000	1,474,000	1,468,000	1,468,000
C-Professional Service Contracts	141,000		141,000		
E-Goods and Other Services	114,000	112,000	226,000	224,000	224,000
G-Travel	112,000	112,000	224,000	224,000	224,000
J-Capital Outlays	187,000		187,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	2,669,000	2,319,000	4,988,000	4,638,000	4,638,000

**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 2024	FY 2025	2023-25	2025-27	2027-29
Director 3 Approtationment, Exempt	109,692	0.0	0.0	0.0	0.0	0.0
Director Investigations, Exempt	119,772	1.0	1.0	1.0	1.0	1.0
Director Office of Professional Practices, Exempt	119,772	0.5	0.5	0.5	0.5	0.5
Investigator 3, Range 57, Step M	78,900	15.0	15.0	15.0	15.0	15.0
PESB Program Manager, Exempt	90,000	0.1		0.1		
WMS 2, Program Supervisor F195/F196 Reporting	90,544	0.0	0.0	0.0	0.0	0.0
<b>Total FTEs</b>		16.7	16.6	16.6	16.6	16.6

**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**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

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

NONE

No Capital Budget impact.

## **Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

Section 3 of the bill allows for OSPI to adopt rules necessary for implementation of this bill.

Section 6 allows PESB to adopt rules necessary for the implementation of this bill.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5237 SB	<b>Title:</b> Education law noncompliance	<b>Agency:</b> SDF-School District Fiscal Note - SPI
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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.*

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- Requires new rule making, complete Part V.

Legislative Contact: Ailey Kato	Phone: 786-7434	Date: 01/10/2023
Agency Preparation: Michelle Matakas	Phone: 360 725-6019	Date: 01/26/2023
Agency Approval: TJ Kelly	Phone: (360) 725-6301	Date: 01/26/2023
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/27/2023

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The bill would further require PESB to enact rules penalizing superintendents if found by OSPI to have committed willful noncompliance.

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### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

OSPI assumes that school districts and their employees are compliant with state law.

Therefore, we cannot project the extent to which districts would be subject to the 20% re-direction of apportionment. Since annual apportionment allocations are recalculated on a monthly basis, January through August, OSPI cannot reasonably project the amount of the 20% re-direction.

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

OSPI assumes that school districts and their employees are compliant with state law.

If future compliance issues are identified, it is not clear the extent to which districts could incorporate issues of

non-compliance into the district's pre-existing schedule of board meetings. In addition, impacted districts may potentially be impacted by cash flow strain with a redirection of apportionment to a specifically directed programs for compliance or changes in funding crossing fiscal or school years.

### 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:** *FTEs listed by classification and corresponding annual compensation. Totals 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

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

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

NONE

### Part V: New Rule Making Required

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*