

Multiple Agency Fiscal Note Summary

Bill Number: 1615 HB	Title: Students First Program
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

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
Office of State Treasurer	.0	0	0	0	.0	0	0	0	.0	0	0	0
Student Achievement Council	6.8	2,041,000	2,041,000	2,041,000	5.0	1,408,000	1,408,000	1,408,000	5.0	1,408,000	1,408,000	1,408,000
Total \$	6.8	2,041,000	2,041,000	2,041,000	5.0	1,408,000	1,408,000	1,408,000	5.0	1,408,000	1,408,000	1,408,000

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Student Achievement Council	.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: Ramona Nabors, OFM	Phone: (360) 742-8948	Date Published: Final
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Individual State Agency Fiscal Note

Bill Number: 1615 HB	Title: Students First Program	Agency: 090-Office of State Treasurer
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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: Megan Wargacki	Phone: 360-786-7194	Date: 01/25/2023
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 01/30/2023
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 01/30/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/30/2023

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.

HB 1615 creates the students first program account, coupled with the general fund as the recipient of the earnings from investments under RCW 43.79A.040(4).

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.

Projected cash flows are currently unavailable; therefore, estimated earnings from investments are indeterminable.

There may be an impact on the debt service limitation calculation. Changes to the earnings credited to the general fund impacts, by an equal amount, general state revenues.

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.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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.

Individual State Agency Fiscal Note

Bill Number: 1615 HB	Title: Students First Program	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 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	7.0	6.5	6.8	5.0	5.0
Account					
General Fund-State 001-1	1,063,000	978,000	2,041,000	1,408,000	1,408,000
Total \$	1,063,000	978,000	2,041,000	1,408,000	1,408,000

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: Megan Wargacki	Phone: 360-786-7194	Date: 01/25/2023
Agency Preparation: Marla Skelley	Phone: 360-485-1320	Date: 01/31/2023
Agency Approval: Brian Richardson	Phone: 360-485-1124	Date: 01/31/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/02/2023

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.

HB 1615 establishes the Students First Education Savings Account Program, to be administered by the Washington Student Achievement Council (WSAC). This program would provide for the education of children, K-12, outside the public school system by establishing education savings accounts for students in need of support.

Parents must:

- * Agree to only use the funds for education-related expenses
- * Funds will be accessible with the use of a debit card managed by the state with oversight capability
- * Special education students will qualify for additional support

Section 3

The Washington Student Achievement Council (WSAC) shall administer the program as follows:

- * Annually provide 94,100 awards with priority to eligible students who either: have a disability; reside in households at or below 300 percent of federal poverty level; are enrolled in public schools identified as challenged schools in need of improvement; or are an eligible student who is a sibling of a participating student.
- * Consult with OSPI in the calculation of awards.
- * Provide the parent of a participating student to access the money using a debit card.
- * May contract for the management of the accounts.
- * Establish a process to receive comments from parents about the program, including management of accounts.
- * Retain an independent public accounting firm retained to perform audit
- * Create an application process
- * Report annually by November 1st to legislative committees (Section 6):
 - The number of students disaggregated by grade level, gender, race and ethnicity, resident school district and prioritization category
 - The number of applications received, approved and denied including rationale for denial
 - The number of applications processed within 30 days of receipt and the number of administratively incomplete applications
 - Summary of any comments from parents about the program
 - Information on any entity contracted to manage the accounts
- * Adopt rules for the administration of the program (Section 8)

The Students First Program Account is created in the custody of the State Treasurer. WSAC is to authorize expenditures from this account. (Section 7)

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.

Cash receipts into the new Students First Program account are indeterminate, as it is dependent on appropriations and any unused awards by parents who leave the program.

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.

HB 1615 expenditure impacts are indeterminate due to the following unknowns:

- * Number of eligible participants;
- * Allocation per pupil based on statewide distribution formula;
- * Associated costs to manage debit cards including debit card fees.

Contracted costs are indeterminate as they are dependent on program design elements (still to be determined), market rates for these services, and the degree to which the contractor would be utilized to implement and execute the Students First Program.

Example award costs:

Using \$10,000 per pupil allocation for the 94,100 (maximum number of) eligible participants would result in a cost of \$941 million (in FY2024)

WSAC staffing details are as listed below for administration. These cost estimates are limited to assumptions for WSAC resources to provide customer service, communication specialist, contracting for program management and an independent public accounting firm, and IT development for the application process, applicant tracking including awards, payments and required reporting data.

The costs associated with staff to carry out the work described above would be as follows:

FY24: \$1,063,000 for 1.0 FTE Associate Director, 1.0 FTE Program Manager, 1.5 FTE Programmer, 3.0 FTE Program Coordinator; and 0.5 Communication Specialist.

FY25: \$978,000 for 1.0 FTE Associate Director, 1.0 FTE Program Manager, 1.0 FTE Programmer, 3.0 FTE Program Coordinator, and 0.5 Communication Specialist.

FY26 and ongoing: \$704,000 for 0.5 FTE Associate Director, 1.0 FTE Program Manager, 0.5 FTE IT Programmer, and 3.0 FTE Program Coordinator.

Staff time estimates are rounded to the nearest 0.1 FTE and staff-related and other costs are rounded to the nearest \$1,000.

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	1,063,000	978,000	2,041,000	1,408,000	1,408,000
Total \$			1,063,000	978,000	2,041,000	1,408,000	1,408,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	7.0	6.5	6.8	5.0	5.0
A-Salaries and Wages	506,000	456,000	962,000	630,000	630,000
B-Employee Benefits	205,000	196,000	401,000	276,000	276,000
C-Professional Service Contracts					
E-Goods and Other Services	345,000	320,000	665,000	492,000	492,000
G-Travel	7,000	6,000	13,000	10,000	10,000
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 \$	1,063,000	978,000	2,041,000	1,408,000	1,408,000

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
Associate Director	101,000	1.0	1.0	1.0	0.5	0.5
Communications Specialist	79,000	0.5	0.5	0.5		
IT - Software Developer	101,000	1.5	1.0	1.3	0.5	0.5
Program Coordinator	49,000	3.0	3.0	3.0	3.0	3.0
Program Manager B	67,000	1.0	1.0	1.0	1.0	1.0
Total FTEs		7.0	6.5	6.8	5.0	5.0

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Financial Aid & Grant Programs (030)	1,063,000	978,000	2,041,000	1,408,000	1,408,000
Total \$	1,063,000	978,000	2,041,000	1,408,000	1,408,000

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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.

WSAC will need to adopt new administrative and program rules.