

Individual State Agency Fiscal Note

Bill Number: 5522 SB	Title: Washington college grant program stipend	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	0.6	0.2	0.4	0.2	0.2
Account					
General Fund-State 001-1	67,387,000	64,484,000	131,871,000	128,968,000	128,968,000
Total \$	67,387,000	64,484,000	131,871,000	128,968,000	128,968,000

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: Alicia Kinne-Clawson	Phone: 360-786-7407	Date: 01/23/2023
Agency Preparation: Gabriele Matull Worst	Phone: 3607537841	Date: 01/26/2023
Agency Approval: Brian Richardson	Phone: 360-485-1124	Date: 01/26/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/07/2023

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.

SB 5522 would create an annual book and material stipend of up to \$1,200 as part of the Washington College Grant (WCG) program, including approved registered apprenticeship programs. The stipend would be available to students who qualify for the maximum WCG grant amount.

Currently students with a family income up to 60% of median family income (MFI) receive a maximum WCG award. This is based on language in the 2022 supplemental budget bill. This fiscal note assumes this same range (0-60% MFI) for receipt of a maximum WCG.

Section 1 defines “book and material stipend” as an annual stipend that may be used for the purchase of textbooks, tools, equipment, and materials required for participation in instructional and apprenticeship programs.

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.

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.

The expenditure impact is indeterminate because actual Washington College Grant (WCG) expenditures are dependent on enrollment patterns among sectors and variation in the distribution of students across the defined median family income (MFI) categories. The Washington Student Achievement Council (WSAC) is providing an estimate (Object N) based partially on calculations from the WCG CBS cost model used jointly by WSAC and legislative staff (version “2022 WCG CBS Cost Model v5.7 Nov 22”). This is only an estimate, however, and the actual grant expenditures will vary from these projected amounts. The cost model estimate is also provided below. WCG is a caseload forecasted program.

Stipend Expenditures

This bill increases grant costs for Washington College Grant (WCG) with the addition of the stipend. An estimated 63,139 students will be eligible for a \$1,200 per year stipend for FY 2024 and 61,373 students for FY 2025.

Any change in WCG award amounts also impacts student awards in the College Bound Scholarship (CBS) program because CBS is paid as "last dollar" after other state financial aid. An increase in WCG awards for CBS students in the 0-60% MFI range would lower these students' CBS awards. For some students, their College Bound state aid commitment would be met fully through their Washington College Grant awards (resulting in \$0 CBS awards). For other students, they would have a smaller CBS award ranging between \$72 - \$2,278.

Using the cost model (version “2022 WCG CBS Cost Model v5.7 Nov 22”) and FY24 WCG eligible student numbers to project costs, the estimated expenditure amount is the net of additional spending for Washington College Grant for all eligible students and the resulting decrease in College Bound Scholarship.

WCG Increase	CBS Decrease	Net Increase
FY24 \$63.9 million	\$8.5 million	\$55.4 million
FY25 \$63.1 million	\$9.2 million	\$53.9 million
FY26 \$63.1 million	\$9.2 million	\$53.9 million

FY27 \$63.1 million	\$9.2 million	\$53.9 million
FY28 \$63.1 million	\$9.2 million	\$53.9 million

However, the cost model may be underrepresenting the WCG cost because the model uses proration and this stipend is not subject to award proration based on enrollment level. WSAC assumes a more accurate estimate is to take the eligible number of students (63,139) and assume \$1,200 awards, which equates to \$75.8 million. The best CBS off-set is based on the model above of \$8.5 million. This amounts to a net increase of \$67.3 million.

Program Administration

The bill has expenditure impacts for program administration to modify information systems to implement the “book and material stipend”. This will require one-time software development work during FY24 and systems maintenance in FY25 and beyond.

FY24 costs (one-time): \$120,000 for 0.4 FTE Software Developer and 0.2 FTE Associate Director.
 FY25 and ongoing costs: \$36,000 for 0.1 FTE Software Developer and 0.1 FTE Associate Director.

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	67,387,000	64,484,000	131,871,000	128,968,000	128,968,000
Total \$			67,387,000	64,484,000	131,871,000	128,968,000	128,968,000

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 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.6	0.2	0.4	0.2	0.2
A-Salaries and Wages	61,000	21,000	82,000	42,000	42,000
B-Employee Benefits	28,000	4,000	32,000	8,000	8,000
C-Professional Service Contracts					
E-Goods and Other Services	30,000	10,000	40,000	20,000	20,000
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	67,267,000	64,448,000	131,715,000	128,896,000	128,896,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	67,387,000	64,484,000	131,871,000	128,968,000	128,968,000

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 2024	FY 2025	2023-25	2025-27	2027-29
Associate Director		0.2	0.1	0.2	0.1	0.1
Software Developer		0.4	0.1	0.3	0.1	0.1
Total FTEs		0.6	0.2	0.4	0.2	0.2

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Financial Aid & Grant Programs (030)	67,387,000	64,484,000	131,871,000	128,968,000	128,968,000
Total \$	67,387,000	64,484,000	131,871,000	128,968,000	128,968,000

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.

The Washington Student Achievement Council will need to adopt administrative rules to conform with changes in statute.