

Multiple Agency Fiscal Note Summary

Bill Number: 5671 SB	Title: K-12 experience factors
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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		130,247,000		152,829,000		158,368,000
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	.0	130,247,000	130,247,000	130,247,000	.0	152,829,000	152,829,000	152,829,000	.0	158,368,000	158,368,000	158,368,000
Total \$	0.0	130,247,000	130,247,000	130,247,000	0.0	152,829,000	152,829,000	152,829,000	0.0	158,368,000	158,368,000	158,368,000

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			130,247,000			152,829,000			158,368,000
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
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

NONE

Prepared by: Val Terre, OFM	Phone: (360) 280-3973	Date Published: Final 2/13/2023
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Individual State Agency Fiscal Note

Bill Number: 5671 SB	Title: K-12 experience factors	Agency: 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
Account					
General Fund-State 001-1	56,026,000	74,221,000	130,247,000	152,829,000	158,368,000
Total \$	56,026,000	74,221,000	130,247,000	152,829,000	158,368,000

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: Ben Omdal	Phone: 360-786-7442	Date: 02/02/2023
Agency Preparation: Michelle Matakas	Phone: 360 725-6019	Date: 02/13/2023
Agency Approval: TJ Kelly	Phone: 360 725-6301	Date: 02/13/2023
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 02/13/2023

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 – Intent to develop salary allocation model that aligns more closely to match the salaries of the teachers who are hired at the school districts.

Section 2(3)(a) – for districts whose certificated instructional staff (CIS) median years of experience exceed the state average CIS years of experience and ratio of CIS advanced degrees to bachelor’s degrees above the statewide ratio, an experience factor of 4% is added to the regionalization factor beginning with SY 2023-24.

Section 2(3)(b) – for districts whose CIS median years of experience exceed the state average CIS years of experience, an experience factor of 3% is added to the regionalization factor beginning with SY 2023-24.

Section 2(3)(c) – for districts whose CIS ratio of CIS advanced degrees to bachelor’s degrees above the statewide ratio, an experience factor of 1% is added to the regionalization factor beginning with SY 2023-24.

Section 2(3)(d) – Beginning with SY 2023-24 and annually each year thereafter, a school district’s eligibility for section (b) and (c) should be determined based on staffing reported to OSPI in the fall of the previous school year.

Section 2(3)(e)(i) – For school districts not eligible for an experience factor in section (a) or (b), but eligible in the previous school year, the experience factor is reduced to 2% in the first year the districts is ineligible.

Section 2(3)(e)(ii) – For school districts not eligible for an experience factor in section (a) or (b), but eligible in the previous two school years, the experience factor is reduced to 1% in the second year the districts is ineligible.

Section 2(3)(e)(iii) – For the third consecutive year a district is ineligible for an experience factor in section (a) or (b), the experience factor is removed.

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.

none.

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.

Under current law, 56 districts receive 4% experience mix. Using preliminary staff submitted to OSPI for SY 2022-23, 86 districts qualify for 3% experience mix under section 2(3)(b), 101 districts qualify for 1% experience mix under section 2(3)(c) and 15 districts would qualify for a hold harmless 2% in SY 2023-24 for section 2(3)(c). As OSPI is unable to predict staffing changes in future years, OSPI assumes a flatline change to experience mix past SY 2023-24 and uses caseload forecasted enrollment and November forecasted IPD inflation in the prototypical funding formula to estimate costs. Estimated increase to state expenditures for SY 2023-24 for this bill is \$72.3 million. See attached table for further details.

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	56,026,000	74,221,000	130,247,000	152,829,000	158,368,000
Total \$			56,026,000	74,221,000	130,247,000	152,829,000	158,368,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	56,026,000	74,221,000	130,247,000	152,829,000	158,368,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	56,026,000	74,221,000	130,247,000	152,829,000	158,368,000

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.

Table SB 5671 Fiscal Impacts Section 2						
School Year	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
GFS-001 - District & Tribal	\$ 72,291,000	\$ 74,781,000	\$ 76,043,000	\$ 77,368,000	\$ 78,761,000	\$ 80,257,000
GFS-17F - Charters	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total School Year	\$ 72,291,000	\$ 74,781,000	\$ 76,043,000	\$ 77,368,000	\$ 78,761,000	\$ 80,257,000
State Fiscal Year	2024	2025	2026	2027	2028	2029
GFS-001 - District & Tribal	\$ 56,026,000	\$ 74,221,000	\$ 75,759,000	\$ 77,070,000	\$ 78,448,000	\$ 79,920,000
GFS-17F - Charters	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total	\$ 56,026,000	\$ 74,221,000	\$ 75,759,000	\$ 77,070,000	\$ 78,448,000	\$ 79,920,000
Biennium	2023-25		2025-27		2027-29	
GFS-001 - District & Tribal	\$ 130,247,000		\$ 152,829,000		\$ 158,368,000	
GFS-17F - Charters	\$ -		\$ -		\$ -	
Total	\$ 130,247,000		\$ 152,829,000		\$ 158,368,000	

Individual State Agency Fiscal Note

Bill Number: 5671 SB	Title: K-12 experience factors	Agency: SDF-School District Fiscal Note - SPI
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
school district local-Private/Local new-7	56,026,000	74,221,000	130,247,000	152,829,000	158,368,000
Total \$	56,026,000	74,221,000	130,247,000	152,829,000	158,368,000

Estimated Operating Expenditures from:

Account	FY 2024	FY 2025	2023-25	2025-27	2027-29
school district local-Private/Local new-7	56,026,000	74,221,000	130,247,000	152,829,000	158,368,000
Total \$	56,026,000	74,221,000	130,247,000	152,829,000	158,368,000

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.
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- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

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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 – Intent to develop salary allocation model that aligns more closely to match the salaries of the teachers who are hired at the school districts.

Section 2(3)(a) – for districts whose certificated instructional staff (CIS) median years of experience exceed the state average CIS years of experience and ratio of CIS advanced degrees to bachelor’s degrees above the statewide ratio, an experience factor of 4% is added to the regionalization factor beginning with SY 2023-24.

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Section 2(3)(d) – Beginning with SY 2023-24 and annually each year thereafter, a school district’s eligibility for section (b) and (c) should be determined based on staffing reported to OSPI in the fall of the previous school year.

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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.

Revenues will equal State expenditures, see state note for SB 5671 for detail.

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 districts will expend all state revenue received in full.

Under current law, 56 districts receive 4% experience mix. Using preliminary staff submitted to OSPI for SY 2022-23, 86 districts qualify for 3% experience mix under section 2(3)(b), 101 districts qualify for 1% experience mix under section 2(3)(c) and 15 districts would qualify for a hold harmless 2% in SY 2023-24 for section 2(3)(c). As OSPI is unable to predict staffing changes in future years, OSPI assumes a flatline change to experience mix past SY 2023-24 and uses caseload forecasted enrollment and November forecasted IPD inflation in the prototypical funding formula to estimate costs. Estimated increase to state expenditures for SY 2023-24 for this bill is \$72.3 million. See attached table for further details.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
new-7	school district local	Private/Local	56,026,000	74,221,000	130,247,000	152,829,000	158,368,000
Total \$			56,026,000	74,221,000	130,247,000	152,829,000	158,368,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
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C-Professional Service Contracts					
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T-Intra-Agency Reimbursements					
9-					
Total \$	56,026,000	74,221,000	130,247,000	152,829,000	158,368,000

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.

Table SB 5671 Fiscal Impacts Section 2						
School Year	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29
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Total School Year	\$72,291,000	\$74,781,000	\$76,043,000	\$77,368,000	\$78,761,000	\$80,257,000
State Fiscal Year	2024	2025	2026	2027	2028	2029
School District Local	\$ 56,026,000	\$ 74,221,000	\$ 75,759,000	\$ 77,070,000	\$ 78,448,000	\$ 79,920,000
Total Fiscal Year	\$56,026,000	\$74,221,000	\$75,759,000	\$77,070,000	\$78,448,000	\$79,920,000
Biennium	2023-25		2025-27		2027-29	
School District Local	\$ 130,247,000		\$ 152,829,000		\$ 158,368,000	
Total Biennium	\$ 130,247,000		\$ 152,829,000		\$ 158,368,000	