

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1763 HB	<b>Title:</b> Conditional scholarships	<b>Agency:</b> 340-Student Achievement Council
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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 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.5	0.5	0.5	0.5	0.5
<b>Account</b>					
General Fund-State 001-1	83,000	83,000	166,000	166,000	166,000
<b>Total \$</b>	83,000	83,000	166,000	166,000	166,000

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.

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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.*

HB 1763 is an act relating to ensuring completion of health program conditional scholarship obligations and reducing penalties for excusable incomplete obligations within the Washington Health Corps program and amends RCW 28B.115.120.

The Washington Student Achievement Council (WSAC) administers the Washington Health Corps (WHC) program. WHC has authorized subprograms within it, including loan repayment and conditional scholarships. However, only the loan repayment portion is currently active.

Section 1(2) and (5) limits the interest rate, a variable rate adjusted annually and determined by WSAC, to a maximum of two percent;

Section 1(9) instructs WSAC, to the extent reasonable possible, to reduce, or help to reduce, barriers that threaten a participant's ability to complete their service by offering wraparound services such as navigation support for public benefits, financial coaching, and access to food, housing, and child care resources and referrals.

Section 1(10) instructs WSAC to make exceptions should exceptional circumstances beyond the control of participants warrant exceptions. (a) makes allowances for armed forces service members or a spouse or dependent where a permanent change of station or a location that would create a hardship. Military orders or a signed letter from a commanding officer would be required and/or (b) the participant is experiencing unforeseen emergencies or hardships that substantially affect the completion of service obligations.

This fiscal note describes administrative expenses that would be incurred by the Washington Student Achievement Council to administer a program of up to 1,000 recipients receiving wrap around services. If the program grows, staffing levels would need to scale up accordingly.

### 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 are indeterminate as they are dependent on the level of appropriations for the conditional loan program, the number of contract breaches and the number of exceptional circumstances granted.

### 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 overall expenditures are indeterminate as they are dependent on the number of students whose conditional scholarships are referred to repayments as a result of excusable, incomplete obligations. It is assumed the interest rate change from a variable rate to a maximum 2% interest rate will begin for conditional scholarships awarded in the academic year after HB 1763 is passed into law. Currently there are no awards for any conditional scholarships under the Health Corps program.

The Washington Student Achievement Council would have the following responsibilities:

- \* Develop rules around exceptional circumstance exceptions
- \* Publicize changed repayment arrangements
- \* Provide wraparound services for students who are unable to complete their service

Additional staffing is necessary to provide specialized wraparound services beginning with the first year and continue ongoing:

FY24 and ongoing: \$83,000 annually for 0.5 FTE Program Manager

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 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	83,000	83,000	166,000	166,000	166,000
<b>Total \$</b>			83,000	83,000	166,000	166,000	166,000

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	0.5	0.5	0.5	0.5	0.5
A-Salaries and Wages	34,000	34,000	68,000	68,000	68,000
B-Employee Benefits	23,000	23,000	46,000	46,000	46,000
C-Professional Service Contracts					
E-Goods and Other Services	25,000	25,000	50,000	50,000	50,000
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-					
<b>Total \$</b>	83,000	83,000	166,000	166,000	166,000

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
Program Manager B	67,000	0.5	0.5	0.5	0.5	0.5
<b>Total FTEs</b>		0.5	0.5	0.5	0.5	0.5

#### III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Financial Aid & Grant Programs (030)	83,000	83,000	166,000	166,000	166,000
<b>Total \$</b>	83,000	83,000	166,000	166,000	166,000

### 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 update administrative and program rules.