

Multiple Agency Fiscal Note Summary

Bill Number: 1338 HB	Title: DOC ed. and vocational prgs.
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Estimated Cash Receipts

NONE

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
Department of Corrections	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Community and Technical College System	Fiscal note not available											
Total \$	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Corrections	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Community and Technical College System	Fiscal note not available								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Department of Corrections	Non-zero but indeterminate cost and/or savings. Please see discussion.
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Individual State Agency Fiscal Note

Bill Number: 1338 HB	Title: DOC ed. and vocational prgs.	Agency: 310-Department of Corrections
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Capital Budget Impact:

Non-zero but indeterminate cost and/or savings. Please see discussion.

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.

An ACT Relating to education and vocational programs in state correctional institutions; amending RCW 72.09.080, 72.09.460, and 72.09.465; and creating a new section.

Section 1(2) it is the intent of the legislature to increase the share of incarcerated people who are enrolled in programs that provide postsecondary education credentials, vocational certifications, and other skills likely to lead to jobs upon release that provide a living wage. It is also the intent of the legislature to strengthen the correctional industries advisory committee's efforts to achieve this goal by requiring representation for businesses in a position to employ formerly incarcerated individuals at salaries that allow them to return home safely and successfully.

Section 2(1) amends the Correctional Industries Advisory Committee by adding that three representatives are from businesses that employ formerly incarcerated individuals.

Section 3(13) amends that the department may not transfer an incarcerated individual to a different facility unless the department first consults with the individual's educational program to review whether the transfer will not adversely affect the individual's progress toward program completion.

Section 4(a) amends that state correctional institutions have a goal to reach 50% participation of incarcerated individuals by January 1, 2026.

Section 4(b) amends that the department shall prioritize programs that result in vocational credentials or qualifications for living wage jobs once a participating individual is released from incarceration.

Section 4(4)(c) states that priority may be given to incarcerated individuals based on earliest release date, but not more than 90% of the program's participants may be prioritized in this manner.

Effective date is assumed 90 days after adjournment of session in which this bill is passed.

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 fiscal impact of this bill is indeterminate, assumed to be greater than \$50,000 per Fiscal Year (FY).

Although existing bill language implies that postsecondary education programs are discretionary at state correctional institutions, DOC provides the following cost impacts for illustrative purposes. In order to achieve the goals within this proposed legislation, additional staffing will be needed to ensure there are adequate resources to comply with extended hours for programming as required in this bill and to reach at least 50% participation rate of incarcerated individuals. Due to indeterminate capital costs, we are unable to estimate exactly how many additional staffing will be needed at each of the prison facilities.

Assumptions:

- The 50% postsecondary participation expectation would require that education programs have sufficient bandwidth to enroll participants. This includes expanding education programming space and hours of operation, custody staff, qualified faculty/staff to support postsecondary programming, technology access, and other infrastructure.
- More programming space will be needed to accommodate the expectations of the bill at some facilities, which would require capital funding.
- If some facilities utilize the space they currently have, program hours would need to be extended into the evening and weekend hours, which would result in the need for additional FTE's.
- Other program and facility jobs may be negatively impacted due to a reduction in available workers.
- Unknown fiscal impact related to the significant changes to transfer rules.

Education Staffing Impact

Currently, DOC has an interagency agreement with the State Board for Community and Technical Colleges (SBCTC) to provide postsecondary education. For FY2022, the contract was funded for \$19,023,194. For illustrative purposes, below is the breakdown of how that funding is being spent for DOC funded programs and nonprivate or privately funded education participants:

- Postsecondary Education (Pre-apprenticeship, vocational training certificates, and postsecondary two-year degrees)
 - o 1,048.2 FTEs Completed (Target of 1,541 FTEs; 68% of target met)
 - o Amount of postsecondary education funding: \$7,925,556
 - o Postsecondary unduplicated student headcount: 2,453
 - o Average Daily Population for DOC in June 2022: 12,233
 - o Population participating in postsecondary education: 20%
- *Note: Average population without high school equivalency and ineligible for postsecondary education: 27%
- *Note: FY2022 was impacted by COVID-19 restrictions and SBCTC was unable to meet the contracted FTE target. It is estimated that if the FTE target has been met, the population participating in postsecondary education would have been approximately 26%.

In order to increase to 50% of the population participation in postsecondary education we would need to increase our interagency agreement with SBCTC in order to be able to serve additional participants in the programs. The following new costs estimated for the contracted education partners are:

- Postsecondary education FTEs to cover the cost of instruction, textbooks, supplies, etc. In order to meet the increase to 50% participation there would be a need to double the number of FTEs in the SBCTC contract as we would be doubling participation from 26% to 50%. Used an average of the 3 cost rates from the contract to get to the total dollar amount. (Per FY2023 SBCTC contract)
 - o $\$5,561 \times 1,494 \text{ FTEs} = \$8,308,134$
- Increased Navigation/administrative staff at each facility to support academic advising, recruitment, enrollment, and administrative tasks such as scheduling, callouts, etc. for SBCTC.
 - o $\$82,400 \times 12 \text{ FTEs} = \$988,800$
- Increased IT support at all eight major prison facilities (1.0 FTE) and four camp prison facilities (2.0 FTE) to support increased classroom technology, learning management systems, student and laptops, education network servers and Off State Network/Secured Internet.
 - o $\$150,000 \times 10 \text{ FTEs} = \$1,500,000$
- New program start-up costs to support curriculum development, new textbooks, classroom technology, education program and software licenses, network servers, and program supplies for vocational/technical degrees.
 - o $\$200,000 \times 10 = \$2,500,000$
- New purchase of students' laptops to provide all postsecondary participants included in education increase (estimate additional 3,500 participants annually)
 - o $\$748 \times 3,500 = \$2,618,000$

The total for FY2024 below is calculated using the above totals for the need for each area:

o $\$8,308,135 + \$988,800 + \$1,500,000 + \$2,500,000 + \$2,618,000 = \$15,415,000$

Annual Increase by FY, including a 5% annual contract rate adjustment (rounded to the nearest thousand):

FY2024: \$15,415,000

FY2025: \$16,186,000

FY2026: \$16,995,000

FY2027: \$17,845,000

FY2028: \$18,737,000

FY2029: \$19,674,000

In order to increase to 50% of the population's participation in postsecondary education, the following staffing resources are estimated as follows:

- 3.0 IT Security Journey - to support OSN and increased education network support.
 - o Salary \$300,000 and Benefits \$97,000 = \$397,000
 - o Ongoing costs total \$14,500
 - o One-time costs total \$15,000
- 1.0 Management Analyst 5 - to support administrative functions including contract management, data analysis, budget support, etc.
 - o Salary \$92,000 and Benefits \$31,000 = \$123,000
 - o Ongoing costs total \$5,000
 - o One-time costs total \$5,000
- 3.0 FTE for Psychologists - to support the increased need for student disability services, assessments, and accommodations.
 - o Salary \$398,000 and Benefits \$130,000 = \$528,000
 - o Ongoing costs total \$14,500
 - o One-time costs total \$15,000

The DOC requests funding for the indirect costs of agency administration (1.0 FTE's and \$115,000) and requests funding for interagency costs of (\$13,000), for the purpose of implementing this legislation. The approved agency indirect rate and associated cost of administration are calculated based on the salaries and benefits of staff conducting back office administrative functions, divided by all remaining salaries and benefits.

Cost Summary (rounded to the nearest thousand):

FY2024: \$16,658,000 total cost and 8.0 FTE's

FY2025: \$17,394,000 total cost and 8.0 FTE's

FY2026: \$18,203,000 total cost and 8.0 FTE's

FY2027: \$19,053,000 total cost and 8.0 FTE's

FY2028: \$19,945,000 total cost and 8.0 FTE's

FY2029: \$20,882,000 total cost and 8.0 FTE's

Assumptions:

1. We assume there will be additional FTEs needed at each of our 12 facilities to accommodate this bill to expand participation to 50% of incarcerated individuals. However, without knowing how much additional space is needed at each facility we are unable to know what that impact might look like. If this bill passes the cost related to the bill are indeterminate at this time.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.
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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

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. C - Capital Budget Breakout

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

Non-zero but indeterminate cost and/or savings. Please see discussion.

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

NONE

Statewide Predesign Study to Determine Costs of Programming Space
A Statewide Predesign Study is necessary to determine what the costs would be to expand programming space in each of the 12-prison facility to meet the bill requirement to increase participation to at least 50% in post-secondary education programs. In order to better understand the scope and scale of improvements required if this bill passes, DOC recommends hiring a consultant to conduct a statewide predesign that would include all 12 prison facilities. Similar predesign studies of this magnitude that DOC has conducted over the years have been in the cost range of \$500,000 to \$1,500,000. For the purposes of this fiscal note, we estimate the cost of a statewide predesign to be \$1,500,000.

We recognize that every prison facility is different, and that while some facilities will require extensive study and significant renovation or expansion, other facilities such as minimum-security work camps may require only minimal improvements. The costs for facility renovations of programming areas will vary significantly and could range from \$1 to 2 million for each camp and up to \$15 million or more for each major close custody prison. For illustrative purposes only, the total costs to complete all of these statewide projects is estimated to range from \$80M to \$120M or more. If this bill passes, we anticipate expensive Capital budget requests taking place over multiple biennia to complete.

Assumptions:
1. Completing a predesign study to conduct site assessments, determine scope of work and calculate the costs of design and construction is estimated to be \$1,500,000. While the total capital cost related to this bill are indeterminate, we can safely assume it will be a major capital project.

Part V: New Rule Making Required

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