

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5085 SB	<b>Title:</b> School principals/employment
-----------------------------	--

## 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
Public Employment Relations Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Superintendent of Public Instruction	.0	0	0	0	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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	Non-zero but indeterminate cost and/or savings. Please see discussion.								
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
Public Employment Relations Commission	.0	0	0	.0	0	0	.0	0	0
Superintendent of Public Instruction	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

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	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Other									
Local Gov. Total									

## Estimated Capital Budget Breakout

<b>Prepared by:</b> Val Terre, OFM	<b>Phone:</b> (360) 280-3973	<b>Date Published:</b> Final 2/17/2023
------------------------------------	---------------------------------	---

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5085 SB	<b>Title:</b> School principals/employment	<b>Agency:</b> 275-Public Employment Relations Commission
-----------------------------	--	---

## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**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: Ben Omdal	Phone: 360-786-7442	Date: 01/06/2023
Agency Preparation: Dario de la Rosa	Phone: 360-570-7328	Date: 01/10/2023
Agency Approval: Dario de la Rosa	Phone: 360-570-7328	Date: 01/10/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/11/2023

## 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.*

Certificated teachers at public school districts enjoy collective bargaining under chapter 41.59 RCW. If the certificated teachers at a school district form a union for purposes of collective bargaining, the employer is obligated to meet at reasonable times with the certificated teacher's exclusive bargaining representative and bargain in good faith to reach agreement with respect to the wages, hours, and terms and conditions of employment. Terms and conditions of employment include matters deemed mandatory subjects of bargaining, such as professional development, curriculum, class size, disciplinary processes, and materials budgets. The Public Employment Relations Commission (PERC) assists the parties in resolving disputes concerning mandatory subjects of bargaining through mediation or adjudication.

Public school principals and assistant principals are also certificated employees who enjoy collective bargaining rights under chapter 41.59 RCW. Under RCW 41.59.080(7), the scope of bargaining for bargaining units of principals and assistant principals is currently limited in compensation, hours of work, and the number of days of work in the annual employment contracts.

Senate Bill 5085 eliminates RCW 41.59.080(7) language that restricts the scope of bargaining for principals and assistant principals at school districts. PERC does not anticipate a significant increase in caseload because of SB 5085 and the provisions of SB 5085 can be implemented without additional funding.

### 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.*

## 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

<b>Bill Number:</b> 5085 SB	<b>Title:</b> School principals/employment	<b>Agency:</b> 350-Superintendent of Public Instruction
-----------------------------	--	---

## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**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: Ben Omdal	Phone: 360-786-7442	Date: 01/06/2023
Agency Preparation: Jami Marcott	Phone: (360) 725-6230	Date: 01/11/2023
Agency Approval: Amy Kollar	Phone: 360 725-6420	Date: 01/11/2023
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/12/2023

## 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

The legislature intends to address the high principal and assistant principal turnover by increasing protections, guidance, and support surrounding terms of employment.

#### Section 2(7):

This removes language that a collective bargaining unit that contains only supervisors and/or principals and assistant principals, shall be limited in scope of bargaining to compensation, hours of work, and the number of days of work in the annual employee contracts.

#### Section 3:

The considerations in which a principal or assistant principal can be transferred to a subordinate position are modified. Language is removed requiring the transfer take place at the end of a contract year and during the first three consecutive school years of employment as a principal.

#### Section 4(1):

Language is added that subjects' assistant principals to the same transfer rules as principals. The language removed from Section 3 is added to Section 4 requiring a transfer to take place at the end of a contract year and during the and during the first three consecutive school years of employment as a principal. Language is removed that limits these rules to only school districts with more than 35,000 students.

#### Sections 4(2)-(5):

Language is added that subjects' assistant principals to the same rules as principals.

#### Section 4(6):

Language is removed that provides exclusive means for transferring a principal to a subordinate position at the expiration of the employment contract. It is replaced with language that states a principal or assistant principal that is transferred to a non-administrative position shall retain the total years of experience as a Washington State certificated educator. This will be recognized in their next placement and salary.

#### Section 5:

Language is added that a school district employment application may not ask if the applicant has every been on a plan of improvement, has ever been under an investigation, or has ever resigned in lieu of termination.

#### Section 6:

Language is added that subjects' assistant principals to the same rules as principals. It adds language that specifies that evaluators of principals/assistant principals must receive training in evaluation procedures.

### 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.*

No impact to cash receipts

### 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.*

There is no fiscal impact to OSPI resulting from this bill.

### **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

<b>Bill Number:</b> 5085 SB	<b>Title:</b> School principals/employment	<b>Agency:</b> SDF-School District Fiscal Note - SPI
-----------------------------	--	--

## 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:**

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: 01/06/2023
Agency Preparation: Jami Marcott	Phone: (360) 725-6230	Date: 02/16/2023
Agency Approval: TJ Kelly	Phone: (360) 725-6301	Date: 02/16/2023
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 02/17/2023

## 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: New, Intent

The legislature intends to address the high principal and assistant principal turnover by increasing protections, guidance, and support surrounding terms of employment.

#### Section 2(7):

Amending RCW 41.59.080 and 1998 c 244 s 11: Determination of Bargaining Unit - Standards

This removes language that a collective bargaining unit that contains only supervisors and/or principals and assistant principals, shall be limited in scope of bargaining to compensation, hours of work, and the number of days of work in the annual employee contracts.

#### Section 3:

Amending RCW 28A.405.230 and 2016 c 85 s 3: Transfer of Administrator to Subordinate Certificated Position – Notice - Procedure

The positions of Principal and Assistant Principal are removed from the category of administrator for the purpose of this section. This limits the ability of a school district to transfer those employed in these roles to a subordinate certificated position.

#### Section 4

Amending RCW 28A.405.245 and 2016 c 85 s 4: Transfer of Principal to Subordinate Certificated Position – Notice - Procedure

Section 4(1) Language is added that subjects' assistant principals to the same transfer rules as principals as provided in RCW 28A.400.100. The language removed from Section 3 is added to Section 4 requiring a transfer to take place at the end of a contract year and only during the first three consecutive school years of employment as a principal. Language is removed that limits these rules to only school districts with more than 35,000 students.

#### Section 4(2):

Language is added that subjects' assistant principals to the same rules as principals in regard to transfers to a subordinate position within the first three consecutive years of employment in these roles. New language also requires that the determination of the transfer must cite specific evaluation criteria for the performance using the evaluative criteria and rating system established under RCW 28A405.100, where applicable.

#### Section 4(3)

Language is added that subjects' assistant principals to the same rules as principals in regard to transfers to a subordinate position beginning in the fourth consecutive year of employment in these roles. Language is removed that transfers can be done without probable cause.

#### Section 4(4)

Language is added that subjects' assistant principals to the same rules as principals in regard to when and how notification of a transfer to a subordinate position must occur. New language also requires that the notification of the transfer must cite specific evaluative and performance criteria using the rating system established under RCW 28A405.100. The notification must be communicated directly to the principal or assistant principal and served by certified or registered mail.

#### Section 4(5)

Language is added that subjects' assistant principals to the same rules as principals in regard to requesting an appeal.

Section 4(6):

Language is removed that provides exclusive means for transferring a principal to a subordinate position at the expiration of the employment contract. It is replaced with language that states a principal or assistant principal that is transferred to a non-administrative position shall retain the total years of experience as a Washington State certificated educator. This will be recognized in their next placement and salary.

Section 5:

Amending RCW 28A.400.302 and 2019 c 295 s 311: Application Questions

Language is added that a school district employment application may not ask if the applicant has every been on a plan of improvement, has ever been under an investigation, or has ever resigned in lieu of termination.

Section 6:

Amending RCW 28A.405.130 and 2012 c 35 s 3: Training in Evaluation Procedures

Language is added that subjects' assistant principals to the same rules as principals in regards to evaluation training.

**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.*

No impact to cash receipts

**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.*

This bill will require additional work for school district Human Resources team. It is unknown if school districts will need to hire additional staff to manage the changes of this bill. Additional work could be generated as a result of the changes in Section 2.

Section 2

The fiscal impact to school districts is indeterminate. This bill gives principals and assistant principals the ability to bargain the details of their contracts/working conditions. This will vary in terms of cost, district to district, relative to what agreements may surface from negotiations. Some anticipated bargaining topics that would bring additional costs to school districts, should they be agreed upon include the following:

- Increase in salary ranges
- Limiting the number of certificated staff the principal or assistant principal would be required to evaluate each year. This could result in the need to hire additional assistant principals to manage the workload.
- Bargaining a specific number of work hours in a day. This would lead to additional work being paid with stipends.
- Increase in stipends for extracurricular supervision
- Hiring additional staff and processing additional stipends for supervising extracurricular activities would require additional Human Resources and Fiscal staff. The increased cost of contracts may further limit a district's ability to expand administrative staffing.
- Additional professional development
- Additional travel costs to cover additional conferences

Due to this range of factors, OSPI does not have the ability to predict the cost to districts. Depending upon current principals' contracts and the work recognized therein, a district may need to increase extra paid days by as much as 20 additional paid days per year. OSPI estimates the cost could be \$13,000/year per principal (\$650/day x 20 days). School district staff reporting for the 2022-23 school year shows school districts employed 4,142 individuals serving in the principal or assistant principal role. OSPI assumes the mid-range cost of this bill related to increase costs for compensation for principals would be approximately \$26,900,000 (Total Individuals \* 0.5 \* \$13,000).

State funds do not fully fund the cost of administrative salaries. Any additional expenses will rely on the local levy to fund.

Section 6

Supervisory personnel would be required to receive training on evaluation procedures in order to evaluate principals and assistant principals. Currently districts can fund this training through the TPEP funds. There is no fiscal impact to school districts to implement this section.

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

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

**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**

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

No impact to the capital budget.

**Part V: New Rule Making Required**

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