

Multiple Agency Fiscal Note Summary

Bill Number: 1550 S HB	Title: Transition to kindergarten
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Children, Youth, and Families	0	0	36,000	0	0	26,000	0	0	26,000
Total \$	0	0	36,000	0	0	26,000	0	0	26,000

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI	Fiscal note not available					
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
Office of Financial Management	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Children, Youth, and Families	6.5	13,590,000	13,590,000	13,626,000	5.0	11,840,000	11,840,000	11,866,000	5.0	11,840,000	11,840,000	11,866,000
Superintendent of Public Instruction	1.7	655,000	655,000	655,000	1.6	476,000	476,000	476,000	1.6	476,000	476,000	476,000
Superintendent of Public Instruction	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Total \$	8.2	14,245,000	14,245,000	14,281,000	6.6	12,316,000	12,316,000	12,342,000	6.6	12,316,000	12,316,000	12,342,000

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	Fiscal note not available								
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
Office of Financial Management	.0	0	0	.0	0	0	.0	0	0
Department of Children, Youth, and Families	.0	0	0	.0	0	0	.0	0	0
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

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	Fiscal note not available								
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Carly Kujath, OFM	Phone: (360) 790-7909	Date Published: Preliminary 2/27/2023
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Individual State Agency Fiscal Note

Bill Number: 1550 S HB	Title: Transition to kindergarten	Agency: 105-Office of Financial Management
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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: Megan Wargacki	Phone: 360-786-7194	Date: 02/15/2023
Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 02/17/2023
Agency Approval: Jamie Langford	Phone: 360-902-0422	Date: 02/17/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/18/2023

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.

Changes in the substitute do not impact OFM’s previous fiscal note assumptions.

Section 12 requires Education Research & Data Center (ERDC) at OFM to collect longitudinal, student-level data on all children attending a transition to kindergarten program. This is in addition to the already required data on children in the Early Childhood Education and Assistance Program (ECEAP) and attending the Working Connections Child Care program.

OFM assumes that OSPI would continue to collect the transitional program data from school districts and DCYF would integrate the transitional kindergarten program data into the existing systems they use for the ECEAP program. This would allow the ERDC to integrate this new data collection into existing workflows, and therefore have no fiscal impact to OFM.

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

Bill Number: 1550 S HB	Title: Transition to kindergarten	Agency: 307-Department of Children, Youth, and Families
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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
General Fund-Federal 001-2	18,000	18,000	36,000	26,000	26,000
Total \$	18,000	18,000	36,000	26,000	26,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	6.5	6.5	6.5	5.0	5.0
Account					
General Fund-State 001-1	6,956,000	6,634,000	13,590,000	11,840,000	11,840,000
General Fund-Federal 001-2	18,000	18,000	36,000	26,000	26,000
Total \$	6,974,000	6,652,000	13,626,000	11,866,000	11,866,000

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: Megan Wargacki	Phone: 360-786-7194	Date: 02/15/2023
Agency Preparation: Ashley McEntyre	Phone: 2533064501	Date: 02/24/2023
Agency Approval: Rene Newkirk	Phone: 360-725-4393	Date: 02/24/2023
OFM Review: Carly Kujath	Phone: (360) 790-7909	Date: 02/27/2023

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.

Comparison of SHB 1550 and HB 1550

Section 2(1)(a) is amended to remove that the Office of Superintendent of Public Instruction (OSPI) and the Department of Children, Youth, and Families (DCYF) shall jointly administer the Transition to Kindergarten program.

Section 2(1)(b) is amended to remove the requirement for DCYF to adopt rules related to Transition to Kindergarten quality and standards, remove the requirement that program sites be located at an authorized school district's school, and clarifies DCYF Licensing will not be impacted.

Section 3 is amended to remove the requirement that states DCYF shall adopt rules for the administration of, quality, and standards for the Transition to Kindergarten program.

Section 5 replaces Section 6 and is amended to change language for exceptions to the uniform entry qualifications for kindergarten.

Section 6 replaces Section 3 in the former bill to require DCYF to direct early learning providers to work in collaboration with school districts authorized to provide a Transition to Kindergarten program.

Section 11 replaces Section 7 requirements for DCYF to publish to the department's website information on Early Achiever program ratings level 1 through 5 for all Transition to Kindergarten programs.

SHB 1550

Section 2(1)(b) establishes that the Transition to Kindergarten program will be administered by OSPI.

Section 2(3)(d) requires authorized school districts to participate in the Early Achievers program.

Section 2(7) directs OSPI to adopt rules for the authorization and administration of the Transition to Kindergarten program, and collaborate with DCYF when applicable.

Section 3(1) is amended to require OSPI to develop and implement a conversion plan, which must include a process for coordinating approval of future sites and slots for the Transition to Kindergarten program and Early Childhood Education and Assistance (ECEAP) program.

Section 4 establishes a timeline for school districts and charter schools to cease operations of Transitional Kindergarten.

Section 5(1) amends RCW 28A.225.160 and 2009 c 380 s 3 to change language for the exceptions to the uniform entry qualifications for kindergarten from 'as demonstrated through the whole-child assessment of the Washington kindergarten inventory of developing skills' to 'deemed by the local educational service district, using multiple objective criteria'.

Section 6(1)(a) requires that DCYF and OSPI partner to establish a process for the coordination of Transition to Kindergarten program prospective sites and planned ECEAP expansion to distribute future sites and slots across communities in an equitable and effective manner.

Section 6(1)(b) requires Transition to Kindergarten program sites to use developmentally appropriate curricula.

Section 6(1)(c) gives DCYF the administrative responsibility to direct early learning providers to work in collaboration with school districts authorized to provide a Transition to Kindergarten program to promote coordinated systems of comprehensive early childhood services.

Section 7 requires DCYF to implement, in partnership with OSPI, a data system that uses a single student identifier across all state funded early learning, elementary, and secondary education programs.

Section 8 requires OSPI to partner with DCYF to implement the data system established in Section 7.

Section 9 requires DCYF to make administrative changes to better align ECEAP implementation with school districted offered state-funded early learning programs serving three through five-year old's; DCYF must submit a report to the appropriate committees by July 1, 2024.

Section 10 requires that school districts authorized to provide a Transition to Kindergarten program participate in the Early Achievers program established under RCW 43.216.085.

Section 11(7)(b)(i) requires that DCYF must publish to the department's website information on Early Achiever program ratings level 1 through 5 for all Transition to Kindergarten programs.

Section 12(1) requires that beginning September 1, 2024, the education data center must collect longitudinal, student-level data on all children attending a Transition to Kindergarten program.

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.

Title IV-E, the federal reimbursement is 13 percent. The agency estimates eligible reimbursements of \$36,000.

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 Department of Children, Youth and Families estimates \$13,626,000 (\$13,590,000 GF-S) and 6.5 Full Time Equivalent Staff (FTEs) in the 23-25 Biennium.

Section 2(3)(d)

Total Costs are \$271,000 in FY 24, \$257,000 FY25 and 2.0 FTE – this will include any costs associated with the below and all costs in the model that include the standard FTE costs.

-1.0 Non-Perm Management Analyst 4 (MA3) ending 6/30/2025

-1.0 Management Analyst 3 (MA3)

This section of the bill requires that school districts authorized to provide a Transition to Kindergarten program must participate in the Early Achievers program. This will require one-time staff to support the development of new business rules, connection across data systems, and develop IT data architecture. Additionally, ongoing support for DCYF's electronic workforce registry users, as DCYF is required to maintain staff qualification information for individuals working at Transition to Kindergarten districts.

Section 6(1)

Total Costs are \$1,372,000 in FY 24, \$1,093,000 in FY25 and 1.0 FTE – this will include any costs associated with the below and all costs in the model that include the standard FTE costs.

-1.0 Commerce Specialist 4 (COM4)

This section of the bill requires DCYF to partner with OSPI to establish a process for Transition to Kindergarten program prospective program sites in coordination with the planned expansion of the ECEAP program. A new FTE is required partner with OSPI and Child Care Aware to facilitate the coordinated recruitment and enrollment process.

PROFESSIONAL SERVICE CONTRACTS:

--Ongoing expenditures of \$7,000 for annual subscriptions for a Zoom Grants account to support the contract with Child Care Aware (CCA).

--Ongoing expenditures of \$875,000 to contract with CCA to fund coordinated recruitment efforts:

- 1.0 position at the state CCA office

- 6.0 positions at the regional CCA offices

--Ongoing expenditures of \$75,000 for communications and materials for outreach

--One-time expenditure of \$100,000 to contract with a consultant to facilitate state level planning and coordination for the committee run by a team comprised of representatives from DCYF, OSPI, CCA of WA, and AESDs.

--One-time expenditure of \$175,000 to contract with a consultant to work with DCYF and OSPI staff to do a feasibility study and to build a connection between Early Learning Management System (ELMS) ELMS and the Comprehensive Education Data and Research System (CEDARS) utilized by OSPI.

DCYF contracts with CCA to support coordinated recruitment efforts.

Section 7

Total Costs are \$950,000 in FY 24, \$928,000 in FY25 and 3.0 FTE – this will include any costs associated with the below and all costs in the model that include the standard FTE costs.

Section 7 requires DCYF to implement, in partnership with OSPI, a data system that uses a single student identifier across all state funded early learning, elementary, and secondary education programs. Staffing will be required to coordinate with the field and other partners to provide technical assistance and support ELMS development to align with the unified identifier.

- 1.0 Commerce Specialist 3 (COM3)

- 1.0 Commerce Specialist 2 (COM2)

- 1.0 IT App Developer Senior/Specialist (ITADSS)

PROFESSIONAL SERVICE CONTRACTS: a one-time expenditure of \$1,000,000 in the 23-25 biennium to contract to develop IT system integrations for the single student identifier.

Section 9

Total Costs are \$86,000 in FY 24, \$82,000 in FY25 and 0.5 FTE – this will include any costs associated with the below and all costs in the model that include the standard FTE costs.

- 0.5 Non-Perm WMS 2 ending 6/30/2025

This section requires that WAC 110-425 to be revised or chapters added to include the adoptions of rules outlined in this section. This will require one-time expenditures for 0.5 FTE to research rulemaking, revisions as applicable, and develop new RCW, WAC, and agency policies.

Section 10

This section of the bill requires that school districts providing a Transition to Kindergarten program participate in the Early Achievers program. The costs included here are for the following Early Achievers benefits: teacher coaching, community liaisons to support rating, and rating. Excluded from these costs are the following Early Achievers benefits: Needs-Based Grants (because Transition to Kindergarten programs are not assumed to be licensed); scholarships and training (because it is assumed that eligible teachers will have a teaching certificate in early childhood education content and will adhere to training requirements as determined by the district in which they are hired; Tiered Reimbursement and Quality Improvement awards (because Transition to Kindergarten programs are not providing subsidy childcare).

Total Costs are \$4,292,000 in FY 24 and \$4,292,000 in FY25.

PROFESSIONAL SERVICE CONTRACTS: Ongoing expenditures of \$4,292,000.

--Ongoing expenditures of \$3,371,000 for coaching.

Each Early Achievers coach provides coaching to 20 teachers and program leadership, to support the development of quality improvement plans, advancing quality goals for the program, and implementing quality standards within the early learning program model.

For estimates provided in this section, DCYF assumes a caseload of 3,659 children in the Transition to Kindergarten caseload. This is based on the following assumptions: the November courtesy forecast for Transitional Kindergarten (TK), produced by the Caseload Forecast Council, assumes a caseload of 5,381 children in TK in the 2024-25 school year. The DCYF Office of Innovation, Alignment, and Accountability estimates that 68% of children aged four and not yet in kindergarten in Washington are below 100% of state median income (SMI), which is an eligibility criterion of the Transition to Kindergarten program. $5,381 \text{ forecasted TK children} \times 68\% \text{ below } 100\% \text{ SMI} = 3,659 \text{ children participating in Transition to Kindergarten}$. This would lead to 183 classrooms at a ratio of 20 children per classroom, and would require 549 teachers (three teachers per classroom to ensure two teachers per 20 children, and one support staff to cover breaks, lunch, and planning time).

Based on an assumed 549 teachers and 20 teachers per coach, DCYF estimates a total of 27 coaches. Each coach will have a salary of \$85,000 per year plus 30% for benefits, totaling \$110,500 per year. DCYF further assumes \$3,000 for onboarding and preparation costs to hire and prepare new coaches. The total assumed cost for 27 coaches is \$3,064,500 ($27 \text{ coaches} \times \$113,500$). Additionally, a 10% administrative rate is assumed, costing \$306,450.

-Ongoing expenditures of \$624,000 for community liaisons.

Each community liaison provides EA rating navigation support to approximately 20 districts. This includes working with sites and families regarding Early Achievers quality recognition processes, such as understanding quality standards, submission of materials, and supporting engagement and communication of Early Achievers with families. DCYF assumes 90 districts participating in the Transition to Kindergarten program. This is based on 78 districts estimated in the November courtesy forecast for TK for the 2022-23 school year, plus additional districts added over the next couple of years.

DCYF assumes 20 districts per liaison for a total of five liaisons. Each liaison will have a salary of \$85,000 per year plus 30% for benefits, totaling \$110,500 per year. DCYF further assumes \$3,000 for onboarding and preparation costs to hire and prepare new liaisons. The total assumed cost for five liaisons is \$567,500 ($5 \text{ liaisons} \times \$113,500$). A 10% administrative

rate is assumed, costing \$56,750.

-Ongoing expenditures of \$297,000 for Early Achievers Rating.

DCYF assumes Early Achievers Rating for 90 districts with a cost of \$3,000 per site, assuming moderate yet variable number of classrooms (ex: 1-3). The total assumed cost for 90 districts is \$270,000 (90 sites X \$3,000). Additionally, a 10% administrate rate is assumed, costing \$27,000.

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	6,956,000	6,634,000	13,590,000	11,840,000	11,840,000
001-2	General Fund	Federal	18,000	18,000	36,000	26,000	26,000
Total \$			6,974,000	6,652,000	13,626,000	11,866,000	11,866,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	6.5	6.5	6.5	5.0	5.0
A-Salaries and Wages	552,000	552,000	1,104,000	836,000	836,000
B-Employee Benefits	187,000	187,000	374,000	284,000	284,000
C-Professional Service Contracts	6,024,000	5,749,000	11,773,000	10,498,000	10,498,000
E-Goods and Other Services	12,000	12,000	24,000	18,000	18,000
G-Travel	15,000	15,000	30,000	22,000	22,000
J-Capital Outlays	47,000		47,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	137,000	137,000	274,000	208,000	208,000
9-					
Total \$	6,974,000	6,652,000	13,626,000	11,866,000	11,866,000

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
Commerce Specialist 2	68,071	1.0	1.0	1.0	1.0	1.0
Commerce Specialist 3	78,900	1.0	1.0	1.0	1.0	1.0
Commerce Specialist 4	82,901	1.0	1.0	1.0	1.0	1.0
IT App Developer Senior/Specialist (ITADSS)	115,822	1.0	1.0	1.0	1.0	1.0
Management Analyst 3	71,515	1.0	1.0	1.0	1.0	1.0
Management Analyst 4	82,901	1.0	1.0	1.0		
WMS Band 2	103,000	0.5	0.5	0.5		
Total FTEs		6.5	6.5	6.5	5.0	5.0

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Early Learning (030)	6,837,000	6,515,000	13,352,000	11,658,000	11,658,000
Program Support (090)	137,000	137,000	274,000	208,000	208,000
Total \$	6,974,000	6,652,000	13,626,000	11,866,000	11,866,000

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

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.

Section 3 requires that WAC 110-425 to be revised or chapters added to include the adoptions of rules outlined in this section.

Individual State Agency Fiscal Note

Bill Number: 1550 S HB	Title: Transition to kindergarten	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
FTE Staff Years	1.9	1.6	1.7	1.6	1.6
Account					
General Fund-State 001-1	417,000	238,000	655,000	476,000	476,000
Total \$	417,000	238,000	655,000	476,000	476,000

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: Megan Wargacki	Phone: 360-786-7194	Date: 02/15/2023
Agency Preparation: Michelle Matakas	Phone: 360 725-6019	Date: 02/20/2023
Agency Approval: TJ Kelly	Phone: 360 725-6301	Date: 02/20/2023
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 02/21/2023

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.

Changes compared to HB 1550

Section 1: Language added to clarify that the transition to kindergarten (TTK) programs, which are offered at the school district's option, are not part of the state's required minimum instructional program of basic education and do not constitute enrollments for purposes of generating state basic education funding allocations.

Section 2:

1. Language added establishing the transition to kindergarten program.
2. Restructures the requirements of the program.
3. Removes requirement that the Office of Superintendent of Public Instruction (OSPI) and the Secretary of the Department of Child, Youth, and Families (DCYF) partner to administer the program.
4. Modifies the school district requirements
5. Modifies how funding will be determined and distributed to per eligible child enrolled in a TTK program that is the greater of: the statewide per kindergarten student base allocation; or an amount specified in the Omnibus Appropriations Act.
6. Modifies the processes to reapprove program sites and reauthorize school districts.
7. Modifies the minimum requirements of the rules adopted by OSPI.

Section 3:

1. Removed administrative duties of the Secretary of DCYF.
2. Moves previous section 4 to section 3.
3. Removes requirement to develop a conversion plan jointly with DCYF.
4. Language added indicating that the conversion plan is used to assist school districts that offered a transition to kindergarten program during the 2022-23 school year.

Section 4:

1. Moves previous section 5 to section 4.
2. Language added that by October 1, 2023, school districts and charter schools that offered a transitional kindergarten program during the 2022-23 school year must submit a report to OSPI describing the screening process or other instruments used to determine children's eligibility for the program.

Section 5:

1. Moves previous section 6 to section 5.
2. Modifies the uniform entry qualifications for kindergartners by limiting early kindergarten admission to children deemed by the local Educational Service Districts to be "likely to be successful in kindergarten".

Section 6: Details the requirements of DCYF.

Section 7 & 8: Sections added requiring DCYF and OSPI to partner in the implementation of a data system that uses a single student identifier across all state-funded early learning, elementary, and secondary education programs.

Section 9: Section added requiring DCYF to make administrative changes to better align early childhood education and assistance program implementation.

Section 10: Section added outlining the activities a school district offering a transition to kindergarten program must complete.

Section 11: Moves previous section 7 to section 11.

Section 12: Moves previous section 8 to section 12.

Summary of PSHB 1550 (H-1128.3)

Section 1 (New):

Intent section. The legislature intends the following:

- Establish a transition to kindergarten program that meets early learning standards in lieu of transitional kindergarten programs.
- Provide state funding, separate from and in addition to the state basic education allocation, for the transition to kindergarten program.
- Clarify that these transition to kindergarten programs are not part of the state's required minimum instructional program of basic education and do not constitute enrollments for purposes of generating state basic education funding allocations.
- Require that the early learning ecosystem work together; promote coordinated systems of comprehensive early learning services; maximize efficient use of state, federal, and local resources; and ensure that children and families get the early learning services they need.

Section 2 (New):

Section 2(1)(a): Establishes the transition to kindergarten program that is not part of the state's instructional program of basic education under RCW 28A.150.220.

Section 2(1)(b): Requires the Office of Superintendent of Public Instruction (OSPI) to administer the program as required by this section.

Section 2(2)(a): Requires OSPI to develop a process for school districts to apply to operate or expand a program. Details the minimums for the application.

Section 2(2)(b):

1. Details the activities that must be coordinated with the Department of Children, Youth, and Families, in consideration of planned expansion of early childhood education and assistance program sites and eligibility criteria.
2. Requires OSPI to limit the number of authorized school districts, approved program sites, and enrolled eligible children as required by the omnibus operating appropriations act.

Section 2(3)(a): Requires authorized school districts to engage in a planning year before operating a program site.

Section 2(3)(b): Informs that authorized school districts may not charge tuition or other fees to state-funded eligible students for enrollment in a program.

Section 2(3)(c): Requires authorized school districts to avoid adversely impacting enrollment in other high quality early learning programs by prioritizing eligible children for enrollment in the program. Provides a list of the prioritized order.

Section 2(3)(d): Requires authorized school districts to offer the program for the full school day and the full school year.

Section 2(3)(e): Requires authorized school districts to participate in the early achievers program established under RCW 43.216.085.

Section 2(3)(f): Requires authorized school districts to requires that program sites use developmentally appropriate curriculum.

Section 2(3)(g): Requires that each program classroom must be staffed with a teacher who holds a valid Washington teacher certificate and who either holds an early childhood education endorsement, an early childhood special education endorsement, or holds an elementary education endorsement and within five years of initial assignment to the program,

completes at least 30 college credits related to the state early childhood education core competencies.

Section 2(3)(h): Prohibits authorized school districts from establishing a policy of excluding an eligible child due only to the presence of a disability.

Section 2(3)(i): Requires authorized school districts to work in collaboration with early learning partners to promote coordinated systems of comprehensive early childhood services.

Section 2(3)(j): Informs that nothing in the section prohibits authorized school districts from blending or colocating early learning programs.

Section 2(4)(a): Requires OSPI to distribute to authorized school districts an amount per eligible child enrolled in a program that is greater of:

- The estimated allocation per kindergarten student statewide generated by the distribution formula under RCW 28A.150.260 (4)(a), (5), (6), and (8) and the allocation under RCW 28A.150.415; or
- An amount as specified in the omnibus operating appropriations act.

Section 2(4)(b): Requires OSPI to submit a report to the legislature by December 1st of each year that includes data on the number of state-funded eligible children enrolled in program operated by authorized school districts in the current year and the estimated number of eligible children that authorized school district intend to enroll in the following school year.

Section 2(5): Requires OSPI to establish processes to reapprove program sites and reauthorize school districts, periodically, and at a minimum, as required in the omnibus operating appropriations act.

Section 2(6):

- Requires OSPI to adopt rules under chapter 34.05 RCW for the authorization of, the administration of, and the allocation of state funding for the transition to kindergarten program.
- Where applicable, requires OSPI to collaborate with the Department of Children, Youth, and Families in the development of the rules.

Section 2(7): Provides definitions for “approved school district”, “common school”, “eligible child”, “program”, “program site”.

Section 3 (New):

Section 3(1): Requires OSPI to develop and implement a conversion plan to assist school districts that offered transitional kindergarten programs during the 2022-23 school year to be authorized to offer a transition to kindergarten program under section 2 of this act.

Section 3(2): Informs that rules may not be adopted under section 2 of this act until OSPI has developed and commenced implementation of the conversion plan required by this section.

Section 3(3): Informs that this section expires June 30, 2026.

Section 4 (New):

Section 4(1): By October 1, 2023, requires school districts and charter schools that offered a transitional kindergarten program during the 2022-23 school year must submit a report to OSPI describing the screening process or other instruments used to determine children’s eligibility for the program.

Section 4(2): By August 31, 2024, requires school districts and charter schools to cease operation of transitional kindergarten programs and may no longer report transitional kindergarten students as kindergarten students for purposes of receiving basic education allocations under RCW 28A.150.250.

Section 4(3): Defines “transitional kindergarten” as used in this section.

Section 5 (Amended):

Section 5(1): Language added that beginning with the 2024-25 school year, rules providing for exceptions to the uniform entry qualifications for kindergarten must limit early kindergarten admission to children deemed by the local educational service district, using multiple objective criteria, to be “likely to be successful in kindergarten.”

Section 6 (New):

Section 6(1): Outlines the requirements of the Department of Children, Youth, and Families (DCYF).

Section 6(2): Defines “transition to kindergarten” as used in this section.

Section 7 (New):

Requires DCYF, in partnership with OSPI, to implement a data system that uses single student identifier across all state-funded early learning, elementary, and secondary education programs.

Section 8 (New):

Requires OSPI to partner with DCYF to implement the data system as required under section 7 of the act.

Section 9 (New):

Section 9(1): Requires DCYF to make administrative changes that better align early childhood education and assistance program implementation with school district offered state-funded early learning programs serving 3-5 year old’s children and must submit a report, in compliance with RCW 43.01.036, of the changes to the appropriate committees of the legislature by July 1, 2024.

Section 9(2): Informs that this section expires August 30, 2025.

Section 10 (New):

Section 10(2): Requires school districts offering a transition to kindergarten program under section 2 of this act must complete required activities to be eligible for state funding. Lists the activities.

Section 11 (Amended):

Section 11(1): Expands who the early achievers program applies to include transition to kindergarten programs established under section 2 of this act.

Section 11(3)(c): Language added requiring school districts authorized to provide a transition to kindergarten program under section 2 of this act to participate in the early achievers program by the required deadlines established in section 10 of this act.

Section 11(7)(b)(i): Modifies the early achievers program rating to include transition to kindergarten programs established under section 2 of this act.

Section 12 (Amended):

Section 12(1): Beginning September 1, 2024, requires the education data center to collect longitudinal, student-level data on all children attending a transition to kindergarten program under section 2 of this act.

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 cash receipts impact anticipated.

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.

Section 2 establishes the transition to kindergarten program. OSPI is responsible and required to do the following:

1. Administer the Transition to Kindergarten (TTK) program.
2. Develop a process for school districts to apply to operate or expand the Transition to Kindergarten program.
3. Distribute to authorized school districts an amount per eligible child enrolled in a program that is greater of the estimated allocation per kindergarten student statewide generated by the distribution formula under RCW 28A.150.260 (4)(a), (5), (6), and (8) and the allocation under RCW 28A.150.415; or an amount as specified in the omnibus operating appropriations act.
4. Submit a report to the legislature by December 1st of each year that includes data on the number of state-funded eligible children enrolled in program operated by authorized school districts in the current year and the estimated number of eligible children that authorized school district intend to enroll in the following school year.
5. Establish processes to reapprove program sites and reauthorize school districts, periodically, and at a minimum, as required in the omnibus operating appropriations act.
6. Adopt rules under chapter 34.05 RCW for the authorization of, the administration of, and the allocation of state funding for the Transition to Kindergarten program and where applicable, requires OSPI to collaborate with the Department of Children, Youth, and Families in the development of the rules.

OSPI assumes it will require the following to implement Section 2:

Staffing:

- 0.10 FTE Executive Director’s time in the Early Learning program to provide accountability and oversight of the transition to kindergarten program, to include the development of processes for school districts, development of the conversion plan, assisting in OSPI rules adoption and report writing, and collaborating with partners within OSPI, DCYF, educational service districts, and school districts. OSPI estimates the cost associated with this work to be \$23,000 in FY24 and \$22,000 annually thereafter.
- 1.0 FTE Transition and Inclusion Specialist’s time in the Early Learning program to assist in the administration of the transition to kindergarten program, development of a process for school districts to apply to operate or expand a transitional kindergarten program, coordination of activities with partners at OSPI and DCYF, development and implement the conversion plan, provide on-going training, technical assistance, and professional development to schools who provide transition to kindergarten programs. OSPI estimates the cost associated with this work to be \$156,000 in FY24 and \$144,000 annually thereafter.

School District Funding:

Section 2(4)(a) requires OSPI to distribute funding to authorized school districts an amount per eligible child enrolled in a program that is greater of the estimated allocation per kindergarten student statewide generated by the distribution formula under RCW 28A.150.260 (4)(a), (5), (6), and (8) and the allocation under RCW 28A.150.415; or an amount as specified in the omnibus operating appropriations act.

The expenditure impact for the new TTK program is indeterminate. Should the legislature choose to provide funding, OSPI estimates the following allocation amounts based on information provided from the Caseload Forecast Council enrollment assumptions from February 2023 and using the current prototypical formula under RCW 28A.150.260 (4)(a), (5), (6), and (8) and RCW 28A.150.415. As the new TTK program is not required to be operated under a full school day or full school year basis, estimates using both the CFC’s projected FTE and headcount are included.

Full- Time Equivalent or FTE:

- SY 2023-24: 5,077 students x \$12,732.52 per pupil, estimated allocation = \$64,643,000
- SY 2024-25: 5,460 students x \$13,163.00 per pupil estimated allocation = \$71,870,000
- SY 2025-26: 5,461 students x \$13,718.18 per pupil estimated allocation = \$74,915,000
- SY 2026-27: 5,443 students x \$13,941.39 per pupil estimated allocation = \$75,883,000

Headcount:

- SY 2023-24: 5,934 students x \$12,732.52 per pupil, estimated allocation = \$75,555,000
- SY 2024-25: 6,334 students x \$13,163.00 per pupil estimated allocation = \$83,374,000
- SY 2025-26: 6,314 students x \$13,718.18 per pupil estimated allocation = \$86,617,000
- SY 2026-27: 6,286 students x \$13,941.39 per pupil estimated allocation = \$87,636,000

In addition to the amounts above, transitional kindergarten students are reported as basic education students, so have access to transportation funding, the transitional bilingual program, and the learning assistance categorical program. As these programs currently report all TK students as kindergarten students, OSPI does not have enough data to reasonably project the fiscal change to these programs. OSPI assumes TTK students in the new program would no longer have access to these programs because the TTK program is not part of basic education.

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	417,000	238,000	655,000	476,000	476,000
Total \$			417,000	238,000	655,000	476,000	476,000

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	1.9	1.6	1.7	1.6	1.6
A-Salaries and Wages	167,000	141,000	308,000	282,000	282,000
B-Employee Benefits	91,000	75,000	166,000	150,000	150,000
C-Professional Service Contracts	113,000		113,000		
E-Goods and Other Services	13,000	11,000	24,000	22,000	22,000
G-Travel	12,000	11,000	23,000	22,000	22,000
J-Capital Outlays	21,000		21,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	417,000	238,000	655,000	476,000	476,000

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
Administrative Assistant 3	50,592	0.0		0.0		
Administrative Program Specialist 2	85,020	1.0	1.0	1.0	1.0	1.0
Assistant Superintendent	146,268	0.0		0.0		
Associate Director	109,692	0.0		0.0		
Data Analyst	83,520	0.5	0.5	0.5	0.5	0.5
Executive Director	140,000	0.2	0.1	0.1	0.1	0.1
Program Supervisor	90,544	0.1		0.1		
Rules Coordinator	82,000	0.0		0.0		
Total FTEs		1.9	1.6	1.8	1.6	1.6

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 capital budget impact is anticipated.

Part V: New Rule Making Required

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

OSPI rulemaking is necessary to adopt rules under chapter 34.05 RCW