

Multiple Agency Fiscal Note Summary

Bill Number: 1550 2S HB	Title: Transition to kindergarten
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Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI	Non-zero but indeterminate cost and/or savings. Please see discussion.					
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	Fiscal note not available											
Superintendent of Public Instruction	1.7	657,000	657,000	657,000	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 \$	1.7	657,000	657,000	657,000	1.6	476,000	476,000	476,000	1.6	476,000	476,000	476,000

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	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
Office of Financial Management	.0	0	0	.0	0	0	.0	0	0
Department of Children, Youth, and Families	Fiscal note not available								
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	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Val Terre, OFM	Phone: (360) 280-3973	Date Published: Preliminary 3/ 6/2023
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Individual State Agency Fiscal Note

Bill Number: 1550 2S 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: Jordan Clarke	Phone: 360-786-7123	Date: 02/28/2023
Agency Preparation: Keith Thunstedt	Phone: 360-810-1271	Date: 03/01/2023
Agency Approval: Jamie Langford	Phone: 360-902-0422	Date: 03/01/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 03/02/2023

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 this second substitute compared to the first substitute: Section 12 is now section 11. This change had no effect on OFM fiscal impact assumptions.

Second Substitute:

Section 11 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 2S 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	419,000	238,000	657,000	476,000	476,000
Total \$	419,000	238,000	657,000	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: Jordan Clarke	Phone: 360-786-7123	Date: 02/28/2023
Agency Preparation: Tisha Kuhn	Phone: 360 725-6424	Date: 03/03/2023
Agency Approval: TJ Kelly	Phone: 360 725-6301	Date: 03/03/2023
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 03/06/2023

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 SHB 1550

Section 1(4): Informs that school district transitional kindergarten programs in operation in 2023 will be converted to school district transition to kindergarten programs for eligible students by August 31, 2024, provided that the standards set forth in this act are met.

Section 2(1) and throughout entire bill:

- Clarifies that “program” means “transition to kindergarten”.

Section 2(2): Language added requiring the Office of Superintendent of Public Instruction (OSPI) to authorize any school district offering a transitional kindergarten program during the 2023-24 school year that is converting to a transition to kindergarten program under the conversion plan adopted by OSPI under section 3 of this act, provide the school district meets the requirements of subsection (3) of this section by September 1, 2024, or earlier if required by the office.

Section 2(2)(a): Language added requiring OSPI to develop and begin implementing a process for school districts to apply to operate or expand a transition to kindergarten program by December 31, 2023.

Section 2(3)(a): Language added requiring school districts that operate a transition to kindergarten program to meet the requirements in subsection (3) except for school districts offering a transitional kindergarten program during the 2023-24 school year that is converting to a transition to kindergarten program under the conversion plan adopted by OSPI under section 3 of this act.

Section 2(3)(f)(ii): Changes the number of college credits or clock hours required for a teacher in a transition to kindergarten program classroom who holds a valid Washington teacher certificate to have from 30 college credits to 24 college credits or 60 clock hours.

Section 2(4)(a): Changes the distribution of funding calculation to be equivalent to the amount per child enrolled in a school day class of an early childhood education and assistance program, divided by 1.091, and multiplied by the school district’s regionalization factor under RCW 28A.150.412, excluding the experience factor.

Section 2(5): Language added indicating if an authorized school district is required to complete remedial activities under section 9 of this act, the initiation of the remedial period serves as the one year of notice that the authorized school district or approved transition to kindergarten program site will be discontinue or otherwise not provided with state funding.

Section 2(8)(c): Revises the definition of “eligible child”.

Previous Section 2(8)(d): Deletes definition of “program”.

Section 2(8)(e): Language added indicating that “transitional kindergarten” has the same meaning as in section 3 of this act.

Section 3: Combined previous section 3 and 4.

Section 3(2): Language added requiring OSPI to adopt and begin implementing a conversion plan to assist school districts that offered a transitional kindergarten program during the 2022-23 school year by December 31, 2023 and to begin offering a transition to kindergarten program no later than September 1, 2024.

Previous Section 3:

- Removes previous requirement that rules may not be adopted under section 2 until OSPI has developed the conversion plan.
- Remove section expiration date.

Section 4: Previously section 5.

Section 5: Previously section 6.

Section 6: Previously section 7.

Section 7: Previously section 8.

Section 8: Previously section 9.

Section 9: Previously section 10.

Section 9(2): Language added indicating the initiation of the remedial period serves as the one year of notice that the authorized school district or approved transition to kindergarten program site will be discontinued or otherwise not provided with state funding.

Section 10: Previously section 11.

Section 10(2)(c): Changes the section referenced from 10 to 9.

Section 11: Previously section 12.

Section 12: New section added informing that if specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2023, in the omnibus appropriations act, this act is null and void.

Summary of 2SHB 1550

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 by August 31, 2024.
- 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, separate from the state's instructional program of basic education under RCW 28A.150.220.

Section 2(1)(b): Requires OSPI to administer the transition to kindergarten program as required by this section.

Section 2(2):

- Authorizes OSPI to offer a transition to kindergarten program and approve transition to kindergarten program sites at one or more of an authorized school district's schools, and cap eligible child enrollment for each authorized school district as

required by this subsection (2).

- Requires OSPI to authorize any school district offering a transitional kindergarten program during the 2023-24 school year that is converting to a transition to kindergarten program under the conversion plan adopted by OSPI under section 3 of this act, provide the school district meets the requirements of subsection (3) of this section by September 1, 2024, or earlier if required by the office.

Section 2(2)(a): Requires OSPI to develop and begin implementing a process for school districts to apply to operate or expand a program by December 31, 2023. 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 (DCYF), 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 operating a transition to kindergarten program to meet the requirements in subsection (3) except for school districts offering a transitional kindergarten program during the 2023-24 school year that is converting to a transition to kindergarten program under the conversion plan adopted by OSPI under section 3 of this act.
- Requires authorized school districts to engage in a planning year before operating a transition to kindergarten 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 transition to kindergarten 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 transition to kindergarten program. Provides a list of the prioritized order.

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

Section 2(3)(e): Requires authorized school districts to requires that transition to kindergarten program sites use developmentally appropriate curricula.

Section 2(3)(f): 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 24 college credits, or 60 clock hours related to the state early childhood education core competencies established by DCYF.

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

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

Section 2(3)(i): 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 equivalent to the amount per child enrolled in a school day class of an early childhood education and assistance

program, divided by 1.091, and multiplied by the school district's regionalization factor under RCW 28A.150.412, excluding the experience factor.

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 transition to kindergarten program sites and reauthorize school districts, periodically, and at a minimum, as required in the omnibus operating appropriations act.
- Requires OSPI to provide an authorized school district with at least one year of notice if a transition to kindergarten program site will be discontinued or otherwise not provided with state funding.
- Indicates if an authorized school district is required to complete remedial activities under section 9 of this act, the initiation of the remedial period serves as the one year of notice that the authorized school district or approved transition to kindergarten program site will be discontinued or otherwise not provided with state funding.

Section 2(6):

- Requires OSPI to collaborate with DCYF, and to develop, and make publicly available, a model of memorandum of understanding between authorized school districts and other early learning program providers that includes a process for resolving local concerns between early learning program providers, including school districts.

Section 2(7): 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 and where applicable collaborate with DCYF in the development of the rules.

Section 2(8): Provides definitions for “approved school district”, “common school”, “eligible child”, “program site”, and “transitional kindergarten”.

Section 3 (New):

Section 3(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 3(2): By December 1, 2023, 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 to begin offering a transition to kindergarten program no later than September 1, 2024.

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

Section 4 (Amended):

Section 4(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 5 (New):

Section 5(1): Outlines the requirements of DCYF.

Section 5(2): Defines “transition to kindergarten” as used in this section.

Section 6 (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 7 (New):

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

Section 8 (New):

Section 8(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 8(2): Informs that this section expires August 30, 2025.

Section 9 (New):

Section 9(1): 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 9(2): Indicates the initiation of the remedial period serves as the one year of notice that the authorized school district or approved transition to kindergarten program site will be discontinue or otherwise not provided with state funding.

Section 9(3): Allows the school district to continue to receive state funding under section 2 of this act pending the successful completion of the level 3 rating activity if they have successfully completed all level 2 activities and is waiting to be rated by the deadline provide in this section.

Section 10 (Amended):

Section 10(1): Expands who the early achievers program applies to include transition to kindergarten programs established under section 2 of this act.

Section 10(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 9 of this act.

Section 10(7)(b)(i): Modifies the early achievers program rating to include transition to kindergarten programs established under section 2 of this act.

Section 11 (Amended):

Section 11(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.

Section 12 (New):

Informs that if specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2023, in the omnibus appropriations act, this act is null and void.

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. The Office of Superintendent of Public Instruction (OSPI) is responsible and required to do the following:

1. Administer the Transition to Kindergarten (TTK) program.
2. Develop and begin implementing a process for school districts to apply to operate or expand the Transition to Kindergarten program by December 31, 2023.
3. Adopt and begin implementing a conversion plan to assist school districts to begin offering a transition to kindergarten program no later than September 1, 2024.
4. Distribute to authorized school districts an amount per eligible children equivalent to the amount per child enrolled in a school day class of an early childhood education and assistance program, divided by 1.091, and multiplied by the school district’s regionalization factor under RCW 28A.150.412, excluding the experience factor.
5. 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.
6. Establish processes to reapprove program sites and reauthorize school districts, periodically, and at a minimum, as required in the omnibus operating appropriations act.
7. Collaborate with the Department of Children, Youth, and Families (DCYF) to develop a model of memorandum of understanding between authorized school districts and other early learning program providers.
8. 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 DCYF 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 to authorized school districts an amount per eligible child enrolled in a program that is equivalent to the amount per child enrolled in a school day class of an early childhood education and assistance program, divided by 1.091, and multiplied by the school district’s regionalization factor under RCW 28A.150.412, excluding the experience factor.

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:

Per Pupil Rate = \$12,621 ECEAP / 1.091 factor x state avg regionalization 1.09 = \$12,609.43

Full-Time Equivalent or FTE:

- SY 2023-24: 5,077 students x \$12,609.43 ECEAP per pupil rate estimated allocation = \$64,018,000. This is approximately (\$625,000) less than the estimated allocation of the currently funded TK allocation using the basic education prototypical formula.

Headcount:

- SY 2023-24: 5,934 students x \$12,609.43 ECEAP per pupil rate estimated allocation = \$74,824,000. This is approximately (\$731,000) less than the estimated allocation of the currently funded TK allocation using the basic education prototypical formula.

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.

Contracts:

OSPI estimates the need for a contract to support programming of seven (7) school apportionment and financial systems with the new TTK program to add new revenue codes, reports, and program codes needed to support a new program in the SAFS financial systems. Total estimated programming cost for contract: \$113,000 in FY24.

IT Staffing Costs:

- 0.04 FTE Director's time in the Apportionment program regarding the Apportionment & form F203 (estimates for state revenues) to test changes to the systems. OSPI estimates the cost associated with this work to be \$7,000 in FY24.

- 0.02 FTE Program Supervisor's time in the Apportionment program regarding form P223 (monthly report on enrollment) to test changes to the system. OSPI estimates the cost associated with this work to be \$4,000 in FY24.

- 0.02 FTE Program Supervisor's time in the Apportionment program regarding form S275 (personnel reporting) to test changes to the system. OSPI estimates the cost associated with this work to be \$4,000 in FY24.

- 0.04 FTE Program Supervisor's time in the Apportionment program regarding form F195 (budget projection) and F200 (budget extension) to test changes to the systems. OSPI estimates the cost associated with this work to be \$7,000 in FY24.

- 0.04 FTE Program Supervisor's time in the Apportionment program regarding form F196 (end of year financial data) to test changes to the system. OSPI estimates the cost associated with this work to be \$7,000 in FY24.

Rules Adoption:

Section 2(7) 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 and where applicable, requires OSPI to collaborate with the Department of Children, Youth, and Families in the development of the rules.

OSPI estimates it will require the following amount of staff time in FY24 to conduct preliminary rulemaking activities, develop/publish the proposed rule(s), develop/analyze the rulemaking record, and develop/publish the final rule:

1. 0.05 FTE Executive Director
2. 0.01 FTE Administrative Assistant 3
3. 0.04 FTE Rules Coordinator

4. 0.01 FTE Assistant Superintendent

OSPI estimates the cost associated with this work to be \$24,000 in FY24.

Section 3 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.

- OSPI assumes the Transitional Kindergarten staffing positions identified in Section 2 will fulfill this requirement. No additional staffing is needed.

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

- OSPI assumes it will require a 0.50 FTE Data Analyst in OSPI's Student Information program to assist in the implementation of a data system to support the transition to kindergarten program and ensure ability to share relevant data between DCYF's Early Learning Management System (ELMS) and OSPI's Comprehensive Education Data and Research System (CEDARS). OSPI estimates the cost associated with this work to be \$77,000 in FY24 and \$71,000 annually thereafter.

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	419,000	238,000	657,000	476,000	476,000
Total \$			419,000	238,000	657,000	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	168,000	141,000	309,000	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	13,000	11,000	24,000	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 \$	419,000	238,000	657,000	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		
Assistant Superintent	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		
Transition and Inclusion Specialist	85,020	1.0	1.0	1.0	1.0	1.0
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

Individual State Agency Fiscal Note

Bill Number: 1550 2S HB	Title: Transition to kindergarten	Agency: SDF-School District Fiscal Note - SPI
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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:

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: Jordan Clarke	Phone: 360-786-7123	Date: 02/28/2023
Agency Preparation: Tisha Kuhn	Phone: 360 725-6424	Date: 03/03/2023
Agency Approval: TJ Kelly	Phone: (360) 725-6301	Date: 03/03/2023
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 03/06/2023

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 SHB 1550

Section 1(4): Informs that school district transitional kindergarten programs in operation in 2023 will be converted to school district transition to kindergarten programs for eligible students by August 31, 2024, provided that the standards set forth in this act are met.

Section 2(1) and throughout entire bill:

- Clarifies that “program” means “transition to kindergarten”.

Section 2(2): Language added requiring Office of Superintendent of Public Instruction (OSPI) to authorize any school district offering a transitional kindergarten program during the 2023-24 school year that is converting to a transition to kindergarten program under the conversion plan adopted by OSPI under section 3 of this act, provide the school district meets the requirements of subsection (3) of this section by September 1, 2024, or earlier if required by the office.

Section 2(2)(a): Language added requiring OSPI to develop and begin implementing a process for school districts to apply to operate or expand a transition to kindergarten program by December 31, 2023.

Section 2(3)(a): Language added requiring school districts that operate a transition to kindergarten program to meet the requirements in subsection (3) except for school districts offering a transitional kindergarten program during the 2023-24 school year that is converting to a transition to kindergarten program under the conversion plan adopted by OSPI under section 3 of this act.

Section 2(3)(f)(ii): Changes the number of college credits or clock hours required for a teacher in a transition to kindergarten program classroom who holds a valid Washington teacher certificate to have from 30 college credits to 24 college credits or 60 clock hours.

Section 2(4)(a): Changes the distribution of funding calculation to be equivalent to the amount per child enrolled in a school day class of an early childhood education and assistance program, divided by 1.091, and multiplied by the school district’s regionalization factor under RCW 28A.150.412, excluding the experience factor.

Section 2(5): Language added indicating if an authorized school district is required to complete remedial activities under section 9 of this act, the initiation of the remedial period serves as the one year of notice that the authorized school district or approved transition to kindergarten program site will be discontinue or otherwise not provided with state funding.

Section 2(8)(c): Revises the definition of “eligible child”.

Previous Section 2(8)(d): Deletes definition of “program”.

Section 2(8)(e): Language added indicating that “transitional kindergarten” has the same meaning as in section 3 of this act.

Section 3: Combined previous section 3 and 4.

Section 3(2): Language added requiring OSPI to adopt and begin implementing a conversion plan to assist school districts that offered a transitional kindergarten program during the 2022-23 school year by December 31, 2023 and to begin offering a transition to kindergarten program no later than September 1, 2024.

Previous Section 3:

- Removes previous requirement that rules may not be adopted under section 2 until OSPI has developed the conversion

plan.

- Remove section expiration date.

Section 4: Previously section 5.

Section 5: Previously section 6.

Section 6: Previously section 7.

Section 7: Previously section 8.

Section 8: Previously section 9.

Section 9: Previously section 10.

Section 9(2): Language added indicating the initiation of the remedial period serves as the one year of notice that the authorized school district or approved transition to kindergarten program site will be discontinued or otherwise not provided with state funding.

Section 10: Previously section 11.

Section 10(2)(c): Changes the section referenced from 10 to 9.

Section 11: Previously section 12.

Section 12: New section added informing that if specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2023, in the omnibus appropriations act, this act is null and void.

Summary of 2SHB 1550

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 by August 31, 2024.
- 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, separate from the state's instructional program of basic education under RCW 28A.150.220.

Section 2(1)(b): Requires the OSPI to administer the transition to kindergarten program as required by this section.

Section 2(2):

- Authorizes OSPI to offer a transition to kindergarten program and approve transition to kindergarten program sites at one or more of an authorized school district's schools, and cap eligible child enrollment for each authorized school district as required by this subsection (2).

- Requires OSPI to authorize any school district offering a transitional kindergarten program during the 2023-24 school year that is converting to a transition to kindergarten program under the conversion plan adopted by OSPI under section 3 of this act, provide the school district meets the requirements of subsection (3) of this section by September 1, 2024, or earlier if required by the office.

Section 2(2)(a): Requires OSPI to develop and begin implementing a process for school districts to apply to operate or expand a program by December 31, 2023. 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 (DCYF), 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 operating a transition to kindergarten program to meet the requirements in subsection (3) except for school districts offering a transitional kindergarten program during the 2023-24 school year that is converting to a transition to kindergarten program under the conversion plan adopted by OSPI under section 3 of this act.
- Requires authorized school districts to engage in a planning year before operating a transition to kindergarten 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 transition to kindergarten 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 transition to kindergarten program. Provides a list of the prioritized order.

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

Section 2(3)(e): Requires authorized school districts to requires that transition to kindergarten program sites use developmentally appropriate curricula.

Section 2(3)(f): 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 24 college credits, or 60 clock hours related to the state early childhood education core competencies established by DCYF.

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

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

Section 2(3)(i): 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 equivalent to the amount per child enrolled in a school day class of an early childhood education and assistance program, divided by 1.091, and multiplied by the school district's regionalization factor under RCW 28A.150.412, excluding

the experience factor.

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 transition to kindergarten program sites and reauthorize school districts, periodically, and at a minimum, as required in the omnibus operating appropriations act.
- Requires OSPI to provide an authorized school district with at least one year of notice if a transition to kindergarten program site will be discontinued or otherwise not provided with state funding.
- Indicates if an authorized school district is required to complete remedial activities under section 9 of this act, the initiation of the remedial period serves as the one year of notice that the authorized school district or approved transition to kindergarten program site will be discontinued or otherwise not provided with state funding.

Section 2(6):

- Requires OSPI to collaborate with DCYF, and to develop, and make publicly available, a model of memorandum of understanding between authorized school districts and other early learning program providers that includes a process for resolving local concerns between early learning program providers, including school districts.

Section 2(7): 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 and where applicable collaborate with DCYF in the development of the rules.

Section 2(8): Provides definitions for “approved school district”, “common school”, “eligible child”, “program site”, and “transitional kindergarten”.

Section 3 (New):

Section 3(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 3(2): By December 1, 2023, 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 to begin offering a transition to kindergarten program no later than September 1, 2024.

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

Section 4 (Amended):

Section 4(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 5 (New):

Section 5(1): Outlines the requirements of DCYF.

Section 5(2): Defines “transition to kindergarten” as used in this section.

Section 6 (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 7 (New):

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

Section 8 (New):

Section 8(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 8(2): Informs that this section expires August 30, 2025.

Section 9 (New):

Section 9(1): 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 9(2): Indicates the initiation of the remedial period serves as the one year of notice that the authorized school district or approved transition to kindergarten program site will be discontinued or otherwise not provided with state funding.

Section 9(3): Allows the school district to continue to receive state funding under section 2 of this act pending the successful completion of the level 3 rating activity if they have successfully completed all level 2 activities and is waiting to be rated by the deadline provide in this section.

Section 10 (Amended):

Section 10(1): Expands who the early achievers program applies to include transition to kindergarten programs established under section 2 of this act.

Section 10(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 9 of this act.

Section 10(7)(b)(i): Modifies the early achievers program rating to include transition to kindergarten programs established under section 2 of this act.

Section 11 (Amended):

Section 11(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.

Section 12 (New):

Informs that if specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2023, in the omnibus appropriations act, this act is null and void.

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.

School District Cash Receipts Impact

Section 2(4)(a) requires OSPI to distribute to authorized school districts an amount per eligible child enrolled in a program that is equivalent to the amount per child enrolled in a school day class of an early childhood education and assistance program, divided by 1.091, and multiplied by the school district's regionalization factor under RCW 28A.150.412, excluding the experience factor.

The cash receipt 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:

Per Pupil Rate = \$12,621 ECEAP / 1.091 factor x state avg regionalization 1.09 = \$12,609.43

Full-Time Equivalent or FTE:

- SY 2023-24: 5,077 students x \$12,609.43 ECEAP per pupil rate estimated allocation = \$64,018,000. This is approximately (\$625,000) less than the estimated allocation of the currently funded TK allocation using the basic education prototypical formula.

Headcount:

- SY 2023-24: 5,934 students x \$12,609.43 ECEAP per pupil rate estimated allocation = \$74,824,000. This is approximately (\$731,000) less than the estimated allocation of the currently funded TK allocation using the basic education prototypical formula.

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.

Levy Impact

Of the 128 LEAs that currently offer TK, 51 have their total levy authority determined by the per pupil rate of \$2,741.58 (CY 2022). These 51 districts will experience an estimated total levy loss of \$3.7 million in local levy collections based on CY 2022 data. The estimated maximum total levy loss of any single district is \$610,000; and the maximum total estimated levy loss in terms of current levy collections is 15.4%.

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.

School District Expenditure Impact:

Section 2(4)(a) requires OSPI to distribute to authorized school districts an amount per eligible child enrolled in a program that is equivalent to the amount per child enrolled in a school day class of an early childhood education and assistance program, divided by 1.091, and multiplied by the school district's regionalization factor under RCW 28A.150.412, excluding the experience factor.

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:

Per Pupil Rate = \$12,621 ECEAP / 1.091 factor x state avg regionalization 1.09 = \$12,609.43

Full-Time Equivalent or FTE:

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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 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.