

Multiple Agency Fiscal Note Summary

Bill Number: 5174 SB	Title: Student transportation
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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
Office of State Auditor	0	0	384,000	0	0	768,000	0	0	768,000
Total \$	0	0	384,000	0	0	768,000	0	0	768,000

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 State Auditor	1.2	0	0	384,000	2.4	0	0	768,000	2.4	0	0	768,000
Total \$	1.2	0	0	384,000	2.4	0	0	768,000	2.4	0	0	768,000

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of State Auditor	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

NONE

Prepared by: Amy Hatfield, OFM	Phone: (360) 280-7584	Date Published: Final 3/16/2023
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Individual State Agency Fiscal Note

Revised

Bill Number: 5174 SB	Title: Student transportation	Agency: 095-Office of State Auditor
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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
Municipal Revolving Account-Non-Appropriated 413-6		384,000	384,000	768,000	768,000
Total \$		384,000	384,000	768,000	768,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	2.4	1.2	2.4	2.4
Account					
Municipal Revolving Account-Non-Appropriated -6 413	0	384,000	384,000	768,000	768,000
Total \$	0	384,000	384,000	768,000	768,000

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: Alex Fairfortune	Phone: 360-786-7416	Date: 01/10/2023
Agency Preparation: Janel Roper	Phone: 564-999-0820	Date: 01/20/2023
Agency Approval: Janel Roper	Phone: 564-999-0820	Date: 01/20/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/20/2023

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 2 – Requires the State Auditor’s Office (SAO) to review a school districts’ transportation expenditures when the average per-student reimbursement amount exceeds 105 percent of the amount in similar school districts. The Office of the Superintendent of Public Instruction (OSPI) will adopt rules to categorize districts and will notify the SAO when a review of a district is necessary. This requirement begins in the 2023-24 school year and continues annually until 2030.

Sec. 9 – Requires the SAO to include in the regular audits of school districts a review of transportation costs to ensure they are necessary and reasonable, as assigned by the OSPI. This work would begin in Fiscal Year 2025.

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.

Through discussion with the Office of Superintendent of Public Instruction (OSPI), for the purposes of this fiscal note, we used an estimate of 100 school districts each year that may exceed the 105 percent of expenditures and would require a review of their transportation expenditures during our Accountability Audits.

Each review is anticipated to take an additional 24 hours per district (2,400 total) which would be performed by an additional 1.5 FTE Assistant State Auditor. In addition, we estimate an additional .5 FTE to perform 600 hours per year for centralized planning and oversight. Total hours to be billed annually is estimated to be 3,000 hours.

Cash receipts were calculated at the current local billing rate of \$128 per hour. Actual cash receipts will be dependent on the applicable billing rate in effect when the work is performed.

The increased audit work associated with this bill would be billed to each of the projected 100 school districts where the audit work is performed.

Considering the bill's implementation outlined for the 2023-24 school fiscal year for districts to be under the 105 percent, we anticipate we will begin this work in Fiscal Year 2025.

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 State Auditor uses an activity-based cost allocation model and overhead is allocated based on actual direct expenses. To reflect this, in addition to the increased direct audit expenses related to the additional audit and management FTEs, we include an estimated cost to support the additional administrative and overhead expense. Good and Services and Travel costs are based on actual expenses for this level of effort.

All expenses associated with this work would be paid for through the Municipal Revolving Account using revenues generated from this work.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
413-6	Municipal Revolving Account	Non-Appropriated	0	384,000	384,000	768,000	768,000
Total \$			0	384,000	384,000	768,000	768,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		2.4	1.2	2.4	2.4
A-Salaries and Wages		225,320	225,320	450,640	450,640
B-Employee Benefits		76,650	76,650	153,300	153,300
C-Professional Service Contracts					
E-Goods and Other Services		77,030	77,030	154,060	154,060
G-Travel		5,000	5,000	10,000	10,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	384,000	384,000	768,000	768,000

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
Admn/Overhead	72,000		0.4	0.2	0.4	0.4
Assistant State Auditor 3	73,260		1.5	0.8	1.5	1.5
Audit Manager	125,628		0.5	0.3	0.5	0.5
Total FTEs			2.4	1.2	2.4	2.4

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.