

Multiple Agency Fiscal Note Summary

| | |
|--------------------------------|--|
| Bill Number: 1338 2S HB | Title: DOC ed. and vocational prgs. |
|--------------------------------|--|

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 |
| Community and Technical College System | Non-zero but indeterminate cost and/or savings. Please see discussion. | | | | | | | | |
| Total \$ | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |

Estimated Operating Expenditures

| Agency Name | 2023-25 | | | | 2025-27 | | | | 2027-29 | | | |
|--|--|----------|-------------|-------|---------|----------|-------------|-------|---------|----------|-------------|-------|
| | FTEs | GF-State | NGF-Outlook | Total | FTEs | GF-State | NGF-Outlook | Total | FTEs | GF-State | NGF-Outlook | Total |
| Department of Corrections | Non-zero but indeterminate cost and/or savings. Please see discussion. | | | | | | | | | | | |
| Community and Technical College System | Non-zero but indeterminate cost and/or savings. Please see discussion. | | | | | | | | | | | |
| Total \$ | 0.0 | 0 | 0 | 0 | 0.0 | 0 | 0 | 0 | 0.0 | 0 | 0 | 0 |

Estimated Capital Budget Expenditures

| Agency Name | 2023-25 | | | 2025-27 | | | 2027-29 | | |
|--|--|-------|-------|---------|-------|-------|---------|-------|-------|
| | FTEs | Bonds | Total | FTEs | Bonds | Total | FTEs | Bonds | Total |
| Department of Corrections | Non-zero but indeterminate cost and/or savings. Please see discussion. | | | | | | | | |
| Community and Technical College System | .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

| | |
|---------------------------|--|
| Department of Corrections | Non-zero but indeterminate cost and/or savings. Please see discussion. |
|---------------------------|--|

| | | |
|---|---------------------------------|---|
| Prepared by: Cynthia Hollimon, OFM | Phone: (360) 810-1979 | Date Published: Final 3/21/2023 |
|---|---------------------------------|---|

Individual State Agency Fiscal Note

| | | |
|--------------------------------|--|--|
| Bill Number: 1338 2S HB | Title: DOC ed. and vocational prgs. | Agency: 310-Department of Corrections |
|--------------------------------|--|--|

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

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

Estimated Capital Budget Impact:

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

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- ☐ If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- ☒ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

| | | |
|-------------------------------------|-----------------------|------------------|
| Legislative Contact: Sarian Scott | Phone: 360-786-7729 | Date: 02/27/2023 |
| Agency Preparation: Veronica Warren | Phone: (360) 725-8428 | Date: 03/09/2023 |
| Agency Approval: Ronell Witt | Phone: (360) 725-8428 | Date: 03/09/2023 |
| OFM Review: Cynthia Hollimon | Phone: (360) 810-1979 | Date: 03/21/2023 |

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.

1338 2SHB amends the following:

Created a new section 5 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.

The information below did not change with the second substitute bill.

Section 3(4)(b) adds that the department will pay the costs for adult basic education programs and any postsecondary education program that is not financial aid eligible at the time the individual is enrolled or paid for by the department or third party.

Section 3(4)(c) If financial aid eligible postsecondary programming is provided pursuant to (a)(i) through (iii) of this subsection, the individual may be required to apply for and utilize any federal and state financial aid grants available to the individual. If the cost of attendance exceeds the grant award, or the person is not eligible for financial aid or able to apply, Department of Corrections (DOC) shall pay the cost of attendance.

Section 3(4)(d) amends that an individual may apply for and utilize federal and state financial aid grants available to the individual in addition to using funds to pay for tuition costs and supplies.

Section 4(c)(i) requires DOC to provide access to direct transfer associate degrees, otherwise known as associate degrees.

Section 4(2)(a) amends that payments by individuals for financial aid eligible postsecondary programs would be remitted to the school and not the Department.

Section 4(2)(c) allows DOC to accept third-party payments for postsecondary education that is not financial aid eligible and allows, rather than requires, such third parties to provide payments directly to the DOC.

Section 4(4)(c) Priority may be given to incarcerated individuals based on earliest release date, but no more than 67 percent of program participants may be prioritized in this manner.

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

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

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

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

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

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

As a result of this proposed legislation, additional staffing will be needed to ensure there are adequate resources to comply with extended hours for programming as required in this bill. Due to the indeterminate capital costs, we are unable to estimate exactly how many additional FTEs will be needed at each of the prison facilities.

Assumptions:

- More programming space will be needed to accommodate the expectations of the bill at some facilities, which would require capital funding.
- If some facilities utilize the space they currently have, program hours would need to be extended into the evening and weekend hours, which would result in the need for additional FTE's.
- Other program and facility jobs may be negatively impacted due to a reduction in available workers.

Education Partner Contracts Impact

With the ability for DOC to expand to postsecondary education and the availability of Federal and State financial aid, DOC aims to partner with additional institutions of higher education to expand educational opportunities for incarcerated students. In order to expand postsecondary education, DOC would need to increase our education funding in order to be able to serve additional participants and expand institutions of higher education serving incarcerated students within prison facilities.

The following new costs estimated for the contracted education services are:

- Increased postsecondary coordinators at each facility to support students accessing federal and state financial aid, academic advising, recruitment, enrollment, and administrative tasks such as scheduling, callouts, etc. for current and prospective college partners.

$\$85,000 \times 15 \text{ FTEs} = \$1,020,000$

- New program one-time start-up costs to support curriculum development, textbooks, education program equipment, and program supplies.

o $\$200,000 \times 6 = \$1,200,000$

- New purchase of students' tablets/laptops and network or software systems and/or licenses utilized to expand postsecondary programming

o $\$748 \times 1,336 = \$1,000,000$ (rounded)

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

o $\$1,275,000 + \$1,200,000 + \$1,000,000 = \$3,475,000$

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

FY2024: \$3,475,000

FY2025: \$2,389,000

FY2026: \$2,508,000

FY2027: \$2,634,000

FY2028: \$2,765,000

FY2029: \$2,904,000

The following staffing resources are estimated as follows:

- 6.0 IT System Administrators (Journey) – These positions will support the expansion of the Off State Network and coordinate IT infrastructure to support education programming including installing and configuring computer equipment to include user devices, servers, and network hardware, integrate and administer education applications, manage user accounts and permissions, ensure secure access to the approved systems, and coordinate with educational providers and manage changes to electronic educational services at the DOC.
 - o Salary \$600,000 and Benefits \$193,000 = \$793,000
 - o Ongoing costs total \$22,000
 - o One-time costs total \$30,000
- 1.0 Project Manager for Education – This position will serve as the Project Manager for Education Services and will be responsible for ensuring Education program operations are consistent with statewide policy, WAC, and RCW, as well as identifying areas for improvement opportunities in the service delivery system, coordinating space and program utilization, and using project management skills and abilities to ensure successful planning, organizing, leading, and keeping education expansion project on track (measuring, evaluating, and taking corrective actions).
 - o Salary \$107,000 and Benefits \$33,000 = \$140,000
 - o Ongoing costs total \$4,000
 - o One-time costs total \$5,000
- 1.0 Management Analyst 5 – This position will provide recommendations regarding multi-dimensional and complex issues in education services, including researching, analyzing, and making recommendations regarding contract management, data collection and budgeting and program costs, etc. Gather and report necessary data for financial aid programs to partner colleges in compliance with federal reporting requirements. Produce complex reports for use by multiple groups to include stakeholder committees, DOC and college executive leadership officials.
 - o Salary \$92,000 and Benefits \$31,000 = \$123,000
 - o Ongoing costs total \$4,000
 - o One-time costs total \$5,000
- 1.0 Administrative Assistant 3 – This position will support the expanded Education Services unit and provide clerical assistance for DOC staff and provide support to college education contractors; including preparing agendas for staff meetings, coordinate personnel issues, compile appropriate reports and correspondence, ensure functions of Education Services are timely and accurate, and perform confidential administrative secretarial and office management functions as needed.
 - o Salary \$60,000 and Benefits \$25,000 = \$85,000
 - o Ongoing costs total \$4,000
 - o One-time costs total \$5,000
- 3.0 FTE for ADA Coordinators (Corrections Specialist 2) – These positions will develop, coordinate, and implement student disability case service plans. Act as liaison between DOC prison leadership and college partners to ensure education program accessibility.
 - o Salary \$239,000 and Benefits \$85,000 = \$324,000
 - o Ongoing costs total \$11,000
 - o One-time costs total \$15,000

The DOC requests funding for the indirect costs of agency administration (1.6 FTE's and \$161,000) and requests funding for interagency costs of (\$23,000), for the purpose of implementing this legislation. The approved agency indirect rate and associated cost of administration are calculated based on the salaries and benefits of staff conducting back office administrative functions, divided by all remaining salaries and benefits.

Cost Summary (rounded to the nearest thousand):

FY2024: \$5,227,000 total cost and 12.0 FTE's
 FY2025: \$4,080,000 total cost and 12.0 FTE's
 FY2026: \$4,200,000 total cost and 12.0 FTE's
 FY2027: \$4,325,000 total cost and 12.0 FTE's
 FY2028: \$4,457,000 total cost and 12.0 FTE's
 FY2029: \$4,595,000 total cost and 12.0 FTE's

Assumptions:

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

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

III. B - Expenditures by Object Or Purpose

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

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

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

IV. B - Expenditures by Object Or Purpose

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

IV. C - Capital Budget Breakout

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

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

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

NONE

Statewide Predesign Study to Determine Costs of Programming Space

A Statewide Predesign Study is necessary to determine what the costs would be to expand programming space in each of the 12-prison facilities as the bill is expanding post-secondary education to include bachelor's degrees. This may increase participation as more education opportunities will be available and expanded programming space will be needed to accommodate additional participants at the facilities. In order to better understand the scope and scale of improvements required if this bill passes, DOC recommends hiring a consultant to conduct a statewide predesign that would include all 12 prison facilities. Similar predesign studies of this magnitude that DOC has conducted over the years have been in the cost range of \$500,000 to \$1,500,000. For the purposes of this fiscal note, we estimate the cost of a statewide predesign to be \$1,500,000.

We recognize that every prison facility is different, and that while some facilities will require extensive study and significant renovation or expansion, other facilities such as minimum-security work camps may require only minimal improvements. The costs for facility renovations of programming areas will vary significantly and could range from \$1 to 2 million for each camp to \$15 million or more for each major closed custody prison. For illustrative purposes only, the total costs to complete all of

these statewide projects is estimated to range from \$80M to \$120M or more. If this bill passes, we anticipate expensive Capital budget requests, taking place over multiple biennia, to complete.

Assumptions:

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

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

| | | |
|--------------------------------|--|--|
| Bill Number: 1338 2S HB | Title: DOC ed. and vocational prgs. | Agency: 699-Community and Technica College System |
|--------------------------------|--|--|

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: Sarian Scott | Phone: 360-786-7729 | Date: 02/27/2023 |
| Agency Preparation: Brian Myhre | Phone: 360-704-4413 | Date: 03/08/2023 |
| Agency Approval: Cherie Berthon | Phone: 360-704-1023 | Date: 03/08/2023 |
| OFM Review: Ramona Nabors | Phone: (360) 742-8948 | Date: 03/13/2023 |

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.

The second substitute bill differs from the substitute in the following way:

- Adds a null and void clause.

This would not change the fiscal impact when compared to the prior bill.

This bill seeks to increase the number of incarcerated people who are enrolled in programs that provide postsecondary education degrees and credentials, certifications and other skills likely to lead to jobs upon their release.

Section 4
Directs the Department of Corrections (DOC) to provide access to a direct transfer associate degree as a pathway of employment in living wage career fields or as a transfer degree to a baccalaureate degree. DOC, in consultation with the State Board for Community and Technical Colleges, must identify direct transfer agreement courses as common courses throughout the community and technical colleges to avoid difficulties in transferring credits.

"Direct Transfer Agreement" means a degree awarded by a community or technical college to students who have completed a transfer curriculum to fulfill most general education requirements for purposes of a baccalaureate degree.

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.

SECTION 4
The Department of Corrections (DOC) is to provide access to a direct transfer associate degree as a pathway to employment or as a transfer degree to a baccalaureate degree. Based on the DOC fiscal note, there would be additional costs for contracted services performed by the State Board of Community and Technical Colleges (State Board). DOC estimates \$3,475,000 in additional contracted services in FY24. Amounts after FY24 will be less since one-time start-up costs will no longer need to be included in the contract.

REVENUE ESTIMATES:
FY2024: \$3,475,000
FY2025: \$2,389,000
FY2026: \$2,508,000
FY2027: \$2,634,000
FY2028: \$2,765,000
FY2029: \$2,904,000

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.

SECTION 4
The Department of Corrections (DOC) is to provide access to a direct transfer associate degree as a pathway to employment or as a transfer degree to a baccalaureate degree. Based on the DOC fiscal note, there would be additional costs for contracted services performed by the State Board of Community and Technical Colleges (State Board).

For FY24, DOC estimates \$1,275,000 in staff costs, \$1,000,000 for network and software systems, computers and licenses and \$1,200,000 in one-time start-up costs for Goods & Services. One-time start-up costs only appear in FY24

\$1,275,000 + \$1,000,000 + \$1,200,000 = \$3,475,000 FY24. Future years do not include one-time start-up costs but do include a 5% annual contract rate adjustment.

FY2024: \$3,475,000
FY2025: \$2,389,000
FY2026: \$2,508,000
FY2027: \$2,634,000
FY2028: \$2,765,000
FY2029: \$2,904,000

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

Part V: New Rule Making Required

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