

# Multiple Agency Fiscal Note Summary

|                             |                                     |
|-----------------------------|-------------------------------------|
| <b>Bill Number:</b> 1931 HB | <b>Title:</b> Incarcerated students |
|-----------------------------|-------------------------------------|

## 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 |
| Student Achievement Council | Non-zero but indeterminate cost and/or savings. Please see discussion. |             |       |          |             |       |          |             |       |
| <b>Total \$</b>             | 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.                                                         |          |             |         |         |          |             |         |         |          |             |         |
| Student Achievement Council | .9                                                                                                                             | 330,000  | 330,000     | 330,000 | 1.0     | 340,000  | 340,000     | 340,000 | 1.0     | 340,000  | 340,000     | 340,000 |
| Student Achievement Council | In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note. |          |             |         |         |          |             |         |         |          |             |         |
| <b>Total \$</b>             | 0.9                                                                                                                            | 330,000  | 330,000     | 330,000 | 1.0     | 340,000  | 340,000     | 340,000 | 1.0     | 340,000  | 340,000     | 340,000 |

## Estimated Capital Budget Expenditures

| Agency Name                 | 2023-25 |       |       | 2025-27 |       |       | 2027-29 |       |       |
|-----------------------------|---------|-------|-------|---------|-------|-------|---------|-------|-------|
|                             | FTEs    | Bonds | Total | FTEs    | Bonds | Total | FTEs    | Bonds | Total |
| Department of Corrections   | .0      | 0     | 0     | .0      | 0     | 0     | .0      | 0     | 0     |
| Student Achievement Council | .0      | 0     | 0     | .0      | 0     | 0     | .0      | 0     | 0     |
| <b>Total \$</b>             | 0.0     | 0     | 0     | 0.0     | 0     | 0     | 0.0     | 0     | 0     |

## Estimated Capital Budget Breakout

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**Date Published:**  
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# Individual State Agency Fiscal Note

|                             |                                     |                                              |
|-----------------------------|-------------------------------------|----------------------------------------------|
| <b>Bill Number:</b> 1931 HB | <b>Title:</b> Incarcerated students | <b>Agency:</b> 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:**

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: Saranda Ross  | Phone: 360-786-7068   | Date: 01/02/2024 |
| Agency Preparation: DeAnn Peterson | Phone: (360) 725-8428 | Date: 01/10/2024 |
| Agency Approval: Michael Steenhout | Phone: (360) 789-0480 | Date: 01/10/2024 |
| OFM Review: Danya Clevenger        | Phone: (360) 688-6413 | Date: 01/16/2024 |

## 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.*

An ACT relating to financial aid grants for incarcerated students; and amending RCW 72.09.460.

Section 1(4)(b) amends that the Department of Corrections (DOC) may not require an incarcerated individual to apply for or utilize financial aid grants available to incarcerated individuals as a condition to participate in programs. DOC shall pay the cost of such programming not otherwise covered by third-party funding if the cost of attendance exceeds the grant award, or if the incarcerated individual is not eligible for financial aid or if chooses not to apply for or utilize financial aid, or if financial aid is not available.

Section 1(4)(c)(i) amends that an incarcerated individual may apply for and utilize federal and state financial aid grants available to the individual in addition to using grants and donations supplied by education providers. The DOC shall utilize a post-award formula for determining how much an incarcerated individual shall be required to pay after deducting any amount from available financial aid or third-party funding.

Section 1(4)(c)(ii) adds for the purposes of this subsection, post-award formula offsets and funds paid by DOC for educational programming shall not result in the reduction of any “gift aid,” as is defined in RCW 28B.145.010.

### 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).

While Section 1(4)(b) allows for incarcerated students in eligible postsecondary programs to utilize available financial aid grants, the language that the individual may choose not to and that the department shall pay for the cost of programming would have an indeterminate fiscal impact on DOC, which may impact the Department’s ability to offer and/or expand certain educational programs to include bachelor level degrees within existing funding levels.

The intent behind this legislation is for DOC, in partnership with the two- and four-year institutions of higher education, to expand postsecondary education for incarcerated individuals leveraging federal Pell grant funding.

The DOC currently contracts for educational services for incarcerated individuals, up to an associate degree. Therefore, this bill could result in indeterminate savings for the contract costs.

We assume financial impacts will result as incarcerated individuals begin requiring assistance while applying for and utilizing this funding. Additional impacts related to the reimbursement process and managing the post-award formula and process is also anticipated.

The DOC cannot reasonably estimate the number of individuals that will apply for state and federal financial aid grants. Therefore, DOC will “true up” our fiscal impact in subsequent budget submittals should the legislation be enacted into session law.

### 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.*

# Individual State Agency Fiscal Note

|                             |                                     |                                                |
|-----------------------------|-------------------------------------|------------------------------------------------|
| <b>Bill Number:</b> 1931 HB | <b>Title:</b> Incarcerated students | <b>Agency:</b> 340-Student Achievement Council |
|-----------------------------|-------------------------------------|------------------------------------------------|

## 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:

|                          | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--------------------------|---------|---------|---------|---------|---------|
| FTE Staff Years          | 0.0     | 1.8     | 0.9     | 1.0     | 1.0     |
| <b>Account</b>           |         |         |         |         |         |
| General Fund-State 001-1 | 0       | 330,000 | 330,000 | 340,000 | 340,000 |
| <b>Total \$</b>          | 0       | 330,000 | 330,000 | 340,000 | 340,000 |

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: Saranda Ross      | Phone: 360-786-7068   | Date: 01/02/2024 |
| Agency Preparation: Carla Idohl-Corwin | Phone: 360-485-1302   | Date: 01/07/2024 |
| Agency Approval: Brian Richardson      | Phone: 360-485-1124   | Date: 01/07/2024 |
| OFM Review: Ramona Nabors              | Phone: (360) 742-8948 | Date: 01/09/2024 |

## 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.*

HB1931 relates to education programs for incarcerated individuals.

This bill:

- \* prohibits the Department of Corrections from requiring an incarcerated individual to apply for or utilize financial aid grants as a condition of participation in such programming.
- \* requires the Department of Corrections to pay for the cost including tuition, books, materials and supplies for incarcerated individuals if an individual opts to not utilize financial aid grants or if the grants are not available and the programming is not covered by other third-party funding.
- \* applies a post award formula to determine how much an incarcerated individual must pay after deducting any amount of financial aid grants or third-party funding.
- \* restricts the post award formula offsets and funds paid by the US Department of Education from reducing “gift aid”.

### 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.*

Cash receipts are indeterminate for any financial aid programs administered by the Washington Student Achievement Council (WSAC). Cash receipts would only apply to those individuals who utilize federal and or state financial aid grants. Because the enrollment and utilization rates of those opting to use financial aid grants are unknown, we are unable to anticipate who may owe a repayment of state grants as a result of not meeting satisfactory academic progress and program policy standards.

### 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.*

HB1931 expenditure impacts are indeterminate and are dependent on the number of applicants who elect to utilize state financial aid grants in lieu of Department of Corrections funding.

WSAC would need to provide a paper application process for those not eligible to use the Free Application for Federal Student Aid (FAFSA) that would be parallel to the FAFSA for incarcerated individuals. (This requires incarcerated individuals to mail a special FAFSA to the US Department of Education.) Some incarcerated individuals who are not eligible to file any type of FAFSA would need to be able to complete a paper Washington Application for State Financial Aid (WASFA) that could be mailed to WSAC for manual processing.

Program administration functions to be performed by WSAC to serve non-FAFSA eligible filers include:

- \*Development of an annual paper FAFSA-like application for manual processing.
- \*Record retention of all paper application materials received. (These may be scanned and stored electronically for the required six-year retention period).

### STAFFING

Staffing costs would be \$330,000 in FY25 and \$170,000 annually in FY26 and beyond and include:

0.3 FTE Associate Director in FY25 to develop the annual paper application to parallel the FAFSA for incarcerated individuals and 0.2 FTE Associate Director in FY26 and beyond to annually update the application.

0.5 FTE Program Coordinator (FY25 and ongoing) to manage the paper WASFA process.

1.0 FTE IT Developer in FY25 to create the initial functionality and 0.3 FTE IT Developer (FY26 and ongoing) to provide annual system enhancements to facilitate the paper WASFA process and processed files to be sent back to colleges.

Staff time estimates are rounded to the nearest 0.1 FTE and staff-related and other costs are rounded to the nearest \$1000.

### 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 | 0       | 330,000 | 330,000 | 340,000 | 340,000 |
| <b>Total \$</b> |               |       | 0       | 330,000 | 330,000 | 340,000 | 340,000 |

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                      |         | 1.8     | 0.9     | 1.0     | 1.0     |
| A-Salaries and Wages                 |         | 168,000 | 168,000 | 166,000 | 166,000 |
| B-Employee Benefits                  |         | 60,000  | 60,000  | 60,000  | 60,000  |
| C-Professional Service Contracts     |         |         |         |         |         |
| E-Goods and Other Services           |         | 100,000 | 100,000 | 112,000 | 112,000 |
| G-Travel                             |         | 2,000   | 2,000   | 2,000   | 2,000   |
| J-Capital Outlays                    |         |         |         |         |         |
| M-Inter Agency/Fund Transfers        |         |         |         |         |         |
| N-Grants, Benefits & Client Services |         |         |         |         |         |
| P-Debt Service                       |         |         |         |         |         |
| S-Interagency Reimbursements         |         |         |         |         |         |
| T-Intra-Agency Reimbursements        |         |         |         |         |         |
| 9-                                   |         |         |         |         |         |
| <b>Total \$</b>                      | 0       | 330,000 | 330,000 | 340,000 | 340,000 |

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 |
|---------------------|---------|---------|---------|---------|---------|---------|
| Associate Director  | 110,000 |         | 0.3     | 0.2     | 0.2     | 0.2     |
| IT Developer        | 106,000 |         | 1.0     | 0.5     | 0.3     | 0.3     |
| Program Coordinator | 58,000  |         | 0.5     | 0.3     | 0.5     | 0.5     |
| <b>Total FTEs</b>   |         |         | 1.8     | 0.9     | 1.0     | 1.0     |

#### III. D - Expenditures By Program (optional)

| Program                                | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|----------------------------------------|---------|---------|---------|---------|---------|
| Financial Aid and Grant Programs (030) |         | 330,000 | 330,000 | 340,000 | 340,000 |
| <b>Total \$</b>                        |         | 330,000 | 330,000 | 340,000 | 340,000 |

### 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

## **Part V: New Rule Making Required**

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

The Washington Student Achievement Council would not need new rules because of these changes.