

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 6223 SB	<b>Title:</b> School director compensation
-----------------------------	--

## 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		9,678,000		25,585,000		26,566,000
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
Superintendent of Public Instruction	.0	9,678,000	9,678,000	9,678,000	.0	25,585,000	25,585,000	25,585,000	.0	26,566,000	26,566,000	26,566,000
<b>Total \$</b>	<b>0.0</b>	<b>9,678,000</b>	<b>9,678,000</b>	<b>9,678,000</b>	<b>0.0</b>	<b>25,585,000</b>	<b>25,585,000</b>	<b>25,585,000</b>	<b>0.0</b>	<b>26,566,000</b>	<b>26,566,000</b>	<b>26,566,000</b>

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			9,678,000			25,585,000			26,566,000
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
Superintendent of Public Instruction	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Breakout

NONE

<b>Prepared by:</b> Brian Fechter, OFM	<b>Phone:</b> (360) 688-4225	<b>Date Published:</b> Final 1/23/2024
--	---------------------------------	---

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 6223 SB	<b>Title:</b> School director compensation	<b>Agency:</b> 350-Superintendent of Public Instruction
-----------------------------	--	---

## 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
<b>Account</b>					
General Fund-State 001-1	0	9,678,000	9,678,000	25,585,000	26,566,000
<b>Total \$</b>	0	9,678,000	9,678,000	25,585,000	26,566,000

### 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: Ben Omdal	Phone: 360-786-7442	Date: 01/15/2024
Agency Preparation: TJ Kelly	Phone: 360 725-6301	Date: 01/21/2024
Agency Approval: Michelle Matakas	Phone: 360 725-6019	Date: 01/21/2024
OFM Review: Brian Fechter	Phone: (360) 688-4225	Date: 01/22/2024

## 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.*

Section 2 defines that each school board member is entitled to compensation not to exceed \$500 per month plus \$0.50 per student enrolled in the district in the prior school year as published by OSPI. A board may adopt a compensation policy for less than the maximum amount but all school districts must adopt a compensation policy by September 1, 2026.

By July 1st of each year, the office of the superintendent of public instruction shall publish an annual update to the monthly and per-student amounts authorized in this section using the implicit price deflator from the previous calendar year as an inflation index.

Defines "per student" as per full-time equivalent student.

Section 3 requires OSPI to submit as part of its maintenance level budget request an amount to fully-fund school board compensation for all districts that have adopted a school board director compensation model.

OSPI shall provide a state-funded school director compensation amount in apportionment payments to each school district that adopts a compensation model authorized by section 2 of this act.

### II. B - Cash receipts Impact

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

None.

### 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.*

Based on the language in section 2 of the bill, using full-time equivalent student enrollment from the 2022-23 school year, total cost of the maximum board member compensation policy described in the bill for the 2023-24 school year would be \$12,232,000. For estimates in future school years, OSPI has adjusted this total by IPD as required in section 2 of the bill. Total costs by school year and state fiscal year are shown in table 1 of the attached.

## 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	9,678,000	9,678,000	25,585,000	26,566,000
Total \$			0	9,678,000	9,678,000	25,585,000	26,566,000

**III. B - Expenditures by Object Or Purpose**

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		9,678,000	9,678,000	25,585,000	26,566,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	0	9,678,000	9,678,000	25,585,000	26,566,000

**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.*

State Costs of SB 6223 - School Directors Compensation					
School Year	2023-24	2024-25	2025-26	2026-27	2027-28
Cost	\$ 12,231,000	\$ 12,488,000	\$ 12,725,000	\$ 12,967,000	\$ 13,213,000
IPD	N/A	2.1%	1.9%	1.9%	1.9%
State Fiscal Year		2025	2026	2027	2028
Cost		\$ 9,678,000	\$ 12,672,000	\$ 12,913,000	\$ 13,158,000

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 6223 SB	<b>Title:</b> School director compensation	<b>Agency:</b> SDF-School District Fiscal Note - SPI
-----------------------------	--	--

## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
School District Local-Private/Local NEW-7		9,678,000	9,678,000	25,585,000	26,566,000
<b>Total \$</b>		9,678,000	9,678,000	25,585,000	26,566,000

### Estimated Operating Expenditures from:

Account	FY 2024	FY 2025	2023-25	2025-27	2027-29
School District Local-Private/Local New-7	0	9,678,000	9,678,000	25,585,000	26,566,000
<b>Total \$</b>	0	9,678,000	9,678,000	25,585,000	26,566,000

### 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: Ben Omdal	Phone: 360-786-7442	Date: 01/15/2024
Agency Preparation: TJ Kelly	Phone: (360) 725-6301	Date: 01/21/2024
Agency Approval: Michelle Matakas	Phone: 360 725-6019	Date: 01/21/2024
OFM Review: Brian Fechter	Phone: (360) 688-4225	Date: 01/22/2024

## 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.*

Section 2 defines that each school board member is entitled to compensation not to exceed \$500 per month plus \$0.50 per student enrolled in the district in the prior school year as published by OSPI. A board may adopt a compensation policy for less than the maximum amount but all school districts must adopt a compensation policy by September 1, 2026.

By July 1st of each year, the office of the superintendent of public instruction shall publish an annual update to the monthly and per-student amounts authorized in this section using the implicit price deflator from the previous calendar year as an inflation index.

Defines "per student" as per full-time equivalent student.

Section 3 requires OSPI to submit as part of its maintenance level budget request an amount to fully-fund school board compensation for all districts that have adopted a school board director compensation model.

OSPI shall provide a state-funded school director compensation amount in apportionment payments to each school district that adopts a compensation model authorized by section 2 of this act.

### II. B - Cash receipts Impact

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

School district revenue equals state expenditures.

### 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.*

OSPI assumes that for districts to adhere to their own school director compensation policies that all funds received will be spent on that specific purpose. Therefore, school district expenditures equal school district revenue.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
New-7	School District Local	Private/Local	0	9,678,000	9,678,000	25,585,000	26,566,000
<b>Total \$</b>			0	9,678,000	9,678,000	25,585,000	26,566,000

**III. B - Expenditures by Object Or Purpose**

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		9,678,000	9,678,000	25,585,000	26,566,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	0	9,678,000	9,678,000	25,585,000	26,566,000

**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.*



School District Revenue/Expenditures of SB 6223 - School Directors Compensation					
School Year	2023-24	2024-25	2025-26	2026-27	2027-28
Cost	\$ 12,231,000	\$ 12,488,000	\$ 12,725,000	\$ 12,967,000	\$ 13,213,000
IPD	N/A	2.1%	1.9%	1.9%	1.9%
State Fiscal Year		2025	2026	2027	2028
Cost		\$ 9,678,000	\$ 12,672,000	\$ 12,913,000	\$ 13,158,000