

Multiple Agency Fiscal Note Summary

Bill Number: 1248 E S HB	Title: Pupil transportation
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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
Superintendent of Public Instruction	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

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
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

NONE

Prepared by: Brian Fechter, OFM	Phone: (360) 688-4225	Date Published: Final 2/15/2024
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Individual State Agency Fiscal Note

Bill Number: 1248 E S HB	Title: Pupil transportation	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:

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: Alex Fairfortune	Phone: 360-786-7416	Date: 02/12/2024
Agency Preparation: Troy Klein	Phone: (360) 725-6294	Date: 02/14/2024
Agency Approval: TJ Kelly	Phone: 360 725-6301	Date: 02/14/2024
OFM Review: Brian Fechter	Phone: (360) 688-4225	Date: 02/15/2024

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.

ESHB 1248 changes from HB 1248: This is a striker bill and is a substantial rewrite of the original bill.

Section 2(2)(a) states that after September 1, 2024, any pupil transportation services entered into, renewed, or extended, must require the contractor to provide benefits comparable to school district employee benefits.

Section 2(3)(a) defines employees as in-state employees of the private nongovernmental entity working sufficient compensated hours to meet the eligibility requirements for the school employees benefits board program if employees were directly employed by school districts.

Section 3(2) requires beginning September 1, 2024, school district that provide pupil transportation through a contract with a nongovernmental entity must provide the Office of the Superintendent of Public Instruction (OSPI) with the following information:

Section 3(2)(a) a breakdown of the total contract cost increase, including a detailed explanation of the increase by expenditure type demonstrating dollar equivalency as required in RCW 28A.160.140(2)(a)(i) and percentage equivalency as required in RCW 28A.160.140(2)(a)(ii), as defined by OSPI and amount.

Section 3(2)(b) a breakdown of the cost from the contractor that shows the cost to provide health care and pension benefits to employees prior to the effective date of this section and the cost to provide health care and pension benefits to employees after the implementation of benefits described in 28A.160.140.

Section 3(2)(c) the amount of funding received through transportation allocations under RCW 29A.160.150 through 28A.160.192 prior to the implementation of school employee benefits under chapter 41.05 RCW and the amount of funding received through the same transportation allocations for the period immediately following the implementation of school employee benefits under chapter 41.05 RCW, to determine the amount of funding for health care that is already being included in the allocation.

Section 3(3) allows that OSPI may suspend these reporting requirements on or after September 1, 2027, for district that do not request supplemental transportation allocations under this section.

Section 3(4) defines the funding formula, subject to appropriations, for the specific purposes defined in section 3 of this act as: total contact cost increases, less any amounts not attributable to benefits required under section RCW 28A.160.140; less the amount the allocation was increased based on the actual cost increase through the transportation funding formula.

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.

This bill would have no cash receipt impact on OSPI.

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 expenditure impact:

The expenditure impact of this bill is indeterminate as OSPI cannot reasonably project the impact of these new requirements nor outcome of the reimbursement formula described under section 3(4) of this bill. OSPI anticipates the cost in the 2024-25 school year to be no greater than \$13.5 million which is equal to the estimated school district cost increases for providing driver benefits. Also, OSPI estimates the cost of building a temporary data collection tool to collect the various required pieces of data describe in section 3 of this bill to be approximately \$25,000 in FY25. The assumed annual updating of this tool will be of minimal expense as it will not be built using complex IT tools or knowledge.

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

Bill Number: 1248 E S HB	Title: Pupil transportation	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:

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- 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: 02/12/2024
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Agency Approval: TJ Kelly	Phone: (360) 725-6301	Date: 02/14/2024
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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.

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Section 3(2)(c) the amount of funding received through transportation allocations under RCW 29A.160.150 through 28A.160.192 prior to the implementation of school employee benefits under chapter 41.05 RCW and the amount of funding received through the same transportation allocations for the period immediately following the implementation of school employee benefits under chapter 41.05 RCW, to determine the amount of funding for health care that is already being included in the allocation.

Section 3(3) allows that OSPI may suspend these reporting requirements on or after September 1, 2027, for district that do not request supplemental transportation allocations under this section.

Section 3(4) defines the funding formula, subject to appropriations, for the specific purposes defined in section 3 of this act as: total contact cost increases, less any amounts not attributable to benefits required under section RCW 28A.160.140; less the amount the allocation was increased based on the actual cost increase through the transportation funding formula.

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 receipt impact:

The cash receipts impact of this bill on school districts is indeterminate, as it is subject to appropriations. However, OSPI assumes school district revenue will not be greater than \$13.5 million in the 2024-25 school year. School district revenue will balance with state expenditures less the assumed \$25,000 for building the data collection tool.

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:

School district expenditures will be impacted by the cost of providing benefits as prescribed in the bill and the cost of the additional data reporting required in section 3 of this act. OSPI estimates total school district costs in the 2024-25 school year will not exceed \$13.5 million. The additional data reporting requirements in section 3 of this act will cost roughly \$10,000 per district that contracts for transportation services and elects to pursue the supplemental allocation.

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.