

Individual State Agency Fiscal Note

Bill Number: 2019 E S HB	Title: Native American apprentices	Agency: 340-Student Achievement Council
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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:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	2.5	1.3	1.9	1.9
Account					
General Fund-State 001-1	0	483,000	483,000	728,000	728,000
Total \$	0	483,000	483,000	728,000	728,000

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.

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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.

ESHB 2019 establishes a Native American apprenticeship assistance program.

Subject to the availability of amounts appropriated, this financial assistance program is offered to cover tuition costs for related supplemental instruction (RSI) and may provide a grant to cover required supplies, tools, materials, work clothing, and living expenses. Funding may be prioritized to secure an eligible participant's grant for the entire length of the participant's program. This program will be administered by the Washington Student Achievement Council (WSAC) beginning in the 2025 fiscal year (FY).

ESHB 2019 differs from the original HB 2019 by limiting eligible populations to those members of federally recognized Indian tribes whose traditional lands and territories include parts of Washington. It also eliminates the requirement that an account be created and funds deposited and invested with the State Treasurer's office. It also adds a clause that states if specific funding referencing this act is not provided by June 30, 2024 in the omnibus appropriations act, it is null and void.

Eligible participants must:

- * be a member of a federally recognized Indian tribe whose traditional lands and territories included parts of Washington.
- * file a financial aid application such as the Washington Application for State Financial Aid (WASFA) or Free Application for Federal Student Aid (FAFSA).
- * enroll in a state-registered apprenticeship program which has been approved to participate in state financial aid programs.

WSAC will:

- *Publicize program;
- *Adopt rules and guidelines in consultation with the tribes and state-registered apprenticeship programs;
- *Determine awarding priorities and award amounts in collaboration with the tribes and state-registered apprenticeship programs;
- *Submit annual reports to the Governor's office and legislature by December 1st of each year until 2025 to include:
 - Total number of eligible participants; total number awarded;
 - Amount of the award;
 - How the amount of award was determined;
 - How many members of federally recognized Indian tribes in Washington received assistance;
 - How many members of federally recognized Indian tribes from other states received assistance.

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.

ESHB 2019 expenditure impacts are indeterminate and are dependent on program appropriation. Unknown variables

include the number of applicants from the 574 federally recognized tribes located in the United States with traditional lands and territories that included parts of Washington and the number interested in participating in Washington’s registered apprenticeship programs. Fiscal impact for staffing is provided below.

Program administration functions to be performed by WSAC include:

- * Publicize the program.
- * Develop and adopt rules and guidelines to use in awarding beginning in FY 2025.
- * Convene meetings with tribes and registered apprenticeship programs to develop rules, guidelines and awarding priorities and amounts.
- * Develop an IT infrastructure to process award data from approved registered apprenticeship programs to issue payments and facilitate reporting and reconciliation.
- * Develop and carry out ongoing award disbursements.
- * Monitor participant eligibility.
- * Collection activities if a recipient is determined to owe a repayment.
- * Fund management and reconciliation.
- * Completion of the annual report by Dec 1 of each year beginning in 2025.
- * Adopt rules.

Assuming appropriations for grant awards are not more than \$15 million, the work outlined above would initially require \$483,000 for program development, IT development, and program implementation, including conducting an award cycle and making grant disbursements in year one (FY2025). Administration beyond first year implementation would be \$364,000 annually ongoing beginning in FY2026. Administrative expenses would need to be scaled up for appropriations greater than \$15 million.

YEAR ONE (FY2025)

Staff time and expertise to accomplish the duties and responsibilities to establish the program, automate operations, and manage the program will cost \$483,000 for the following 2.5 FTE staff:

- 0.3 FTE Program Coordinator
- 0.5 FTE Software Developer
- 0.4 FTE Associate Director (split between research & program administration)
- 1.0 FTE Associate Director - Tribal Liaison
- 0.3 FTE Communications Specialist

YEAR TWO (FY2026) AND BEYOND

Assuming ongoing awarding, funds management, IT portal updates and maintenance, and collection of repayments, staffing will cost \$364,000 annually for the following 1.9 FTE staff:

- 0.5 FTE Program Manager
- 0.2 FTE Software Developer
- 0.2 FTE Associate Director (split between research & program administration)
- 1.0 FTE Associate Director - Tribal liaison

Staff time estimates are rounded to the nearest 0.1 FTE and staff-related and other costs are rounded to the nearest \$1,000.

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	483,000	483,000	728,000	728,000
Total \$			0	483,000	483,000	728,000	728,000

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		2.5	1.3	1.9	1.9
A-Salaries and Wages		251,000	251,000	384,000	384,000
B-Employee Benefits		90,000	90,000	128,000	128,000
C-Professional Service Contracts					
E-Goods and Other Services		139,000	139,000	212,000	212,000
G-Travel		3,000	3,000	4,000	4,000
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	483,000	483,000	728,000	728,000

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		1.4	0.7	1.2	1.2
Communications Specialist	87,000		0.3	0.2		
IT Developer	106,000		0.5	0.3	0.2	0.2
Program Coordinator	58,000		0.3	0.2		
Program Manager	76,000				0.5	0.5
Total FTEs			2.5	1.3	1.9	1.9

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Financial Aid and Grant Programs (030)		483,000	483,000	728,000	728,000
Total \$		483,000	483,000	728,000	728,000

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.