

Individual State Agency Fiscal Note

Bill Number: 2025 S HB	Title: State work-study program	Agency: 340-Student Achievement Council
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

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.

SHB 2025

This substitute bill varies from the original bill as it removes the off-campus community service placements and replaces it with community service placement as an exception to the 80% match rate.

SHB 2025 is an act relating to modifying placement and salary matching requirements for the state work-study (SWS) program. The State Work Study program currently has 123 non-profit and public employers participating in the program at a 70% reimbursement rate. They employ approximately 700 students.

This bill would amend the current RCW by adding the following requirement: Funds appropriated for compensation of students placed at state work study employers must not exceed 80 percent of the total compensation paid to students. Exceptions include community service placements and placements at public and nonprofit employers seeking to increase postsecondary enrollment for high school students.

Assuming the current level of appropriation for the SWS program, there is no fiscal impact for administrative expenses. The Washington Student Achievement Council annually reviews reimbursement rates, employer contracts, position descriptions, wage changes, and trains employers on program requirement.

Currently the maximum reimbursement rate for non-profit employers is set at 70% based on current program funding for student awards. It is unknown how many of the 123 non-profit and public employers participating in the program employ students specifically to increase postsecondary enrollment and would be exempt from the 80%.

The estimated calculations provided below are for descriptive purposes only. Assuming current level of appropriation for the SWS program, WSAC would be able to manage reimbursement rates based on type of positions and demand. An estimated calculation is below:

Approximately 700 SWS employed X \$2,000 average award = \$1,400,000
\$1,400,000 x 70% reimbursement rate = \$980,000
\$1,400,000 x 80% reimbursement rate = \$1,120,000
\$1,400,000 x 100% reimbursement rate = \$1,400,000
Difference between going from 80% to 100% match is: \$1,400,000 - \$1,120,000 = \$280,000
Difference between going from 70% to 100% match is: \$1,400,000 - \$980,000 = \$420,000

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.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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.