

Multiple Agency Fiscal Note Summary

Bill Number: 5344 E SB	Title: School modernization loans
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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
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.								
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

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
Bond Retirement and Interest	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of State Treasurer	.4	0	0	240,000	1.0	0	0	400,000	1.0	0	0	400,000
Superintendent of Public Instruction	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.4	0	0	240,000	1.0	0	0	400,000	1.0	0	0	400,000

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Bond Retirement and Interest	.0	0	0	.0	0	0	.0	0	0
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Superintendent of Public Instruction	.1	0	38,000	.2	0	76,000	.2	0	76,000
Superintendent of Public Instruction	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Total \$	0.1	0	38,000	0.2	0	76,000	0.2	0	76,000

Estimated Capital Budget Breakout

NONE

Agency Name	2023-25	2025-27	2027-29
	Total	Total	Total
Superintendent of Public Instruction			
Staff	38,000	76,000	76,000
In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.			
Total \$	38,000	76,000	76,000

Prepared by: Kelsey Rote, OFM	Phone: (360) 000-0000	Date Published: Final 3/ 1/2024
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Individual State Agency Fiscal Note

Bill Number: 5344 E SB	Title: School modernization loans	Agency: 010-Bond Retirement and Interest
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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.

Legislative Contact: John Wilson-Tepeli	Phone: 360-786-7115	Date: 02/22/2024
Agency Preparation: Leslie Yonkers	Phone: (360) 902-9024	Date: 02/27/2024
Agency Approval: Leslie Yonkers	Phone: (360) 902-9024	Date: 02/27/2024
OFM Review: Tyler Lentz	Phone: (360) 790-0055	Date: 02/29/2024

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.

Sec. 1 – Establishes a low interest loan program to allow school districts to fund midsize projects using existing resources.

Sec. 2 - Requires the Office of the State Treasurer to administer the modernization loan program, coordinating with the Office of Superintendent of Public Instruction. See the fiscal note from agency 090, Office of the State Treasurer, for additional FTE and miscellaneous costs related to the program.

This bill, by itself, does not have a fiscal impact on agency 010, Bond Retirement and Interest. The bill, by itself, does not authorize new bonds to be issued or provide for bonds to be issued from existing authorizations.

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.

N/A

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.

N/A

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

N/A

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: 5344 E SB	Title: School modernization loans	Agency: 090-Office of State Treasurer
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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	0.8	0.4	1.0	1.0
Account					
State Treasurer's Service Account-State 404-1	0	240,000	240,000	400,000	400,000
Total \$	0	240,000	240,000	400,000	400,000

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: John Wilson-Tepeli	Phone: 360-786-7115	Date: 02/22/2024
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 02/26/2024
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 02/26/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/27/2024

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.

ESB 5344 establishes a school modernization loan program.

The office of the superintendent of public instruction (OSPI), in coordination with the office of the state treasurer, must administer a modernization loan program.

Under section 2(5), the office of the state treasurer (OST) must administer the loans approved by the legislature.

OSPI and OST may adopt rules.

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.

Projected cash flows (loans, interest rates, repayment schedules, etc.) are currently unavailable; therefore, cash receipts are indeterminable.

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.

OST must administer the loans. The loans may not exceed a one percent interest rate or a period of 20 years. Loan repayments must be deposited into the common school construction fund.

Assumptions:

- The first loan will occur after January 8, 2025.
- The legislature and / or OSPI will provide the loan interest rate and loan period when the legislature approves the loan.
- OST will periodically provide a report to OSPI and the legislature related to the outstanding loan balances.

The required staff support will exceed the de minimis level and we will require more resources. This fiscal note reflects our current estimate of one FTE and related dollars, based on the limited program information we have.

Our estimate includes, but not limited to, salaries & benefits, goods & services (equipment, legal fees, etc.), and travel.

For additional information, please refer to the fiscal note for agency 010 submitted by the Office of the State Treasurer.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
404-1	State Treasurer's Service Account	State	0	240,000	240,000	400,000	400,000
Total \$			0	240,000	240,000	400,000	400,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.8	0.4	1.0	1.0
A-Salaries and Wages		80,000	80,000	200,000	200,000
B-Employee Benefits		24,000	24,000	60,000	60,000
C-Professional Service Contracts		80,000	80,000	80,000	80,000
E-Goods and Other Services		50,000	50,000	50,000	50,000
G-Travel		6,000	6,000	10,000	10,000
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	240,000	240,000	400,000	400,000

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
Loan Program Officer	100,000		0.8	0.4	1.0	1.0
Total FTEs			0.8	0.4	1.0	1.0

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.

OSPI and OST may adopt rules.

Individual State Agency Fiscal Note

Bill Number: 5344 E SB	Title: School modernization loans	Agency: 350-Superintendent of Public Instruction
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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:

NONE

Estimated Capital Budget Impact:

	2023-25		2025-27		2027-29	
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Predesign/Design	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Grants/Loans	0	0	0	0	0	0
Staff	0	38,000	38,000	38,000	38,000	38,000
Other	0	0	0	0	0	0
Total \$	0	38,000	38,000	38,000	38,000	38,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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: John Wilson-Tepeli	Phone: 360-786-7115	Date: 02/22/2024
Agency Preparation: TJ Kelly	Phone: 360 725-6301	Date: 02/25/2024
Agency Approval: Michelle Matakas	Phone: 360 725-6019	Date: 02/25/2024
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 02/26/2024

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 1 establishes a low interest loan program to fund midsized capital projects through existing resources rather than paying all project costs up front.

Section 2 (1 and 2) requires, subject to the availability of funds, OSPI to administer a loan program through a grant process to fund a portion of school district capital project costs. OSPI must adopt rules to administer the grant process to include planning grants not to exceed \$75,000.

Section 2(3) requires OSPI to organize and participate in and advisory committee for application evaluation. OSPI must provide administrative support to the evaluation committee.

Section 2 (3 and 4) requires OSPI to submit a list of modernization projects, as prioritized by the advisory committee, to the governor and legislature by January 8, 2025, and every November 1st thereafter. The list must include: (a) A description of the project; (b) the proposed state funding level, not to exceed \$6,000,000 or 10 percent of the amount appropriated for this purpose, whichever is greater; (c) estimated total project costs; and (d) local funding resources used as repayment. Loan funds may be awarded only after the legislature approves the list of projects.

Section 2 (5)(a) requires that loans not exceed a repayment period of 20 years at an interest rate of 1%.

Section 2(6) states that if grant requests submitted under this program are eligible for SCAP, OSPI must expedite and streamline administrative requirements, timelines, and matching requirements.

Grant funds under this section plus state funds provided in SCAP must not exceed total project costs less available local resources.

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.

Indeterminant. State revenue would be equal to the dollar value of the 1% interest payments on the loaned funds that school districts repay the state to go into the common school construction fund.

OSPI would not consider repayment of principal amounts to be state revenue. Loaned funds repaid would be considered a reimbursement of expenditures not a revenue.

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.

none

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

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
113-1	Common School Construction Account	State	0	38,000	38,000	76,000	76,000
Total \$			0	38,000	38,000	76,000	76,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

IV. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.2	0.1	0.2	0.2
A-Salaries and Wages		23,700	23,700	47,400	47,400
B-Employee Benefits		11,600	11,600	23,200	23,200
C-Professional Service Contracts					
E-Goods and Other Services		1,300	1,300	2,600	2,600
G-Travel		1,400	1,400	2,800	2,800
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	38,000	38,000	76,000	76,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

Construction Estimate	FY 2024	FY 2025	2023-25	2025-27	2027-29
Predesign/Design					
Construction					
Grants/Loans					
Staff		38,000	38,000	76,000	76,000
Other					
Total \$		38,000	38,000	76,000	76,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Asssistant Director	110,601		0.1	0.1	0.1	0.1
Director	126,800		0.1	0.1	0.1	0.1
Total FTEs			0.2	0.1	0.2	0.2

Indeterminant as the bill is subject to appropriation. State expenditures would equal loaned funds plus additional OSPI costs to administer the grant program.

OSPI assumes to perform the work in section 2 of the bill would require a 0.1 FTE Supervisor and a 0.1 FTE Director, which would include organization of, participation in, and reporting to the legislature regarding the results from the advisory committee. Estimated OSPI staffing cost of section 2 is \$38,000 ongoing beginning with fiscal year 2025.

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: 5344 E SB	Title: School modernization loans	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:

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.

Legislative Contact: John Wilson-Tepeli	Phone: 360-786-7115	Date: 02/22/2024
Agency Preparation: TJ Kelly	Phone: (360) 725-6301	Date: 02/25/2024
Agency Approval: Michelle Matakas	Phone: 360 725-6019	Date: 02/25/2024
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 02/26/2024

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 1 establishes a low interest loan program to fund midsized capital projects through existing resources rather than paying all project costs up front.

Section 2(1) and (2) requires, subject to the availability of funds, OSPI to administer a loan program through a grant process to fund a portion of school district capital project costs. OSPI must adopt rules to administer the grant process to include planning grants not to exceed \$75,000.

Section 2(3) requires OSPI to organize and participate in and advisory committee for application evaluation. OSPI must provide administrative support to the evaluation committee.

Section 2(3) and (4) requires OSPI to submit a list of modernization projects, as prioritized by the advisory committee, to the governor and legislature by January 8, 2025, and every November 1st thereafter. The list must include: (a) A description of the project; (b) the proposed state funding level, not to exceed \$6,000,000 or 10 percent of the amount appropriated for this purpose, whichever is greater; (c) estimated total project costs; and (d) local funding resources used as repayment. Loan funds may be awarded only after the legislature approves the list of projects.

Section 2 (5)(a) requires loans not exceed a repayment period of 20 years at an interest rate of 1%.

Section 2(6) states that if grant requests submitted under this program are eligible for SCAP, OSPI must expedite and streamline administrative requirements, timelines, and matching requirements.

Grant funds under this section plus state funds provided in SCAP must not exceed total project costs less available local resources.

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.

Indeterminant as it is subject to appropriations.

OSPI cannot reasonably project the demand on funds nor the rate of application to secure funds.

School district revenue would be equal to the amount of funds granted or loaned out under the program established in the bill.

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.

Indeterminant as it is subject to appropriations.

School district expenditures would equal staff time and effort for electing to pursue these funds through the process established by the grant funds.

Expenditures would also equal the interest payments of the funds repaid. The principal payments would not be a net new expenditure to districts as they would be offset by the revenue provided via the program established in the bill.

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.