

Multiple Agency Fiscal Note Summary

Bill Number: 1436 E S HB AMS EDU S2545.1	Title: Special education funding
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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		10,000,000		10,000,000		10,000,000
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
Joint Legislative Audit and Review Committee	Fiscal note not available											
Office of State Auditor	1.8	0	0	1,522,880	.0	0	0	0	.0	0	0	0
Superintendent of Public Instruction	.0	10,000,000	10,000,000	10,000,000	.0	10,000,000	10,000,000	10,000,000	.0	10,000,000	10,000,000	10,000,000
Total \$	1.8	10,000,000	10,000,000	11,522,880	0.0	10,000,000	10,000,000	10,000,000	0.0	10,000,000	10,000,000	10,000,000

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			10,000,000			10,000,000			10,000,000
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
Joint Legislative Audit and Review Committee	Fiscal note not available								
Office of State Auditor	.0	0	0	.0	0	0	.0	0	0
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

Estimated Capital Budget Breakout

NONE

Prepared by: Val Terre, OFM	Phone: (360) 280-3973	Date Published: Final 4/ 3/2023
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Individual State Agency Fiscal Note

Bill Number: 1436 E S HB AM; EDU S2545.1	Title: Special education funding	Agency: 095-Office of State Auditor
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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
FTE Staff Years	3.3	0.3	1.8	0.0	0.0
Account					
Performance Audits of Government Account-Non-Appropriated 553 -6	1,168,050	354,830	1,522,880	0	0
Total \$	1,168,050	354,830	1,522,880	0	0

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: Kayla Hammer	Phone: 360-786-7400	Date: 03/29/2023
Agency Preparation: Charleen Patten	Phone: 564-999-0941	Date: 03/31/2023
Agency Approval: Janel Roper	Phone: 564-999-0820	Date: 03/31/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 03/31/2023

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(1) requires the SAO to work with the Joint Legislative Audit & Review Committee (JLARC) and the review committee to conduct a performance audit of the state's system of providing special education services to students with disabilities.

Section 2(1) (a)-(f) Outlines the audit and report criteria. Based on discussions with JLARC, the State Auditor would be responsible for addressing the following:

2(a) Whether or not funding for evaluating and serving students with disabilities reflects the prevalence of disabilities in the state.

2(f) How the state could improve its recruitment and retention efforts for teachers, aides, and paras that serve students with disabilities.

Section 2(2) Provides authority for SAO to audit a sample of school districts as needed.

Section 2(4) Allows for the SAO to have access to records for this evaluation. Requires state or local governments to provide those records within 4 months of the initial request unless notification is made within 21 days of the request that the request does not comply with the federal educational rights and privacy act.

Section 2(5) Requires the designations of lead agency for the audit and report be provided to the governor and the committees of the legislature by December 31, 2023.

Section 2(6) requires a report to the governor and committees by November 30, 2024.

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 work would be funded through the Performance Audits of Government Account which relies on a dedicated portion of sales tax revenue. Therefore, no cash receipts impact is estimated.

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.

This legislation would require contract expertise to complete Section 6(a) and Section 6(f) would be conducted using FTEs.

We estimate the cost for a contractor would be \$1 million to perform the work required in Section 6(a). Contractors would need to have expertise in conducting research on special education issues, in particular (e.g. the Haring Center for Inclusive Education at the University of Washington) or the social sciences. We consulted with JLARC staff to develop the estimated contract cost. It is based on a recommendation for DSHS to do a prevalence study for mental illness, including how many people enrolled in medical assistance compared to prevalence estimates of people with mental illnesses. The legislature allocated \$500,000 for this study in 2001 which would be about \$1 million in today's dollars. Overhead is factored on top of the contract estimate for SAO contract oversight. The work for this section of the legislation is estimated to be performed 70% during Fiscal Year 2024 and the remainder in Fiscal Year 2025.

2,500 SAO staff hours is estimated to complete the work outlined in Section 6(f). This includes 800 hours each for two staff at the performance auditor level, 800 hours for a senior performance auditor and 100 hours of oversight for a principal performance auditor. This reflects our management team's estimation of the time it would take to conduct a performance audit to perform the required evaluation. This portion of work would be completed during Fiscal Year 2024.

All work required in this bill would be one-time.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
553-6	Performance Audits of Government Account	Non-Appropriated	1,168,050	354,830	1,522,880	0	0
Total \$			1,168,050	354,830	1,522,880	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	3.3	0.3	1.8		
A-Salaries and Wages	311,075	35,640	346,715		
B-Employee Benefits	100,975	13,190	114,165		
C-Professional Service Contracts	700,000	300,000	1,000,000		
E-Goods and Other Services	56,000	6,000	62,000		
G-Travel					
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 \$	1,168,050	354,830	1,522,880	0	0

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
Management/Oversight	72,000	1.2	0.3	0.8		
Performance Audit Principal	129,000	0.1		0.1		
Performance Audit Senior	116,184	0.7		0.4		
Performance Auditor	101,052	1.3		0.7		
Total FTEs		3.3	0.3	1.8		0.0

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.

Individual State Agency Fiscal Note

Bill Number: 1436 E S HB AM; EDU S2545.1	Title: Special education funding	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:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
Account					
General Fund-State 001-1	5,000,000	5,000,000	10,000,000	10,000,000	10,000,000
Total \$	5,000,000	5,000,000	10,000,000	10,000,000	10,000,000

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: Kayla Hammer	Phone: 360-786-7400	Date: 03/29/2023
Agency Preparation: Michelle Matakas	Phone: 360 725-6019	Date: 04/03/2023
Agency Approval: TJ Kelly	Phone: 360 725-6301	Date: 04/03/2023
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 04/03/2023

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.

Strikes all provisions except those that:

- 1) Direct OSPI to annually review data to ensure there is not a disproportionate identification of students;
- 2) Require OSPI to provide technical assistance to school districts experiencing issues related to disproportionality and make professional development opportunities available to promote inclusionary teaching practices.
- 3) Require JLARC and the State Auditor to conduct a performance audit of the state's system of providing special education.

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.

Section 1 (2): OSPI assumes to continue the work currently being funded by proviso in the 2021-23 biennium in technical assistance maintaining inclusionary practices defined in this bill in section 1 (2). To maintain this work, OSPI assumes it will need continued funding of \$5 million per year.

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	5,000,000	5,000,000	10,000,000	10,000,000	10,000,000
Total \$			5,000,000	5,000,000	10,000,000	10,000,000	10,000,000

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	5,000,000	5,000,000	10,000,000	10,000,000	10,000,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	5,000,000	5,000,000	10,000,000	10,000,000	10,000,000

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.

Individual State Agency Fiscal Note

Bill Number: 1436 E S HB AM; EDU S2545.1	Title: Special education funding	Agency: SDF-School District Fiscal Note - SPI
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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	5,000,000	5,000,000	10,000,000	10,000,000	10,000,000
Total \$	5,000,000	5,000,000	10,000,000	10,000,000	10,000,000

Estimated Operating Expenditures from:

Account	FY 2024	FY 2025	2023-25	2025-27	2027-29
school district local-Private/Local new-7	5,000,000	5,000,000	10,000,000	10,000,000	10,000,000
Total \$	5,000,000	5,000,000	10,000,000	10,000,000	10,000,000

Estimated Capital Budget Impact:

NONE

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Legislative Contact: Kayla Hammer	Phone: 360-786-7400	Date: 03/29/2023
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Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

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Strikes all provisions except those that:

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- 2) Require OSPI to provide technical assistance to school districts experiencing issues related to disproportionality and make professional development opportunities available to promote inclusionary teaching practices.
- 3) Require JLARC and the State Auditor to conduct a performance audit of the state's system of providing special education.

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 will equal state 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.

Section 1 (2): OSPI assumes to continue the work currently being funded by proviso in the 2021-23 biennium in technical assistance maintaining inclusionary practices defined in this bill in section 1 (2). To maintain this work, OSPI assumes it will need continued funding of \$5 million per year.

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	5,000,000	5,000,000	10,000,000	10,000,000	10,000,000
Total \$			5,000,000	5,000,000	10,000,000	10,000,000	10,000,000

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	5,000,000	5,000,000	10,000,000	10,000,000	10,000,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	5,000,000	5,000,000	10,000,000	10,000,000	10,000,000

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.