

Multiple Agency Fiscal Note Summary

Bill Number: 5237 S SB	Title: Education law noncompliance
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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 Administrative Hearings	0	0	132,000	0	0	176,000	0	0	176,000
Office of Administrative Hearings	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Total \$	0	0	132,000	0	0	176,000	0	0	176,000

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI	Fiscal note not available					
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
Office of Administrative Hearings	.4	0	0	132,000	.6	0	0	176,000	.6	0	0	176,000
Office of Administrative Hearings	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Superintendent of Public Instruction	Fiscal note not available											
Total \$	0.4	0	0	132,000	0.6	0	0	176,000	0.6	0	0	176,000

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	Fiscal note not available								
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
Office of Administrative Hearings	.0	0	0	.0	0	0	.0	0	0
Superintendent of Public Instruction	Fiscal note not available								
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	Fiscal note not available								
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

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Individual State Agency Fiscal Note

Bill Number: 5237 S SB	Title: Education law noncompliance	Agency: 110-Office of Administrative Hearings
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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
Administrative Hearings Revolving Account-State 484-1	44,000	88,000	132,000	176,000	176,000
Total \$	44,000	88,000	132,000	176,000	176,000

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

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	0.6	0.4	0.6	0.6
Account					
Administrative Hearings Revolving Account-State 484-1	44,000	88,000	132,000	176,000	176,000
Total \$	44,000	88,000	132,000	176,000	176,000

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.

Legislative Contact: Ailey Kato	Phone: 786-7434	Date: 01/30/2023
Agency Preparation: Pete Boeckel	Phone: 360-407-2730	Date: 02/21/2023
Agency Approval: Deborah Feinstein	Phone: 360-407-2717	Date: 02/21/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/21/2023

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.

Costs identified in this fiscal note include indeterminate costs that are middle-range projections of plausible needs (five appeals per FY).

Section 5 sets out what must take place when the Office of the Superintendent of Public Instruction (OSPI) investigates a complaint of alleged noncompliance with state laws by a local school district superintendent, board of directors, or individual board member, and finds willful noncompliance. In addition to public hearings that must take place relative to the willful noncompliance, OSPI may impose consequences. These consequences include (a) requiring the school district to adopt or readopt legally compliant policies and procedures, (b) holding the local superintendent accountable for unprofessional conduct, and (c) withholding and redirecting a percentage of the subject school district's state funds. Under this section, the complainant or school district may file with OSPI a notice of appeal to OSPI's final decision. This appeal will go to the Office of Administrative Hearings for hearing and final order, which is appealable to Superior Court.

Work activities associated with the enactment of this bill are assumed to begin on January 1, 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.

Indeterminate cash receipts.

As a central service agency, the Office of Administrative Hearings (OAH) bills referring agencies for its costs and collects the revenue into the Administrative Hearings Revolving Account. Cash receipts are assumed to equal costs. OAH will bill the Office of the Superintendent of Public Instruction for the costs related to this proposed legislation.

These cash receipts represent the OAH's authority to bill and are not a direct appropriation to OAH. Appropriation authority is necessary in OAH's budget.

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.

Indeterminate expenditure impact.

The Office of the Superintendent of Public Instruction (OSPI) estimates that the proposed legislation will result in an indeterminate number of new appeals being referred to the Office of Administrative Hearings (OAH) per fiscal year beginning in January 2024. On average, each appeal is expected to take approximately 85 hours of line Administrative Law Judge (ALJ) time including prehearing conferences, hearings, order writings, etc.

OAH Agency Workforce Assumptions:

- (1) The Governors proposed COLA increases in FY2024 and FY2025, and Collective Bargaining Agreement increases are not included in agency cost projections. Additional funding is required if these proposals are enacted.
- (2) Ratio of 1.0 FTE line ALJ to 0.15 Senior ALJ (SALJ), to 0.6 Legal Assistant 2 (LA2) (Range 40 step L), to 0.25 administrative support Management Analyst 5 (MA5) (Range 64 Step L).
- (3) ALJ salary is based on the ALJ collective bargaining agreement and assumed to be at step L. (Line ALJ-range 70. Senior ALJ-range 74.)

- (4) Benefit rates were analyzed by job class and projected using the latest benefit information available.
- (5) Goods and services, travel and on-going capital outlays were projected based on historical data for each of the job classifications.

There will be a ramp-up period while OSPI receives and investigates complaints and issues appealable decisions. Appeals may conceivably arrive by the beginning in January 2024.

Total workload impact:

Referred appeals per year may be as low as one (\$34,000 per FY) or estimated to be as high as 10 (\$177,000 per FY). This is indeterminate.

Costs identified in this fiscal note include indeterminate costs that are middle-range projections of plausible needs (five appeals per FY - \$88,000).

Appeals associated with the enactment of this bill are assumed to begin January, 2024.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
484-1	Administrative Hearings Revolving Account	State	44,000	88,000	132,000	176,000	176,000
Total \$			44,000	88,000	132,000	176,000	176,000

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	0.2	0.6	0.4	0.6	0.6
A-Salaries and Wages	27,000	53,000	80,000	106,000	106,000
B-Employee Benefits	9,000	18,000	27,000	36,000	36,000
C-Professional Service Contracts					
E-Goods and Other Services	8,000	15,000	23,000	30,000	30,000
G-Travel		1,000	1,000	2,000	2,000
J-Capital Outlays		1,000	1,000	2,000	2,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	44,000	88,000	132,000	176,000	176,000

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
Administrative Law Judge	106,152	0.2	0.3	0.2	0.3	0.3
Legal Asistant 2	50,592	0.1	0.2	0.1	0.2	0.2
Management Analyst 5	91,524		0.1	0.0	0.1	0.1
Senior Administrative Law Judge	117,168		0.1	0.0	0.1	0.1
Total FTEs		0.2	0.6	0.4	0.6	0.6

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Regulatory & Education (REG)	44,000	88,000	132,000	176,000	176,000
Total \$	44,000	88,000	132,000	176,000	176,000

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.