

Individual State Agency Fiscal Note

Bill Number: 2595 HB	Title: Comm & tech college salaries	Agency: 699-Community/Technical College System
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
Fund					
General Fund-State 001-1	0	2,400,000	2,400,000	5,257,000	5,341,000
Total \$	0	2,400,000	2,400,000	5,257,000	5,341,000

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

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

This bill states in Section 1 that it is the intent of the legislature that state appropriations be adjusted to an amount which, together with faculty turnover savings, provides a fair and equitable funding of faculty salary increments for state-funded academic employees.

Definitions included in this bill:

- "Associated benefits" - means those compensation benefits that are based on a percent of an employee's salary, such as retirement and old age survivors insurance;
- "Academic employee" means any teacher, counselor, librarian, or department head, who is employed by any college district, whether full or part-time, with the exception of the chief administrative officer or, and any administrator in, each college district;
- "General salary increase" means the salary adjustment granted by the legislature for cost-of-living increases as provided in RCW 28B.50.465;
- "Increments" means an increase in the base salary of an academic employee. Increments may be based on time, such as completing another year of employment, completing specific requirements, such as certification, or a combination of time and requirements;
- "Turnover savings" is the ongoing permanent difference between the compensation level of an academic employee who is no longer employed and the compensation level of the academic employee replacement. Turnover savings exclude temporary savings such as vacant positions or academic employees on leave, reassignment, or sabbatical.
- "Salary base" is the prior year's total expenditures for all academic employees' ending salary levels.

Section 3 requires the state board for community and technical colleges to submit in its biennial budget an amount of funds, which together with faculty turnover savings, is sufficient to cover the projected costs of increments for the community and technical college system. The basis for the biennial budget request shall be eight-tenths on one percent of the academic employees' salary base plus the value of associated benefits.

Section 4(1) states that community and technical college boards of trustees shall award faculty salary increments based on local agreements.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

This bill states that:

- The state board for community and technical colleges shall submit in its biennial budget request an amount of funds, which together with faculty turnover savings, is sufficient to cover the projected costs of increments for the community and technical college system,
- The basis for the biennial budget request shall be eight-tenths of one percent of the academic employees' salary base plus the value of associated benefits
- The state board for community and technical colleges shall determine the method of allocating to the community and technical colleges the appropriations granted for academic employee increments.

The following was used in the calculation of the cost for academic employee increments:

- To fully fund increments earned for full- and part-time faculty the community and technical colleges would have needed .8% of the salary/benefit base (adjusted for turnover savings).
- Included prior years' increment amounts to the following year's salary/benefit base for increment cost calculations.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years					
A-Salaries and Wages		2,054,400	2,054,400	4,295,400	4,571,900
B-Employee Benefits		345,600	345,600	722,600	769,100
C-Personal Service Contracts					
E-Goods and Services					
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					
Total:	\$0	\$2,400,000	\$2,400,000	\$5,018,000	\$5,341,000

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.