

Multiple Agency Fiscal Note Summary

Bill Number: 1777 HB	Title: Early learning financing
-----------------------------	--

Estimated Cash Receipts

Agency Name	2017-19		2019-21		2021-23	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Department of Commerce	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Total \$	0	0	0	0	0	0

Estimated Expenditures

Agency Name	2017-19			2019-21			2021-23		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Superintendent of Public Instruction	.0	0	0	.0	0	0	.0	0	0
Department of Early Learning	1.0	273,418	273,418	1.0	267,418	267,418	1.0	267,418	267,418
Total	1.0	\$273,418	\$273,418	1.0	\$267,418	\$267,418	1.0	\$267,418	\$267,418

Local Gov. Courts *									
Loc School dist-SPI	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Other **									
Local Gov. Total									

* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 47018

FNS029 Multi Agency rollup

Estimated Capital Budget Impact

Agency Name	2017-19		2019-21		2021-23	
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Department of Commerce						
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	13,150,000	13,150,000	22,087,000	22,087,000	5,796,000	5,796,000
Department of Early Learning						
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	0	0	0	0	0
School District Fiscal Note - SPI	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Superintendent of Public Instruction						
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total \$	\$13,150,000	\$13,150,000	\$22,087,000	\$22,087,000	\$5,796,000	\$5,796,000

Prepared by: Myra Baldini, OFM	Phone: (360) 902-0525	Date Published: Final 2/ 8/2017
--------------------------------	-----------------------	---------------------------------

* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note
FNPID: 47018

Individual State Agency Fiscal Note

Bill Number: 1777 HB	Title: Early learning financing	Agency: 090-Office of State Treasurer
-----------------------------	--	--

Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated 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: Alrick Arthur	Phone: 360-786-7113	Date: 01/30/2017
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 02/02/2017
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 02/02/2017
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 02/02/2017

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.

HB 1777 creates the early learning facilities revolving account, coupled with the general fund as the recipient of the earnings from investments.

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.

Projected cash flows are currently unavailable; therefore, estimated earnings from investments are indeterminable. Earnings for an account are a function of the average daily balance of the account and the earnings rate of the investment portfolio. Two accounts with the same overall level of receipts, disbursements, and transfers can have different average daily balances, and hence different earnings. Based on the November 2016 revenue forecast, assume approximately \$6,800 in FY 18, \$16,800 in FY 19, \$26,800 in FY 20 and \$29,300 in FY 21 in net earnings would be gained or lost annually for every \$1 million shift in average daily cash balances.

There may be an impact on the debt service limitation calculation. Any change to the earnings credited to the general fund will change, by an equal amount, general state revenues.

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.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

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.

Individual State Agency Fiscal Note

Bill Number: 1777 HB	Title: Early learning financing	Agency: 103-Department of Commerce
-----------------------------	--	---

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

	2017-19		2019-21		2021-23	
	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
Acquisition	\$0.00	0	0	0	0	0
Construction	\$0.00	0	0	0	0	0
Other	\$13,150,000.00	13,150,000	22,087,000	22,087,000	5,796,000	5,796,000
Total \$	\$13,150,000.00	\$13,150,000	\$22,087,000	\$22,087,000	\$5,796,000	\$5,796,000

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.

Legislative Contact:	Alrick Arthur	Phone: 360-786-7113	Date: 01/30/2017
Agency Preparation:	Martin McMurry	Phone: 360-725-2710	Date: 02/08/2017
Agency Approval:	Martin McMurry	Phone: 360-725-2710	Date: 02/08/2017
OFM Review:	Myra Baldini	Phone: (360) 902-0525	Date: 02/08/2017

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.

Section 4

The department, in consultation with the Department of Early Learning (DEL) shall oversee the early learning facilities revolving account (ELFRA) and is the lead in program development. Program administration costs shall not exceed four percent in over two consecutive fiscal years (FY). State funds can only be committed only after private match funds are committed.

Sections 5 and 6

The department must spend funds (grants or loans) to provide classrooms for children that participate in the early childhood education and assistance program (ECEAP) and working connections childcare (WCCC).

The department is required to contract with nongovernmental private-public partnerships (NGPPs) certified by community development financial institutions (CDFIs). Certain restrictions apply.

The department is required to monitor the performance of the program. Any NGPPs certified by CDFIs must report annually to the department beginning in FY 2019. Reporting requirements apply.

Additionally, other eligible organizations that can only receive funds include:

Non-profit ECEAP and WCCC providers; licensed non-profit early learning centers not currently participating in ECEAP and WCCC, but intending to do so; non-profit developers of housing and community facilities; school districts, educational service districts (ESDs); federally recognized tribes in the state, and community and technical colleges.

Projects receiving certain funding levels for purposes outlined in this section of the bill determine the minimum requirement a facility must remain an early learning facility ranging between 10 – 20 years.

The department in consultation with DEL shall adopt rules.

Section 8

The department shall submit a ranked and prioritized of major projects for school districts based on methodology prescribe in Section 9 of the bill. The department must provide the list to the Office of Financial Management (OFM) and relevant legislative communities by September 15, 2017.

Section 9

The department shall convene a committee that includes representatives from DEL, the Washington State Housing Finance Commission (WSHFC), a CDFI, and the Office of the Superintendent of Public Instruction (OSPI) to advise the department of the prioritization methodology prescribed in this section of the bill.

Section 11

The bill includes a null and void clause should the 2017-2019 capital budget not include an appropriation.

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.

Section 5(1) - The cash receipt impact is indeterminate. The department assumes loan repayments, but cannot estimate how many loans would be awarded at this time.

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.

See part 4. The department assumes program administration and grant/loan expenditures will be made in the capital budget.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

Part IV: Capital Budget Impact

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

Construction Estimate	FY 2018	FY 2019	2017-19	2019-21	2021-23
Acquisition					
Construction					
Other	13,150,000	13,150,000	26,300,000	44,174,000	11,592,000
Total \$	13,150,000	13,150,000	26,300,000	44,174,000	11,592,000

PROGRAM ADMINISTRATION

Sections 4, 5 and 6 - \$800,000 for 2017-2019
2.0 FTE Commerce Specialist 3 (CS3)
0.5 FTE Commerce Specialist 5 (CS5)

The department assumes this bill is substantially similar to the proposed 2017-2019 Capital Budget. The following duties assume approximately 120 projects initiated in the 2017-2019 biennium:

Duties include producing program guidelines and maintaining frequently asked questions (522 hours, CS3);

Establishing and maintaining the online application process using existing online tools (174 hours CS3);

Updating existing or establishing new rules (522 hours CS3 FY18 only);

Establishing a competitive application and award process (174 hours (CS3); this includes establishing the protocols for prospective contracts with CDFIs;

Developing, negotiating contracts and other documents (2,088 hours CS3);

Managing contracts, and providing technical assistance (1,044 hours CS3); and

Providing ongoing fiscal management, including underwriting projects with loans, providing loan management expertise to assess risk and financial viability of prospective organizations (522 hours CS3);

Providing ongoing fund management, including portfolio management and predictive modeling, loan repayments, and fund reporting to OFM and legislative staff (522 hours CS3);

Supervision, policy development, monitoring performance and report development (1,044 hours CS5);

The department assumes ongoing consultation with DEL will require DEL to assign a staff member to consult with the department. Those estimates are not assumed in this note.

Sections 8 and 9 - \$80,000 for 2017-2019
0.5 FTE Commerce Specialist 5

The department shall convene and coordinate at least one meeting each FY to establish a list of prospective early learning facility projects and to produce a final ranked list. Additional meetings may take place to accomplish this task. A department representative will serve as the liaison between member agencies and serve as the point of contact to DEL (1,044 hours CS5).

Note: the department may need to consider an interagency agreement, or assume a separate appropriation is made to DEL out of the ELFR account, or another fund such as General Fund State, for their portion of administration. These costs are not assumed in this note.

Total program administration costs (3.3% of total cost in 2017-2019):

2017-2019 - \$880,000 | 3.0 FTE
2019-2021 - \$784,000 | 3.0 FTE

CAPITAL GRANTS and LOANS

Sections 4,5 and 6:

Pursuant in section 5(1), the department assumes both loans and grants would be awarded, however, the number of each is unknown at this time. As noted in Cash Receipts, the level of loan repayments indeterminate. The following illustrates the estimated number of projects, and estimated costs associated with those projects.

Including program administration, total state investments during this timeframe are as follows:

2017-2019 – \$26.3 million
2019-2021 – \$44.2 million
2021-2023 – \$11.6 million

Additionally, the department assumes a 40% local match (illustration only, match estimates not included in this fiscal note):

2017-2019 – \$14.1 million
2019-2021 – \$24.3 million
2021-2023 – \$4.6 million

Total number of projects initiated:

2017-2019 – 84 estimated projects initiated
2019-2021 – 144 estimated projects initiated
2021-2023 – 12 estimated projects initiated

Total: 240 projects

Project type (estimated):

Minor health and safety – 40 projects estimated

Tenant improvements – 112 projects estimated

New construction – 88 projects estimated

Including all funds, match and state investment, the department assumes the following ECEAP slots to be addressed:

FY2018 – 180

FY2019 – 1,440

FY2020 – 1,440

FY2021 – 360

FY2022 – 180

Total 3,600

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.

The department, in consultation with DEL, shall adopt rules that direct the program to define funding criteria and the processes by which awards are made. The department will define governance in awarding contracts to CDFIs.

Individual State Agency Fiscal Note

Bill Number: 1777 HB	Title: Early learning financing	Agency: 350-Superintendent of Public Instruction
-----------------------------	--	---

Part I: Estimates

☒ No Fiscal Impact

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: Alrick Arthur	Phone: 360-786-7113	Date: 01/30/2017
Agency Preparation: Randy Newman	Phone: 360 725-6267	Date: 02/05/2017
Agency Approval: Casey Moore	Phone: 360 725-6261	Date: 02/05/2017
OFM Review: Justin Rogers	Phone: (360) 902-3068	Date: 02/07/2017

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.

Section 4 – Creates the early learning facilities revolving accounting to provide matching funds for the planning, renovation, and construction of early learning facilities established in sections 5 and 9 of the bill.

Section 5 – Identifies school districts as one of the eligible organizations to receive grant or loan funding.

Section 7 – Defines the activities of school districts which can be funded from the early learning facilities revolving account. Activities include, major construction and renovation grants or loans which cannot exceed eight hundred thousand dollars (\$800,000) to create or expand early learning facilities that received priority ranking as described in section 9.

Section 9 establishes a committee of early learning experts to advise the department of commerce regarding a prioritization methodology for projects to be funded. The office of superintendent of public instruction (OSPI) will have one representative serve on the committee.

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.

No fiscal impact to OSPI's cash receipts.

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.

No fiscal impact to OSPI's operating budget.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE

Section 9 requires the Department of Commerce to convene a committee of early learning facilities experts to advise the department regarding the prioritization methodology of grant applications for funding.

OSPI assumes the participation on this committee will be minimal and the agency could absorb the cost of membership within its existing capital administration funding.

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.

No new rule making required.

Individual State Agency Fiscal Note

Revised

Bill Number: 1777 HB	Title: Early learning financing	Agency: 357-Department of Early Learning
-----------------------------	--	---

Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
Account					
General Fund-State 001-1	139,709	133,709	273,418	267,418	267,418
Total \$	139,709	133,709	273,418	267,418	267,418

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: Alrick Arthur	Phone: 360-786-7113	Date: 01/30/2017
Agency Preparation: Christopher Stanley	Phone: (360) 725-4388	Date: 02/07/2017
Agency Approval: Christopher Stanley	Phone: (360) 725-4388	Date: 02/07/2017
OFM Review: Justin Rogers	Phone: (360) 902-3068	Date: 02/08/2017

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.

Sec. 2 requires DEL, in collaboration with stakeholders, to review existing licensing standards related to facility requirements to eliminate potential barriers to licensing while ensuring the health and safety of children in early learning programs. This section has no incremental fiscal impact because DEL is currently doing this work as a result of the provisions of the Early Start Act.

Sec. 4(2)(b) requires DEL to work in consultation with the Department of Commerce regarding the administration of the early learning facilities grant and loan program.

Sec. 6(3)(c) requires DEL to work with the Department of Commerce to adopt rules related to Section 6(3).

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.

None.

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.

Sections 4 and 6.

FTE, Salary and Benefits: 1.0 FTE (approximately 2,000 hours) Program Specialist 5 (PS5) costing \$95,762 in each of fiscal years 2018 through 2023. This position will be responsible for the following:

Program Liaison: To serve as the program's public liaison and consult with Commerce on the administration of the early learning facilities grant and loan program; develop and submit grant applications and funding proposals to government and private funding institutions; prepare and give program presentations throughout Washington State and out-of-state; help design, prepare and distribute program promotional materials (such as publications, web, multi-media), identify and provide in-kind consulting with local government, private, non-profit, religious, and other public organizations that want to participate in the program and/or have existing facilities to convert into early learning centers; and attend program related conferences.

Staffing and coordinating fund grant and loan program committee activities: Meet with the five committee members and stakeholders on an on-going basis, schedule committee meetings, prepare meeting documents, produce meeting agendas, and take and publish minutes.

Developing program policy: Provide guidance regarding DEL standards and rules in facilities development; study and keep current on industry practices and standards; draft all program policies and procedures.

Coordinating with Commerce on program activities: Work with Commerce program staff to understand related program practices; coordinate with DEL Licensing staff on identifying needed immediate health and safety improvements; assist with managing overall program finances; enhance DEL's ability to identify capacity needs in specific geographic areas; and monitor compliance with requirements for grant recipients to maintain active

participation in the Early Achievers program.

Rule-making process: Draft program rules; vet rule proposals with external subject matter experts as part of the development process; act as the program's subject matter expert on all program rules; answering questions; and attend rule-making meetings and hearings.

Goods and Services: \$1,250 in each of fiscal years 2018-2023 for direct goods and services for the PS5, including supplies and materials, communications, training and computer lease.

Travel: \$5,000 in each of fiscal years 2018-2023 for statewide travel to provide technical assistance and consultation to early learning providers and community partners seeking assistance in utilizing the Child Care Facilities Fund program.

Equipment: A one-time expenditure of \$6,000 in fiscal year 2018 for necessary office furniture and equipment for the PS5.

Intra-agency reimbursements: \$31,697 in each of fiscal years 2018-2023 for indirect costs for agency administration and central services, calculated at 33.1 percent of direct salaries and benefits ($\$95,762 \times 33.1\% = \$31,697$). This is for administration and management of the department including governance, executive management, fiscal operations, human resources, communications and outreach, government relations and agency information technology services. It is also for agency central services including space and utilities, data processing fees and computer leases, communications, attorney general and audit services and other mandatory charges for other services.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
A-Salaries and Wages	71,317	71,317	142,634	142,634	142,634
B-Employee Benefits	24,445	24,445	48,890	48,890	48,890
C-Professional Service Contracts					
E-Goods and Other Services	1,250	1,250	2,500	2,500	2,500
G-Travel	5,000	5,000	10,000	10,000	10,000
J-Capital Outlays	6,000		6,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	31,697	31,697	63,394	63,394	63,394
9-					
Total:	\$139,709	\$133,709	\$273,418	\$267,418	\$267,418

III. B - 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 2018	FY 2019	2017-19	2019-21	2021-23
Program Specialist 5	71,317	1.0	1.0	1.0	1.0	1.0
Total FTE's	71,317	1.0	1.0	1.0	1.0	1.0

Part IV: Capital Budget Impact

None.

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.

Section 6 requires rulemaking, expenditures for which are assumed above under the costs for the PS5.

Individual State Agency Fiscal Note

Bill Number: 1777 HB	Title: Early learning financing	Agency: SDF-School District Fiscal Note - SPI
-----------------------------	--	--

Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

Estimated Capital Budget Impact:

Non-zero but indeterminate cost. 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: Alrick Arthur	Phone: 360-786-7113	Date: 01/30/2017
Agency Preparation: Randy Newman	Phone: 360 725-6267	Date: 02/05/2017
Agency Approval: Casey Moore	Phone: 360 725-6261	Date: 02/05/2017
OFM Review: Justin Rogers	Phone: (360) 902-3068	Date: 02/07/2017

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.

Section 4 – Creates the early learning facilities revolving accounting to provide matching funds for the planning, renovation, and construction of early learning facilities established in sections 5 and 9 of the bill.

Section 5 – Identifies school districts as one of the eligible organizations to receive grant or loan funding.

Section 7 – Defines the activities of school districts which can be funded from the early learning facilities revolving account. Activities include, major construction and renovation grants or loans which cannot exceed eight hundred thousand dollars (\$800,000) to create or expand early learning facilities that received priority ranking as described in section 9.

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.

The fiscal impact to local school districts cash receipts is indeterminate because it’s not known how many districts will apply for grant funds, and the amount available for grants funds. In addition, it’s unknown how the required matching funds will be calculated.

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.

School district who receive grant funding from the proposed grant program will incur costs of operating (utilities, custodial, buildings and grounds, and other costs) associated with these new facilities and its assumed funding provided for the education of the early learning students will be sufficient to cover these costs.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE

Non-zero but indeterminate cost. Please see discussion.

The fiscal impact to local school district capital budgets is indeterminate because it’s not known how many districts will apply for grant funds, and the amount available for grants funds. In addition, it’s unknown how the required matching funds will be calculated.

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.

No new rule making required.