

Multiple Agency Fiscal Note Summary

Bill Number: 2256 2S HB	Title: Family prosperity act
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Estimated Cash Receipts

Agency Name	2007-09		2009-11		2011-13	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost. Please see discussion."					
Total \$	0	0	0	0	0	0

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

Estimated Expenditures

Agency Name	2007-09			2009-11			2011-13		
	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 Community, Trade, and Economic Development	2.6	0	1,500,000	2.7	0	1,500,000	2.7	0	1,500,000
Department of Social and Health Services	1.6	237,000	237,000	1.6	232,000	232,000	1.6	232,000	232,000
Total	4.2	\$237,000	\$1,737,000	4.3	\$232,000	\$1,732,000	4.3	\$232,000	\$1,732,000

Local Gov. Courts *									
Local Gov. Other **									
Local Gov. Total									

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Prepared by: Mike Woods, OFM	Phone: 360-902-9819	Date Published: Final 3/14/2007
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 17305

Individual State Agency Fiscal Note

Bill Number: 2256 2S HB	Title: Family prosperity act	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. Please see discussion.

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
Fund					
Total \$					

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:	Phone:	Date: 03/06/2007
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 03/07/2007
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 03/07/2007
OFM Review: Theo Yu	Phone: 360-902-0548	Date: 03/07/2007

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.

2SHB 2256 creates the family prosperity account. Earnings from investments will be credited to the general fund.

Earnings from investments:

The amount of earnings by an account is a function of the average daily balance of the account and the earnings rate of the investment portfolio. The average daily balance is a function of the beginning balance in the account and the timing & amount of receipts, disbursements, & transfers during the time period in question. Accordingly, even with a beginning balance of zero, two accounts with the same overall level of receipts, disbursements, and transfers can have different average balances, and hence different earnings.

There will be an impact to the earnings; however, the actual earnings will be determined more by the impact to the average daily balance than the amount of increases or decreases in receipts, disbursements, and transfers. Currently, estimated earnings are indeterminable. Without projected monthly estimates of receipts, disbursements, and transfers, OST is unable to estimate the changes to the average balance of the account and the impact to earnings.

Based on the November 2006 Revenue Forecast, the net rate for estimating earnings for FY 08 is 4.18% and FY 09 is 4.21%. Approximately \$41,800 in FY 08 and \$42,100 in FY 09 in net earnings and \$5,000 in OST management fees would be gained or lost annually for every \$1 million increase or decrease in average daily balance.

Debt Limit:

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. 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.

2SHB 2256 creates the family prosperity account. Earnings from investments will be credited to the general fund.

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

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years					
Total:					

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

Revised

Bill Number: 2256 2S HB	Title: Family prosperity act	Agency: 103-Community, Trade & Economic Develop
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	2.6	2.7	2.6	2.7	2.7
Fund					
Family Prosperity Account-State NEW-1	750,000	750,000	1,500,000	1,500,000	1,500,000
Total \$	750,000	750,000	1,500,000	1,500,000	1,500,000

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:	Phone:	Date: 03/06/2007
Agency Preparation: Paul Knox	Phone: 360-725-4140	Date: 03/13/2007
Agency Approval: Marijo Olson	Phone: 360-725-2910	Date: 03/13/2007
OFM Review: Mike Woods	Phone: 360-902-9819	Date: 03/14/2007

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.

Differences between Second Substitute and Original Bill:

(Note: The fiscal note request for SHB 2256 was cancelled)

HB 2256 2S differs from the original bill by deleting the original section (10) that required an additional one percent gross income tax to each business making small loans and subject to chapter 31.45 RCW. Deleting this section also deleted any reference in HB 2256 2S to the Individual Development Accounts (IDA) program created in RCW 43.31.470. Thus this fiscal note takes out all expenditure projections for the IDA program. The second substitute modifies provisions regarding the use of consumer reports for employment purposes. HB 2256 2S also adds Section 13 providing a null and void clause.

Bill Description:

HB 2256 2S establishes the family prosperity act which promotes asset building activities for low-income families.

Section (1) finds that low-income working families often encounter significant barriers as they strive to achieve financial self-sufficiency. Their challenges include acquiring employment that pays enough to cover the costs of daily living, accumulating funds for the down payment on a home, and setting aside money for the children's education or for the parents' retirement.

Section (2) explains definitions that apply throughout sections (1) through (6).

Section (3) creates the Washington Asset Building Coalition whose mission is to provide statewide leadership on asset building initiatives. For the 2007-09 Biennium, the bill directs the Department of Community, Trade and Economic Development (CTED) to work with the Coalition and other partners to design, implement and fund a statewide public education and outreach campaign. State funds shall be used to attract additional investments by other public and private sources. Campaign activities will include: 1) creation of a web site with financial information, savings calculators and other self-help tools; 2) call-in assistance and referrals through a universal telephone number; and 3) a diverse print and electronic marketing campaign to reach targeted audiences.

Section (4), directs CTED to expand and strengthen local community asset building coalitions by providing technical assistance and grants to at least twelve sites by October 31, 2007.

Section (5) directs CTED (to the extent funding is provided) to create and manage a statewide campaign to promote the earned income tax credit and the federal child and dependant care tax credit to low-income working families.

Section (6) directs CTED to report to the legislature by December 1, 2008, and annually thereafter, on the status of asset building activities and recommendations for additional services, tools and practices at the state and local levels.

Section (9) creates the Family Prosperity Account in the state treasury. Moneys in the account may be spent only after appropriation.

Section (13) adds a null and void clause if funding is not appropriated.

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.

General assumption: 2SHB 2256 removed the B&O tax proposed in the original version (HB 2256). For purposes of this fiscal note, it is assumed that the total annual appropriation to fund the bill will be \$750,000 from the family prosperity account, created in section 9 of this bill. This appropriation level has been proposed by bill proponents.

Section (3) funds the work of the Washington Asset Building Coalition. The budget included in this fiscal note does not identify any private or public funding sources. Therefore, it is assumed that state funds will be used to pursue per this section.

FTE, Salaries and Benefits: .58 FTE and \$44,873 in salaries and benefits for FY08 and .60 FTE and \$45,682 for FY09-FY13.

Assumptions: FY08 .40 FTE WMS Band 2, .10 FTE CTED Specialist 2 (range 52) and .08 FTE Office Assistant 3 (range 31). FY09-FY13 .40 FTE WMS Band 2, .10 FTE CTED Specialist 2 (range 52) and .10 FTE Office Assistant 3 (range 31) will support development and progress of the Coalition in meeting its goals as referenced in the bill. Staff will support committee work including develop of options for asset building policy and services, facilitate fundraising and grant writing, develop and staff a web site and launch and coordinate a savings and financial literacy promotion campaign. The Office Assistant 3 will assist in logistic support.

In addition there is a .10 FTE for agency support. The associated costs are included in the standard goods and services amount.

Goods and Services (G&S): \$17,355 for FY08 fiscal year and \$17,892 for FY09-FY13.

FY08 \$17,355

-standard G&S \$15,732

-space and utilities \$1,623

FY09-FY13 \$17,892

-standard G&S \$16,269

-space and utilities \$1,623

Note: Standard goods and services costs include supplies and materials, employee development and training, agency administration, mandatory state seat of government and Department of Personnel charges, and CTED agency administration. CTED agency administration costs are allocated to programs depending on the complexity and/or volume of work required for each program. The cost indicators used to determine complexity and volume of work are: the number of contracts administered, the number of FTEs working on a program, and the number of separate budget reporting codes (i.e., separate cost centers or accounts). CTED administration provides general standard governmental services including, but not limited to: budgeting, accounting, payroll, and purchasing services; personnel and employee services; internal information technology systems, desktop and network support services; facilities management services; legislative and public affairs services; policy and risk management services; and other support services.

Travel: \$1,782 each fiscal year from FY08-FY13. This travel would support the work of the Coalition.

Section (4) requires CTED to support the work of local asset building coalitions by providing technical assistance and grants. The budget included in this fiscal note does not assume any other private or public funding sources. It is assumed state funds will be used to meet the requirements of this section. CTED staff will provide consultation, training and statewide coordination to local coalitions in competencies including: links to potential funders, proposal design, savings and Earned Income Tax Credit campaign development, financial literacy program development, etc. CTED staff will also set up web-based and in-person learning sessions and develop and ensure state-local level coordination with resources such as the 211 call system, financial institutions and foundations, state agencies, etc. This staff work will be critical to ensure that performance and quality occurs as local services get implemented.

FTE, Salaries and Benefits: 1.10 FTE and \$79,339 in salaries and benefits for FY08, FY09-FY13 1.20 FTE and \$83,376. Assumptions: FY08 a .40 FTE WMS Band 2, .60 FTE CTED Specialist 2 (range 52) and .10 FTE Office Assistant 3 (range 31). FY09-FY13 .40 FTE WMS Band 2, .60 FTE CTED Specialist 2 (range 52) and .20 FTE Office Assistant 3 (range 31) to support development and progress of local coalitions. Staff will manage contracting process for 12 – 18 local contractors, including consulting, monitoring and promoting learning and best practices throughout the state. The Office Assistant 3 will assist in logistic support.

In addition there is a .10 FTE for agency support. The associated costs are included in the standard goods and services amount.

Goods and Services (G&S): \$36,477 for FY08 fiscal year and \$37,162 for FY09-FY13.

FY08 \$36,477
-standard G&S \$31,471
-space and utilities \$2,164
-non-standard G&S \$2,842 for Attorney General

FY09-FY13 \$37,162
-standard G&S \$34,998
-space and utilities \$2,164

Travel: \$496 each fiscal year from FY08-FY13 and supports consultation travel with local groups.

Capital Outlay: \$2,559 in FY08. Assumptions: The CTED Specialist 2 will require the standard equipment of desk, chair, file cabinet and bookcase and a computer in FY08, furniture are one time costs.

Grants: 12 contracts to support local asset building activities: \$452,603 for FY08 and \$457,039 for FY09 - FY13. These contracts will support an array of local asset building activities and leverage additional private and public funding. Grants would fund local services including financial literacy training and promotion, Earned Income Tax Credit outreach and free tax preparation, personal savings and smart borrowing campaigns, development and promotion of alternative products to high-cost, predatory borrowing, and related activities. If 12 local projects were funded, each local coalition would receive an average of \$37,717 for FY08 and \$38,087 for the following years. Local communities will need to supplement limited state asset building funds in order to meet their goals and desired outcomes. It is projected that communities will need to raise at least 50% additional other funds for their asset building coalition work. This average grant amount, along with additional locally raised funds, will provide local coalitions with an acceptable, yet modest resource foundation for staff coordination and local asset building projects. This amount is consistent with an existing local asset building coalition budget.

Section (5) funds organizing and management of the statewide earned income tax credit (EITC) campaign. The budget included in this fiscal note does not include any assumed other private or public funding sources that state funds will be used to pursue per this section.

FTE, Salaries and Benefits: .60 FTE and \$41,688 in salaries and benefits for FY08-FY13.

Assumptions: .20 FTE WMS Band 2 and .30 CTED Specialist 2 (range 52) will develop and support the EITC campaign, including expansion of free tax prep sites, development and distribution of marketing materials and creation of new and expanded partnerships to enhance outreach. Assisting with this work will be .10 FTE Office Assistant 3 (range 31) for logistical support.

In addition there is a .10 FTE for agency support. The associated costs are included in the standard goods and services amount.

Goods and Services (G&S): \$62,828 for FY08 fiscal year and \$49,883 for FY09-FY13.

FY08 \$62,828
 -standard G&S \$16,386
 -space and utilities \$1,442
 -non-standard G&S \$45,000 for printing, flyers and postage.

FY09-FY13 \$49,883
 -standard G&S \$16,386
 -space and utilities \$1,442
 -non-standard G&S \$32,055 for printing, flyers and postage.

Grants: one contract for call center partnership: \$10,000 for FY08 and \$15,000 for FY09-FY13

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	2.6	2.7	2.6	2.7	2.7
A-Salaries & Wages	127,616	131,343	258,959	262,686	262,686
B-Employee Benefits	38,284	39,403	77,687	78,806	78,806
C-Personal Serv Contr					
E-Goods and Services	116,660	104,937	221,597	209,874	209,874
G-Travel	2,278	2,278	4,556	4,556	4,556
J-Capital Outlays	2,559		2,559		
M-Inter Agency Fund Transfers					
N-Grants, Benefits Services	462,603	472,039	934,642	944,078	944,078
P-Debt Service					
S-Interagency Reimburesement					
T-Intra-Agency Reimbursement					
Total:	\$750,000	\$750,000	\$1,500,000	\$1,500,000	\$1,500,000

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 2008	FY 2009	2007-09	2009-11	2011-13
Comm, Trade and Econ Dev	51,780	1.0	1.0	1.0	1.0	1.0
Specialist 2						
Office Assistant 3	31,056	0.3	0.4	0.3	0.4	0.4
Various Administrative Services	55,515	0.3	0.3	0.3	0.3	0.3
WMS Band 2	67,140	1.0	1.0	1.0	1.0	1.0
Total FTE's		2.6	2.7	2.6	2.7	2.7

III. C - Expenditures By Program (optional)

Program	FY 2008	FY 2009	2007-09	2009-11	2011-13
Agency Administration (100)	52,637	56,146	108,783	112,292	112,292
Community Services (300)	697,363	693,854	1,391,217	1,387,708	1,387,708
Total \$	750,000	750,000	1,500,000	1,500,000	1,500,000

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.

None.

Individual State Agency Fiscal Note

Bill Number: 2256 2S HB	Title: Family prosperity act	Agency: 300-Dept of Social and Health Services
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	1.6	1.6	1.6	1.6	1.6
Fund					
General Fund-State 001-1	121,000	116,000	237,000	232,000	232,000
Total \$	121,000	116,000	237,000	232,000	232,000

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:

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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 03/06/2007
Agency Preparation: Richard Woodard	Phone: 360-902-8452	Date: 03/06/2007
Agency Approval: Judy Fitzgerald	Phone: 360-902-8225	Date: 03/09/2007
OFM Review: Tammy Hay	Phone: 360-902-0553	Date: 03/12/2007

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 8 adds a new section to chapter 74.08A RCW - DSHS shall encourage Temporary Assistance for Needy Families (TANF) recipients to learn about asset building and to participate in programs to assist low-income individuals in personal asset development. DSHS will provide program notification to TANF recipients and contractors of available financial literacy, individual development accounts, assistance with federal income tax information and availability of tax credits and other asset building resources.

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.

Funds are assumed to be General Fund-State, as all welfare funds are committed.

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.

It is estimated that it would require an additional 5 minutes per client or contractor for a Financial Services Specialist 3 to provide notification of available programs to the 31,819 TANF recipients and 168 contractors. With a caseload of 31,819, the program notification would require 1.6 FTE's at a cost of \$121,000 for SFY 2008 and \$116,000 per year for SFY 2009-2013.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	1.6	1.6	1.6	1.6	1.6
A-Salaries and Wages	62,000	65,000	127,000	130,000	130,000
B-Employee Benefits	22,000	23,000	45,000	46,000	46,000
C-Personal Service Contracts					
E-Goods and Services	19,000	19,000	38,000	38,000	38,000
G-Travel					
J-Capital Outlays	16,000	7,000	23,000	14,000	14,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	2,000	2,000	4,000	4,000	4,000
Total:	\$121,000	\$116,000	\$237,000	\$232,000	\$232,000

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 2008	FY 2009	2007-09	2009-11	2011-13
Financial Service Specialist 3	25,000	1.6	1.6	1.6	1.6	1.6
Total FTE's		1.6	1.6	1.6	1.6	1.6

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.

None

SHB2-2256 Fiscal Impact

Assumptions:

There are 31,819 recipients of TANF.

There are 168 contractors.

A Financial Services Specialist 3 (range 45 step F year one, step H year two) will provide notification of programs available at an extra 5 minutes per client or contractor.

total annual caseload	annual minutes	annual hours	FTEs	Cost/year 1	Cost/year 2	
31,987	159,935	2,666	1.6	121,000	116,000	5 MIN