

Multiple Agency Fiscal Note Summary

Bill Number: 6775 P S SB _P_	Title: Community technology
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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."					
Department of Revenue	(458,000)	542,000	(1,000,000)	1,000,000	(1,000,000)	1,000,000
Total \$	(458,000)	542,000	(1,000,000)	1,000,000	(1,000,000)	1,000,000

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 Revenue	1.0	173,800	173,800	.6	86,200	86,200	.6	86,200	86,200
Washington State University	.5	0	0	.9	249,216	249,216	.0	0	0
Total	1.5	\$173,800	\$173,800	1.5	\$335,416	\$335,416	0.6	\$86,200	\$86,200

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

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Prepared by: Marc Webster, OFM	Phone: 360-902-0650	Date Published: Revised 2/25/2008
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 20303

Individual State Agency Fiscal Note

Bill Number: 6775 P S SB _P_	Title: Community technology	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: 01/30/2008
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 01/30/2008
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 01/30/2008
OFM Review: Mike Woods	Phone: 360-902-9819	Date: 01/31/2008

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.

PSSB 6775 creates the Washington community technology opportunity 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 2007 Revenue Forecast, the net rate for estimating earnings for FY 08 is 4.15% and FY 09 is 4.00%. Approximately \$41,500 in FY 08 and \$40,000 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.

PSSB 6775 creates the Washington community technology opportunity 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.

Department of Revenue Fiscal Note

Bill Number: 6775 P S SB _P_	Title: Community technology	Agency: 140-Department of Revenue
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2008	FY 2009	2007-09	2009-11	2011-13
GF-STATE-State 01 - Taxes 06 - Tax Credits - B & O		(458,000)	(458,000)	(1,000,000)	(1,000,000)
NEW-State 00 - 00 -		1,000,000	1,000,000	2,000,000	2,000,000
Total \$		542,000	542,000	1 000 000	1,000,000

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	1.4	0.6	1.0	0.6	0.6
Fund					
GF-STATE-State 001-1	127,400	46,400	173,800	86,200	86,200
Total \$	127,400	46,400	173,800	86,200	86,200

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

Legislative Contact:	Phone:	Date: 01/30/2008
Agency Preparation: Van Huynh	Phone: 360-570-6195	Date: 02/05/2008
Agency Approval: Don Gutmann	Phone: 360-570-6073	Date: 02/05/2008
OFM Review: Ryan Black	Phone: 360-902-0417	Date: 02/05/2008

Request # 6775-2-1

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.

Note: This fiscal note reflects language in draft legislation S-4655.2.

This bill creates the community technology opportunity program to support the efforts of community technology programs throughout the state. The program will be administered by the Washington State University extension.

The bill provides a business and occupation tax credit for telecommunications companies that make contributions to the newly created Washington community technology opportunity account. The credit is equal to 50 percent of the contribution. Companies must make the contribution before claiming this credit. The credit may not exceed \$200,000 per fiscal year per company and the credit may not exceed the tax that would otherwise be due. The annual, statewide credit cap is \$500,000.

Lastly, this bill states that leasehold taxes collected from a telecommunications company as a result of the company's leasehold interest in publicly owned property must be deposited into the Washington community technology opportunity account.

The Department of Revenue (Department) may not allow any credit before July 1, 2008 and the credit expires June 30, 2018.

"Community technology program" is a program, including a digital inclusion program, engaged in diffusing information and communications technology in local communities, particularly in underserved areas. These programs may include, but are not limited to, programs that provide education and skill-building opportunities, hardware and software, internet connectivity, and development of locally relevant content and delivery of vital services through technology.

"Telecommunications company" is as defined in RCW 80.04.010 and includes providers of internet services subject to the business and occupation tax.

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.

ASSUMPTIONS/DATA SOURCES

Though the bill provides a credit equal to only 50 percent of the contribution, the combined state and federal tax benefit to telecommunications companies could be well over 80 percent of their contributions. This should provide more incentive for contributions to be made. As such, for purposes of this fiscal note, it is assumed that the statewide credit cap of \$500,000 will be reached annually.

REVENUE ESTIMATES

Applying the assumption above, this bill will reduce state general fund revenue by \$458,000 in Fiscal Year 2009 and \$500,000 a year thereafter. However, the Washington community technology opportunity account will receive \$1 million a year. As such, the state will net a positive revenue impact under this bill.

Note, though the bill states that leasehold taxes collected from a telecommunications company must be deposited into the Washington community technology opportunity account, it is difficult to estimate this because necessary data is not readily available to the Department. However, it is believed to be minimal and as such, the impact from this provision is excluded from the revenue estimate.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2008 -	\$ 0
FY 2009 -	\$ 542
FY 2010 -	\$ 500
FY 2011 -	\$ 500
FY 2012 -	\$ 500
FY 2013 -	\$ 500

Local Government, if applicable (cash basis, \$000): 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.

To implement this legislation, the Department will incur costs of approximately \$127,400 in Fiscal Year 2008. These costs are for analyzing, developing, and testing changes to computer systems and reports; developing procedures, report format, and monitoring requirements; and testing and implementing the new credit. Time and effort equates to approximately 1.40 FTE.

The Department will incur costs of approximately \$46,400 in Fiscal Year 2009. These costs are for monitoring the credit and buy-down, identifying bill-back accounts, establishing and updating the credit in the relevant computer system, and processing additional out-of-balance returns. Time and effort equates to approximately 0.61 FTEs.

The Department will incur ongoing costs of approximately \$86,200 in each of the 2009-2011 and 2011-2013 Biennia. Ongoing costs are for continuing to monitor the credit and buy-down, identify bill-back accounts, update the credit in the relevant computer system, and process related out-of-balance returns. Time and effort equates to approximately 0.61 FTE in each of the Fiscal Years 2010 through 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	1.4	0.6	1.0	0.6	0.6
A-	86,900	31,300	118,200	62,600	62,600
B-	21,800	7,800	29,600	15,600	15,600
E-	9,700	4,000	13,700	8,000	8,000
J-	9,000	3,300	12,300		
Total \$	\$127,400	\$46,400	\$173,800	\$86,200	\$86,200

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
EXCISE TAX EX 3	50,563		0.5	0.3	0.5	0.5
EXCISE TAX EX 4	55,839	0.2	0.1	0.2	0.1	0.1
IT SPEC 4	63,195	1.2		0.6		
Total FTE's		1.4	0.6	1.0	0.6	0.6

Part IV: Capital Budget Impact

NONE.

Request # 6775-2-1

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 rule-making required.

Individual State Agency Fiscal Note

Revised

Bill Number: 6775 P S SB _P_	Title: Community technology	Agency: 365-Washington State University
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Part I: Estimates

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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	0.0	0.9	0.5	0.9	0.0
Fund					
General Fund-State 001-1	0	0	0	249,216	0
Total \$	0	0	0	249,216	0

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: 01/30/2008
Agency Preparation: Matt Skinner	Phone: 509-335-1836	Date: 02/25/2008
Agency Approval: Joan King	Phone: (509)335-1618	Date: 02/25/2008
OFM Review: Marc Webster	Phone: 360-902-0650	Date: 02/25/2008

Request # 97-2

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.

The cost of administering the community technology grant program will vary based on the amount and complexity of the grants funds to be administered. For the purposes of the fiscal note, we have assumed that the grants funds to be administered would be \$500k. However, we have estimated the costs at the following grant funding levels:

Grant Funding \$500K
Direct Costs:
Extension Educator (1 FTE) Salary + Benefits: \$80k
Personal Service Contracts: \$24k
Goods and Services: \$13k
Travel: \$8k
Total Estimated Cost: \$125k

Grant Funding \$1M
Direct Costs:
Extension Educator (2 FTE) Salary + Benefits: \$160k
Personal Service Contracts: \$26k
Goods and Services: \$18k
Travel: \$16k
Total Estimated Cost: \$220k

Grant Funding \$5M
Direct Costs:
Extension Educator (3 FTE) Salary + Benefits: \$240k
Personal Service Contracts: \$130k
Goods and Services: \$50k
Travel: \$30k
Total Estimated Cost: \$450k

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 note does not include the cost of the grant funds to be awarded, rather only the expense associated with administering such grants.

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.

The cost of administering the community technology grant program will vary based on the amount and complexity of the grants funds to be administered. For the purposes of the fiscal note, we have assumed that the grants funds to be administered would be \$500k. We assume that it would take approximately two years to implement the grant program, award individual grants, conduct the work and submit all required reports. For information purposes, we have estimated the administrative costs at the following grant funding levels as well:

Grant Funding \$500K
Direct Costs:

Extension Educator (1 FTE) Salary + Benefits: \$80k
 Personal Service Contracts: \$24k
 Goods and Services: \$13k
 Travel: \$8k
 Total Estimated Cost: \$125k

Grant Funding \$1M
 Direct Costs:
 Extension Educator (2 FTE) Salary + Benefits: \$160k
 Personal Service Contracts: \$26k
 Goods and Services: \$18k
 Travel: \$16k
 Total Estimated Cost: \$220k

Grant Funding \$5M
 Direct Costs:
 Extension Educator (3 FTE) Salary + Benefits: \$240k
 Personal Service Contracts: \$130k
 Goods and Services: \$50k
 Travel: \$30k
 Total Estimated Cost: \$450k

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years		0.9	0.5	0.9	
A-Salaries and Wages				123,578	
B-Employee Benefits				35,838	
C-Personal Service Contracts				48,000	
E-Goods and Services				26,800	
G-Travel				15,000	
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	\$0	\$0	\$249,216	\$0

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
Extension Educator	68,655		0.9	0.5	0.9	
Total FTE's			0.9	0.5	0.9	0.0

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.