

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 3360 HB PL	<b>Title:</b> Time certificate of deposit
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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	(210,000)	(525,000)	(640,000)	(1,600,000)	(640,000)	(1,600,000)
<b>Total \$</b>	(210,000)	(525,000)	(640,000)	(1,600,000)	(640,000)	(1,600,000)

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
Office of Minority and Women's Business Enterprises	.0	0	2,800	.0	0	2,800	.0	0	2,800
Department of Veterans Affairs	.3	35,000	35,000	.5	65,000	65,000	.5	67,000	67,000
<b>Total</b>	0.3	\$35,000	\$37,800	0.5	\$65,000	\$67,800	0.5	\$67,000	\$69,800

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

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<b>Prepared by:</b> Eric Mandt, OFM	<b>Phone:</b> 360-902-0543	<b>Date Published:</b> Final 3/20/2008
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\* See Office of the Administrator for the Courts judicial fiscal note

\*\* See local government fiscal note

FNPID: 20770

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 3360 HB PL	<b>Title:</b> Time certificate of deposit	<b>Agency:</b> 090-Office of State Treasurer
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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
General Fund-State 001-1		(210,000)	(210,000)	(640,000)	(640,000)
All Other Funds-State NEW-1		(315,000)	(315,000)	(960,000)	(960,000)
<b>Total \$</b>		(525,000)	(525,000)	(1,600,000)	(1,600,000)

### Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
<b>Fund</b>					
<b>Total \$</b>					

*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: 03/18/2008
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 03/19/2008
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 03/19/2008
OFM Review: Mike Woods	Phone: 360-902-9819	Date: 03/19/2008

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.

EHB 3360 PL amends RCW 43.86A to expand the linked deposit program by \$40 million; additional \$25 million for minority or women owned businesses and \$15 million for a new program for veteran owned businesses.

The fiscal impact to the state arises from the CD's that are purchased from the financial institutions. The state is foregoing earnings from investments, since the state is depositing the money through a CD at a rate 200 basis points below the market rate. All funds that are allowed to keep their interest earnings would be impacted. Earnings are allocated to those funds based on their pro rata share of the total average daily balance in the state's treasury/trust portfolio. The general fund pro rata share of average daily balances during FY 07 was approximately 40 percent. Thus, based on that share, the loss in earnings to the general fund would be approximately \$320,000 per year. The remaining loss in earnings of approximately \$480,000 would be shared by the other funds that are allowed to retain their earnings, of which the transportation related funds would be impacted by a reduction of approximately \$96,000 per year.

The earnings reductions are based on FY 07 balances. Balances in the treasury / trust accounts vary widely from year to year and a particular fund's pro rata share of the total average daily balance will also vary widely. Thus, other than the general fund which is the largest fund in the portfolio, specific funds are not listed in the fiscal impact section.

Assumption: The program will reach full capacity during FY 10.

Debt Limit:

There will 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.

The fiscal impact will be a reduction in the amount of earnings from investments the state receives.

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

<b>Bill Number:</b> 3360 HB PL	<b>Title:</b> Time certificate of deposit	<b>Agency:</b> 147-Off of Minority & Women's Business
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

<b>FUND</b>					
<b>Total \$</b>					

### Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
<b>Fund</b>					
OMWBE Enterprises Account-State 453-1	1,400	1,400	2,800	2,800	2,800
<b>Total \$</b>	1,400	1,400	2,800	2,800	2,800

*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.*

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

Legislative Contact:	Phone:	Date: 03/18/2008
Agency Preparation: Tammi Hazlitt	Phone: 360-753-9691	Date: 03/20/2008
Agency Approval: Cynthia Cooper	Phone: 360-753-9679	Date: 03/20/2008
OFM Review: John Shepherd	Phone: 360-902-0538	Date: 03/20/2008

## 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.*

The 2007 Legislature authorized OMWBE to adopt rules establishing the funding priority of all qualifying loans for the Linked Deposit Program. OMWBE recently concluded the rulemaking process as it affects firms certified according to chapter 39.19 RCW. The final rule was filed with the Code Reviser on January 22, 2008. As provided by RCW 43.86A(5), OMWBE will have to conduct additional rulemaking to adopt loan priority funding criteria for veteran-owned businesses.

OMWBE will have to meet with veteran-owned businesses and other stakeholders to adopt initial rules covering veteran-owned businesses, and thereafter to manage the potential wait list.

### 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.*

Rule making travel costs are projected at \$1,400 per year, in order to meet with stakeholders and conduct rulemaking for the potential wait list.

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services					
G-Travel	1,400	1,400	2,800	2,800	2,800
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
<b>Total:</b>	\$1,400	\$1,400	\$2,800	\$2,800	\$2,800

## 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

<b>Bill Number:</b> 3360 HB PL	<b>Title:</b> Time certificate of deposit	<b>Agency:</b> 305-Department of Veterans Affairs
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

<b>FUND</b>					
<b>Total \$</b>					

### Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	0.0	0.5	0.3	0.5	0.5
<b>Fund</b>					
General Fund-State 001-1	0	35,000	35,000	65,000	67,000
<b>Total \$</b>	0	35,000	35,000	65,000	67,000

*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: 03/18/2008
Agency Preparation: Kenneth Malmin	Phone: 360-725-2165	Date: 03/18/2008
Agency Approval: Kenneth Malmin	Phone: 360-725-2165	Date: 03/18/2008
OFM Review: Eric Mandt	Phone: 360-902-0543	Date: 03/18/2008

## 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.*

The 59th Legislature - 2007- Regular Session passed SB 5253 allowing DVA to establish a veteran-owned business, web-based, self-service registry. No on-going operational funding was provided. 3360 EHB PL allows certified veteran owned businesses (VOBs) to be part of the 'linked deposit program' wherein up to \$15 million in state funds could be used for loans to VOBs. Section 1, paragraphs (3) and (4)(b) expand VOB certification requirements not previously addressed and would require adding 0.5 FTE to existing staff to handle the more complex, higher level of certification envisioned in this legislation.

### 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.*

There is no cash receipts impact. The bill contains no enrollment or participation fee.

### 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 Veteran Owned Business registry authorized by the 59th Legislature -2007-, SB 5253, has now been in operation for four months. 135 businesses have signed on. 3360 HB PL, Sections 1(3) and 1(4)(b) modifies the registry bill to offer certified VOBs the opportunity to participate in the 'linked deposit program'. The bill would require DVA to request and examine a large volume of financial and ownership documentation, including documentation from the original 135 registrants and all new VOB applicants, to assure they fit the higher qualification standards of the 'linked deposit program'. That is, the purpose of the registry is expanded from a simple VOB listing to a list of veteran businesses that meet 'link deposit program' eligibility.

No program inside DVA requests, assembles, examines and/or audits the organizational and financial records of a business for the purpose of affirming or denying their program participation eligibility. DVA would need to initiate the process from the ground up. As there is no provision in the bill that DVA actively pursue (or provide outreach to encourage) VOB applications, and an average of one business per day joins the registry, we estimate that the initial work volume could be handled by the addition of 0.5 FTE to existing staff.

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years		0.5	0.3	0.5	0.5
A-Salaries and Wages		24,000	24,000	50,500	53,050
B-Employee Benefits		6,000	6,000	12,750	13,200
C-Personal Service Contracts					
E-Goods and Services		5,000	5,000	1,750	750
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					
<b>Total:</b>	\$0	\$35,000	\$35,000	\$65,000	\$67,000



**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
Veteran Benefit Spec. II	48,358		0.5	0.3	0.5	0.5
<b>Total FTE's</b>			0.5	0.3	0.5	0.5

**III. C - Expenditures By Program (optional)**

Program	FY 2008	FY 2009	2007-09	2009-11	2011-13
Veteran Services (020)		35,000	35,000	65,000	67,000
<b>Total \$</b>		35,000	35,000	65,000	67,000

**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.*