

Multiple Agency Fiscal Note Summary

Bill Number: 5041 SB	Title: Veteran-owned businesses
-----------------------------	--

Estimated Cash Receipts

Agency Name	2009-11		2011-13		2013-15	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of General Administration	0	17,644	0	35,288	0	35,288
Total \$	0	17,644	0	35,288	0	35,288

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

Estimated Expenditures

Agency Name	2009-11			2011-13			2013-15		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of General Administration	.1	0	17,644	.1	0	35,288	.1	0	35,288
Department of Veterans Affairs	.3	38,900	38,900	.5	60,100	60,100	.0	0	0
Higher Education Coordinating Board	.0	118,000	118,000	.0	156,000	156,000	.0	156,000	156,000
Total	0.4	\$156,900	\$174,544	0.6	\$216,100	\$251,388	0.1	\$156,000	\$191,288

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

Estimated Capital Budget Impact

Agency Name	2009-11		2011-13		2013-15	
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Department of General Administration						
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	0	0	0	0	0
Department of Veterans Affairs						
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total \$	\$0	\$0	\$0	\$0	\$0	\$0

--

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

** See local government fiscal note

FNPID 26035

FNS029 Multi Agency rollup

Prepared by: Eric Mandt, OFM	Phone: 360-902-0543	Date Published: Final
-------------------------------------	-------------------------------	---------------------------------

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

** See local government fiscal note

Individual State Agency Fiscal Note

Bill Number: 5041 SB	Title: Veteran-owned businesses	Agency: 150-Dept of General Administration
-----------------------------	--	---

Part I: Estimates



No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2010	FY 2011	2009-11	2011-13	2013-15
General Administration Service Account-Non-Appropriated 422-6		17,644	17,644	35,288	35,288
Total \$		17,644	17,644	35,288	35,288

Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years	0.0	0.1	0.1	0.1	0.1
Account					
General Administration Service Account-Non-Appropriated 422-6	0	17,644	17,644	35,288	35,288
Total \$	0	17,644	17,644	35,288	35,288

Estimated Capital Budget Impact:

	2009-11		2011-13		2013-15	
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total \$	\$0	\$0	\$0	\$0	\$0	\$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:	Sharon Swanson	Phone: 3607867447	Date: 01/25/2010
Agency Preparation:	Sarah Mollas	Phone: (360) 902-7414	Date: 01/28/2010
Agency Approval:	Michael Kashmar	Phone: 360-902-7353	Date: 01/28/2010
OFM Review:	Mike Steenhout	Phone: 360-902-0554	Date: 01/28/2010

Request # -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.

Section 4 adds a new section to chapter 43.60 RCW indicating the following state agency responsibilities:

(1) State agencies are encouraged to award 3% of all procurement contracts that are exempt from competitive bidding requirements to veteran-owned businesses certified by the department.

(2) State agency requirements, to include GA:

(a) Perform outreach to veteran-owned businesses to increase opportunities for veterans to provide goods and services to the state.

(b) Keep a record of purchasing contracts awarded to veteran-owned businesses; and

(c) Report progress in implementing the program to the Department of Veterans Affairs every two years, beginning October 2010.

Section 5 adds a new section to chapter 43.19 RCW requiring the Department of General Administration to identify all certified veteran-owned businesses in the department's vendor registry.

Section 8 adds a new section to chapter 39.04 RCW requiring public works contracts, including leasing or renting, to follow the requirements established under section 4 of this act.

Section 9 adds a new section to chapter 39.29 RCW requiring all personal services contracts, including leasing or renting, to follow the requirements established under section 4 of this act.

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 GA program that would implement this bill, the Office of State Procurement, has no funding source to pay for this new statewide policy role to perform outreach to veteran-owned businesses, keep records of contracts awarded to veteran-owned businesses and the reporting requirements of this statute. GA, in partnership with OFM and the Legislature, would need to develop a funding method that equitably charges all state agencies that benefit from this new activity.

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, 8 and 9 require state agencies to collaborate with Veterans Affairs to perform outreach to veteran-owned businesses, keep record of all contracts awarded to veteran-owned businesses and report progress to Veterans Affairs by October 2010 and each even-numbered year thereafter.

Section 5 requires the Department of General Administration to identify veteran-owned businesses in a vendor registry

on an ongoing basis. (minor fiscal impact, included in projections below)

The fiscal impact to General Administration is staff, and staffing related costs to: participate in outreach efforts; keep records; provide progress reports; modify solicitation and contract language; and update the vendor registry.

-Salaries and benefits total \$12,964 (objects A & B)

-Staffing related costs are estimated at 10% of salary and benefits cost to include revolving fund costs, calculated at 7% as reflected in the GA Costs Allocation Rate Program (CARP) and travel and training costs calculated at 3%. (object E)

-Indirect costs are estimated at 29% of salary and benefits as reflected in the GA Cost Allocation Rate Program (CARP) and consist of Agency administrative costs (Director's office, HR, Finance, IS) and Division/Cost center administrative costs. (object T)

We assume completing General Administration's requirements will take approximately .10 of an FTE as we manage leases, goods and services, personal services and public works contracts.

We assume the even-number year reporting requirement of section 4 will have nominal impact; no ongoing cost estimate is included.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years		0.1	0.1	0.1	0.1
A-Salaries and Wages		9,690	9,690	19,380	19,380
B-Employee Benefits		3,004	3,004	6,008	6,008
C-Personal Service Contracts					
E-Goods and Services		1,269	1,269	2,538	2,538
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		3,681	3,681	7,362	7,362
Total:	\$0	\$17,644	\$17,644	\$35,288	\$35,288

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 2010	FY 2011	2009-11	2011-13	2013-15
WMS Band 2	96,900		0.1	0.1	0.1	0.1
Total FTE's	96,900		0.1	0.1	0.1	0.1

Part IV: Capital Budget Impact

There is no Capital Budget Impact from this bill.

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.

There are no new rules required.

Individual State Agency Fiscal Note

Bill Number: 5041 SB	Title: Veteran-owned businesses	Agency: 305-Department of Veterans Affairs
-----------------------------	--	---

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT					
Total \$					

Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years	0.0	0.5	0.3	0.5	0.0
Account					
General Fund-State 001-1	0	38,900	38,900	60,100	0
Total \$	0	38,900	38,900	60,100	0

Estimated Capital Budget Impact:

	2009-11		2011-13		2013-15	
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total \$	\$0	\$0	\$0	\$0	\$0	\$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: Sharon Swanson	Phone: 3607867447	Date: 01/25/2010
Agency Preparation: Ken Malmin	Phone: 725-2165	Date: 01/28/2010
Agency Approval: Ken Malmin	Phone: 725-2165	Date: 01/28/2010
OFM Review: Eric Mandt	Phone: 360-902-0543	Date: 01/28/2010

Request # SB 5041-1

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.

This bill instructs the Department of Veterans Affairs (DVA) to expand an existing agency activity that identifies businesses owned and controlled by veterans in Washington State for the purpose of providing them higher status in the state procurement process similar to businesses that qualify as Minority and Women's Business Enterprises (OMWBE). The bill assigns registration and monitoring activities to DVA, requires rule making, a multi-agency liaison effort to implement the act, and a biennial report to the legislature.

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 revenue or 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 59th Legislature - 2007- Regular Session passed SB 5253 allowing DVA to establish a web-based, Veteran-Owned-Business (VOB) self-service registry. The bill included no on-going operational funding, nor any outreach dollars.

SB 5041 would require DVA to adopt a VOB certification activity in the same mode as the Office of Minority and Women's Business Enterprises (OMWBE). To do this DVA would write rules, policies and procedures, and devote staff to implement a paper document based certification process. The process and procedures would also include a tracking process to assure a VOB's continued eligibility. SB 5041 would also require our existing VOB database to be modified to add a certification status cell and a renewal notification cell. This modification is estimated at \$10,000, thus object E for FY2011 is higher than subsequent years.

The VOB registry, established 27 months ago, now contains 733 registrants. It is estimated that the expanded program would require 0.5 FTE who would assist in writing the rules, contract to have the registry software changed, document the 733 businesses already registered, establish documentation requirements for new applicants, create follow-up procedures to verify continued qualification, work-up the increased outreach requirement, and perform the necessary inter-agency coordination needed to produce the biennial report.

The bill also states that state agencies will modify their procurement practices to accommodate certified VOBs. Section 4 of the bill says that agencies are encouraged to award three percent (3%) of all procurement contracts that are exempt from the competitive bidding requirements to VOBs. All agencies must perform outreach to increase VOB participation. Agencies must keep a record of these contracting and outreach activities, and report each even-numbered year to DVA so a report to the legislature can be submitted by December.

The biennial report will discuss implementation of the act and provide a numeric analysis of statewide VOB activities in support of the bill's Section 4(1) requirement which is to award three percent of all procurement contracts that are exempt from competitive bidding requirements, and Section 4(2)(a) assess the outreach to VOB's in collaboration with DVA to increase opportunities for VOBs to sell goods and services to the state.

As the tasks directed by SB 5041 would be assigned to the agency veterans' services division, the staffing increase of one-half FTE would be for agency Program 020.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years		0.5	0.3	0.5	
A-Salaries and Wages		21,800	21,800	46,600	
B-Employee Benefits		5,900	5,900	12,100	
C-Personal Service Contracts					
E-Goods and Services		11,200	11,200	1,400	
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$0	\$38,900	\$38,900	\$60,100	\$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 2010	FY 2011	2009-11	2011-13	2013-15
Veterans Benefit Spec. 1	43,572		0.5	0.3	0.5	
Total FTE's	43,572		0.5	0.3	0.5	0.0

III. C - Expenditures By Program (optional)

Program	FY 2010	FY 2011	2009-11	2011-13	2013-15
Veterans Services (020)		38,900	38,900	60,100	
Total \$		38,900	38,900	60,100	

Part IV: Capital Budget Impact

There is no 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.

DVA is directed to formulate and implement rules and regulations regarding participation eligibility and also write procedures to acquire and hold business and financial related information to fulfill department reporting requirements.

Individual State Agency Fiscal Note

Bill Number: 5041 SB	Title: Veteran-owned businesses	Agency: 343-Higher Education Coordinating Board
-----------------------------	--	--

Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT					
Total \$					

Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
Account					
General Fund-State 001-1	0	118,000	118,000	156,000	156,000
Total \$	0	118,000	118,000	156,000	156,000

Estimated Capital Budget Impact:

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: Sharon Swanson	Phone: 3607867447	Date: 01/25/2010
Agency Preparation: Rick Heggie	Phone: 360-753-7891	Date: 02/05/2010
Agency Approval: Don Bennett	Phone: 360-753-7831	Date: 02/05/2010
OFM Review: Marc Webster	Phone: 360-902-0650	Date: 02/05/2010

Request # 41-2

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.

Senate Bill 5041 carries significant fiscal impact to public baccalaureate institutions of higher education in the state. As higher education institutions exercise their own purchasing authority, they would be encouraged to comply with section three of the bill and award three percent of all procurement contracts that are exempt from competitive bidding requirements to veteran-owned businesses, maintain a record of purchasing contracts to veteran-owned businesses, perform outreach to veteran-owned businesses to increase opportunities for veterans, and report progress biennially to the Department of Veterans' Affairs (DVA).

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.

Increasing state procurement contracts with veteran-owned businesses to reach the three percent threshold, public institutions must alter their purchasing processes campus-wide. This fiscal note assumes that prices offered by veteran-owned businesses are competitive and would not result in any additional cost related to higher prices. Given institution responses, HECB analysis anticipates the overall fiscal impact to institutions of higher education would be approximately \$103,000 to \$151,000 in FY 2011, and \$89,000 to \$130,000 in annual ongoing costs thereafter. The fiscal note detail above uses maximum cost assumptions.

The University of Washington estimates that the fiscal impact will be approximately \$50,000 for the first year and \$10,000 per each subsequent year. DVA is anticipated to maintain and publish a list of veteran-owned businesses. Approximately 1% of buyer staff time would be needed to participate in outreach, policy and procedure development at approximately \$36,000 for the first year and \$8,000 annually in each subsequent year. During the development and regular review of policies and procedures the UW assumes it will take the time of ongoing attorney general support at \$50 per an hour or approximately \$2000 per a year. Also included in the first year is a onetime cost to modify the existing systems (programming) to track and report on the use of veteran owned businesses. The UW assumes it would cost approximately \$70 per an hour at 200 hours for a total of \$14,000.

Washington State University anticipates minimal and absorbable costs to encourage purchasing from veteran-owned businesses and to collaborate with the Department of Veterans Affairs in performing outreach to veteran-owned businesses.

Central Washington University anticipates that additional staff, reporting oversight and staff training would be required to vet qualified vendors for an additional .5 FTE or \$23,000 annually.

Eastern Washington University anticipates no fiscal impact related to SB 5041.

HECB analysis anticipates that compliance with the provisions of SB 5041 at The Evergreen State College would require no more than an additional .5 FTE. HECB analysis would estimate this expenditure to be at most \$25,000 annually.

Western Washington University anticipates a marginal fiscal impact related to SB 5041. WWU anticipates their existing purchasing department could manage the process. Under this scenario it is anticipated that .5 FTE could accommodate that added work load. That added cost is estimated to be \$20,000.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years					
A-Salaries and Wages		118,000	118,000	156,000	156,000
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$118,000	\$118,000	\$156,000	\$156,000

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.