

Multiple Agency Fiscal Note Summary

Bill Number: 6867 SB	Title: State printing
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Estimated Cash Receipts

Agency Name	2009-11		2011-13		2013-15	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	(252,000)	0	(498,000)	0	(498,000)	0
Public Printer	Non-zero but indeterminate cost. Please see discussion."					
Department of Revenue	2,779,000	2,783,000	5,982,000	5,991,000	6,553,000	6,563,000
Department of General Administration	0	(620,356)	0	0	0	0
Total \$	2,527,000	2,162,644	5,484,000	5,991,000	6,055,000	6,563,000

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

Estimated Expenditures

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

** See local government fiscal note

FNPID 26840

FNS029 Multi Agency rollup

Agency Name	2009-11			2011-13			2013-15		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of the Secretary of State	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Office of State Treasurer	1.0	0	252,000	2.0	0	498,000	2.0	0	498,000
Washington State Health Care Authority	Fiscal note not available								
Public Printer	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Revenue	1.6	530,500	530,500	1.0	674,000	674,000	1.0	674,000	674,000
Department of General Administration	.0	0	0	.0	0	0	.0	0	0
Department of Information Services	Fiscal note not available								
Department of Labor and Industries	1.0	0	615,000	2.0	0	1,164,000	2.0	0	1,164,000
Department of Licensing	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Social and Health Services	Fiscal note not available								
Department of Health	Fiscal note not available								
Department of Transportation	.0	0	0	.0	0	0	.0	0	0
Department of Ecology	.5	88,537	88,537	1.0	171,738	171,738	1.0	171,738	171,738
Department of Fish and Wildlife	.3	31,450	62,900	.5	62,900	125,800	.5	62,900	125,800
Department of Agriculture	.5	42,300	179,300	1.0	81,400	342,600	1.0	81,400	342,600
Employment Security Department	1.8	0	211,000	3.0	0	262,000	3.0	0	262,000
Community and Technical College System	.0	3,000	24,000	.0	6,000	48,000	.0	6,000	48,000
Total	6.7	\$695,787	\$1,963,237	10.5	\$996,038	\$3,286,138	10.5	\$996,038	\$3,286,138

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

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

** See local government fiscal note

FNPID 26840

FNS029 Multi Agency rollup

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 Agriculture						
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	0	0	0	0	0
Department of Fish and Wildlife						
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	0	0	0	0	0
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 Labor and Industries						
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

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Prepared by: Ryan Black, OFM	Phone: 360-902-0417	Date Published: Pending Distribution
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

Individual State Agency Fiscal Note

Bill Number: 6867 SB	Title: State printing	Agency: 085-Office of the Secretary of State
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT					
Total \$					

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.
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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: Jenny Greenlee	Phone: 360-786-7711	Date: 02/18/2010
Agency Preparation: Dalene Conant	Phone: 360-236-5046	Date: 03/04/2010
Agency Approval: Dan Speigle	Phone: 360-236-5050	Date: 03/04/2010
OFM Review: Mike Steenhout	Phone: 360-902-0554	Date: 03/04/2010

Request # 2010-41-1

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.

The bill would eliminate the state printer effective July 1, 2010.

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.

The Secretary of State (SOS) currently uses the Department of Printing (DOP) services for several printing projects. If DOP is eliminated all the functions and tasks they perform to produce those print projects would be shifted to SOS. The most major print project required of SOS is to print and distribute a state voters' pamphlet to over 3,000,000 households. Also required is to print and distribute over 300,000 voter registration forms each year. While most of the smaller projects in the agency could be handled by current staff, it isn't known what the impact would be of shifting the production and distribution of the state voters' pamphlets to SOS due to several variables.

The voters' pamphlet is a complex print job with a high degree of risk and costs that vary each year which are difficult to estimate. The length of the pamphlet is the most significant factor contributing to cost, but fuel, ink and paper costs also have an impact. Over 3,000,000 pamphlets are printed for each General Election. These jobs are large enough, the timelines so tight and the standards so high, that multiple printers are used. DOP does not actually print the pamphlets; the pamphlets are printed by large, specialized printers in the private sector. DOP manages the complex and large scale procurement process for the many vendors required for the pamphlet (print, distribution, translations, and alternative formats), manages invoicing of vendor services, and takes on all legal liability. For voters' pamphlets, SOS estimates the costs will likely increase.

SOS uses a standard formula based on actual past cost data to estimate current and future pamphlet costs. The formula is calculated at the start of each biennium, and is used primarily to respond to fiscal notes for constitutional amendments, which must be published in the voters' pamphlet. Due to printing requirements, the pamphlet must be printed in eight (8) page increments. The formula takes this into account as well. Currently, each eight page increment is estimated to cost about \$122,000. This estimate is based on actual pamphlet costs from the 2007-2009 biennium.

During the 2009 session, SOS submitted legislation requesting an exemption from the statutory requirement that it use DOP for voters' pamphlets. The legislation that included this exemption passed, but the Governor vetoed the section containing the exemption. The veto message authorized SOS to use other printers if DOP's prices were higher than other printers. In response to the legislation and the Governor's veto message, DOP worked with SOS to reduce pamphlet costs. Using different criteria and methods for the printing and production of the state voters' pamphlets, it appears that DOP reduced the cost of the 2009 General Election voters' pamphlets, as compared to similar pamphlets produced in the past years. It is not clear which methods generated the greatest share of the overall savings or if such savings could

be achieved if SOS used other printers to produce future pamphlets. Taken together, all the variables at play in the production and distribution of the pamphlet make it difficult to estimate, with a high degree of confidence, the fiscal impact this measure would have on the cost of producing a voters' pamphlet.

For voter registration forms costs may decrease. The greatest number of voter registration forms printed through DOP at any time was 1,000,000. Printing 1,000,000 forms cost \$50,000, however, SOS is now printing the forms in smaller batches and 300,000 forms recently cost about \$25,000. Printing more forms yields a better per piece price, but increases the total cost. This is a relatively simple print job and one that DOP typically subcontracts. It is likely SOS would be able to reduce costs working directly with another printer as well as for smaller print jobs will decrease.

Based on the available data and the variables that drive costs in the printing of large projects like the state voters' pamphlets and voter registration forms, the impact to SOS is indeterminate, but anticipated to be in a range greater than \$50,000 agencywide.

Part III: Expenditure Detail

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: 6867 SB	Title: State printing	Agency: 090-Office of State Treasurer
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2010	FY 2011	2009-11	2011-13	2013-15
General Fund-State 001-1		(252,000)	(252,000)	(498,000)	(498,000)
State Treasurer's Service Account-State 404-1		252,000	252,000	498,000	498,000
Total \$					

Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years	0.0	2.0	1.0	2.0	2.0
Account					
State Treasurer's Service Account-State 404-1	0	252,000	252,000	498,000	498,000
Total \$	0	252,000	252,000	498,000	498,000

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:

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- ☐ 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:	Jenny Greenlee	Phone: 360-786-7711	Date: 02/18/2010
Agency Preparation:	Dan Mason	Phone: 360-902-9090	Date: 02/23/2010
Agency Approval:	Dan Mason	Phone: 360-902-9090	Date: 02/23/2010
OFM Review:	Mike Steenhout	Phone: 360-902-0554	Date: 02/23/2010

Request # 141-1

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.

SB 6867 eliminates the state printer effective July 1, 2010. This bill gives the state treasurer the responsibility for printing all state treasury warrants.

Assumptions:

1. Our costs for non-reimbursable print jobs will increase by approximately 20% plus taxes.
2. Our costs for printing, storing, and delivering warrants will be 100% reimbursable from agencies ordering warrants.
3. Two FTE's are required for contract and print job management. The average state salary for all funds will be the level of compensation for these new positions.

General Fund and State Treasurer's Service Fund:

The money required to fund the additional FTE's in OST comes from the state treasurer's service fund. In turn, the amount of additional funding from the state treasurer's service fund will result in a reduction, by an equal amount, to the transfer from the state treasurer's service fund to the general fund at the end of each fiscal year.

Debt Limit:

There will be an impact on the debt service limitation calculation. Any change to the transfer from the state treasurer's service fund 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 additional costs to the office of the state treasurer results in a decrease to the transfer from the state treasurer's service fund 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.

This bill creates a new assignment for the office of the state treasurer by requiring us to be responsible for printing all state treasury warrants. Based on our assumptions, we will employ two additional FTE's at an annual cost of \$57,000 plus benefits per FTE to coordinate all of our print jobs including warrants.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years		2.0	1.0	2.0	2.0
A-Salaries and Wages		114,000	114,000	228,000	228,000
B-Employee Benefits		28,500	28,500	57,000	57,000
C-Personal Service Contracts					
E-Goods and Services		100,500	100,500	201,000	201,000
G-Travel		5,000	5,000	10,000	10,000
J-Capital Outlays		4,000	4,000	2,000	2,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$252,000	\$252,000	\$498,000	\$498,000

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 2010	FY 2011	2009-11	2011-13	2013-15
Contract and Print Job Management	57,000		2.0	1.0	2.0	2.0
Total FTE's	57,000		2.0	1.0	2.0	2.0

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.

Individual State Agency Fiscal Note

Bill Number: 6867 SB	Title: State printing	Agency: 130-Public Printer
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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:

Non-zero but indeterminate cost. Please see discussion.

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:

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- ☐ 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: Jenny Greenlee	Phone: 360-786-7711	Date: 02/18/2010
Agency Preparation: David Tuckett	Phone: 360-570-5029	Date: 02/25/2010
Agency Approval: Dan Swisher	Phone: 360-570-5555	Date: 02/25/2010
OFM Review: Ryan Black	Phone: 360-902-0417	Date: 02/25/2010

Request # 6867-6

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.

Narrative:

NEW SECTION – Section 1

The legislature finds that technology changes have decreased the need for a central state printer, and that printing is not a core state service. Eliminates the state printer.

Sections 2 through and including 10

Repeal aspects of RCW 43.78 (establishing the state printer) and amend other laws accordingly.

NEW SECTION – Section 11

Directs the public printer to coordinate with the department of general administration to sell or surplus all equipment. Requires the department of general administration to deliver a plan to the legislature by 12/15/10 for disposing of or leasing the state plant building.

NEW SECTION – Section 12

Makes this act effective 7/1/10.

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.

*Current economic conditions and the changing print market make the liquidity and actual value of highly specialized printing assets very difficult to estimate. For example, a large press recently sold for 7% of its original price. But, the sale took over 4 months to complete and went to a buyer in Mexico City. This is illustrative of a past sale and not predictive of the future.

*Equipment that cannot be sold may incur significant disposal or storage costs.

*Inventory planned for specific uses may or may not be resalable.

*Work in progress will have little or no value if left incomplete.

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.

*Assume that the State Printer will be required to burden the costs of dissolving the agency.

*Annual leave totaling \$300,000 and an indeterminate amount of sick leave buyouts will be incurred within the first month following shutdown.

*The Department of Printing does not draw on an unemployment fund, but pays directly to laid off employees. Eligible unemployment compensation would exceed \$2 million if employees used the full 46 weeks of unemployment currently available.

*Approximately \$1 million remains on a COP obligation that must be paid.

*Due to current economic conditions and the changing print market, many of the costs of shutting down one of the largest government print manufacturers are indeterminate.

*Due to economies of scale, the Printer can charge less than \$.04 per page for photocopying. However, the total costs for in-house copying is an average \$.10 per page. Closing the centralized copy centers run by the State Printer will eliminate efficiencies and increase costs to state agencies by approximately \$3 million.

Part III: Expenditure Detail

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: 6867 SB	Title: State printing	Agency: 140-Department of Revenue
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Account	FY 2010	FY 2011	2009-11	2011-13	2013-15
GF-State-State 01 - Taxes 01 - Retail Sales Tax		2,591,000	2,591,000	5,577,000	6,109,000
GF-State-State 01 - Taxes 05 - Bus and Occup Tax		188,000	188,000	405,000	444,000
Performance Audit-State 01 - Taxes 01 - Retail Sales Tax		4,000	4,000	9,000	10,000
Total \$		2,783,000	2,783,000	5,991,000	6,563,000

Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years	1.3	2.0	1.6	1.0	1.0
Account					
GF-STATE-State 001-1	118,400	412,100	530,500	674,000	674,000
Total \$	118,400	412,100	530,500	674,000	674,000

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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- ☐ 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: Jenny Greenlee	Phone: 360-786-7711	Date: 02/18/2010
Agency Preparation: Gerald Sayler	Phone: 360-570-6086	Date: 03/01/2010
Agency Approval: Don Gutmann	Phone: 360-570-6073	Date: 03/01/2010
OFM Review: Ryan Black	Phone: 360-902-0417	Date: 03/01/2010

Request # 6867-1-1

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 legislation will eliminate the Department of Printing.

This bill has an effective date of July 1, 2010.

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

The Department of Printing is the lead agency for this bill and provided the cost data and assumptions as shown below in the expenditure section.

State and local retail sales and business and occupation tax revenue will increase as private businesses sell printing services to state agencies.

The revenue estimates assume a cost markup of 20 percent for printing service costs by private businesses to the state agencies.

Projections are based on the February 2010 forecast of the Economic and Revenue Forecast Council.

REVENUE ESTIMATES

If this legislation is enacted, state revenues will increase by \$2,783,000 in Fiscal Year 2011 and by \$5,991,000 and \$6,563,000 in the biennia ending in fiscal years 2013 and 2015, respectively.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2010 -	\$ 0
FY 2011 -	\$ 2,783
FY 2012 -	\$ 2,927
FY 2013 -	\$ 3,064
FY 2014 -	\$ 3,207
FY 2015 -	\$ 3,356

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

FY 2010 -	\$ 0
FY 2011 -	\$ 955
FY 2012 -	\$ 1,005
FY 2013 -	\$ 1,051
FY 2014 -	\$ 1,100
FY 2015 -	\$ 1,151

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

To implement this legislation, the Department of Revenue (Department) will incur costs of \$118,400 during Fiscal Year 2010. These are costs to go through a competitive bid process to select vendors to do recurring printing and mailing jobs and train staff in the process. Included are costs to lease a storage facility with a climate controlled room for document storage at an approximate cost of \$24,500. Time and effort spent would equal 1.25 FTE's.

Fiscal Year 2011 costs are \$412,100. These are costs for managing the printing needs of the Department, additional printing costs, and lease costs for climate controlled storage space. Additional printing costs and lease costs are estimated to be \$270,000. Time and effort spent would equal two FTE's.

The Department will incur estimated costs of \$674,000 in the 2011-2013 and the 2013-2015 biennia. These are the ongoing costs for managing the printing needs of the Department and lease costs for climate controlled storage space. Time and effort would equal one FTE.

Department of Printing assumptions:

- *Agencies will continue to procure the same level of services formerly provided by the Department of Printing.
- *Agencies will have the capabilities and capacities to produce their own print projects or manage the outsourcing.
- *All state and local government currently using the Department of Printing will have the capacity to hire and train personnel to absorb the following tasks by July 1, 2010:
 - Manage print job specifications
 - Solicit bids
 - Manage vendor relations and accountability
 - Handle negotiations and resolutions
 - Deliver copies of all print jobs to the State Archives and State Library according to specific record retention schedules
 - Comply with all legal requirements currently in place for print procurement
 - Provide public disclosure requests for work contracted to the private sector
- *Agencies will begin paying an average sales tax of 8.5 percent, which is currently not charged to state agencies (for work produced by the Department of Printing).
- *Printing costs for the state will increase by at least 20 percent (based on objective analysis of agency office printing via print assessments and print management).
- *State agencies will have technology and software systems to manage procurement of printing (from end to end).
- *The Governor's Office will take back management of the Governor's Stationery Standards and approval of exceptions.
- *Private vendors will comply with stationery policy, help agencies minimize job costs, will effectively subcontract job aspects on behalf of agencies, provide quality and timely products and services, and comply with green legislation.
- *Printing will remain within Washington State.
- *Agencies will compete for price and schedules with private entities ordering printing.
- *All agencies will contact the Office of the Secretary of State directly for instructions on use of the State Seal, and that the Secretary of State will be able to absorb the associated workload by July 1, 2010.
- *Between 300-400 dies unique to agencies will have to be stored or discarded and remade when needed.
- *Complex variable data jobs currently produced by the Department of Printing will not be able to be transitioned to other vendors by July 1, 2010, posing risks to involved agencies and their audiences.
- *Some other agency(ies) will take over responsibility for the print management (including the Department of Ecology and the Attorney General's Office), Copy Services (outside of Thurston County), and other contracts currently managed by the Department of Printing.

*Four convenience copy centers operated by the Department of Printing will close and related facilities leases will become void.

*Products housed in the Department of Printing's Fulfillment Center will be returned to their respective agencies (or other government), that agencies will be able to house these products (currently a total of 27,000 square feet in volume), and that agencies will be able to manage orders and distribution of these products by July 1, 2010. Alternatively, agencies will be able to secure these services on their behalf by July 1, 2010.

*A site will be needed to make all government publications available to the public, and someone will need to manage this site and serve the public (this is currently hosted by the Department of Printing).

*All agencies and other government customers of the Department of Printing will need to become educated in services like these by July 1, 2010: CASS certification, address management, merge and purge of addresses, filling out complex bulk mail requirements.

*Agencies or their print vendors will become responsible for purchasing, storing, and risks related to warrants.

*Envelopes currently manufactured by the Department of Printing will need to be purchased, produced, and coordinated with private vendors, Consolidated Mail Services (Department of General Administration), or other internal operations.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years	1.3	2.0	1.6	1.0	1.0
A-Salaries and Wages	53,200	85,200	138,400	85,200	85,200
B-Employee Benefits	13,300	21,300	34,600	21,200	21,200
E-Goods and Services	43,800	298,100	341,900	565,600	565,600
J-Capital Outlays	8,100	7,500	15,600	2,000	2,000
Total \$	\$118,400	\$412,100	\$530,500	\$674,000	\$674,000

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 2010	FY 2011	2009-11	2011-13	2013-15
FORMS AND RECORDS ANALYST	42,583	1.3	2.0	1.6	1.0	1.0
3						
Total FTE's	42,583	1.3	2.0	1.6	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.

No rule-making required.

Individual State Agency Fiscal Note

Bill Number: 6867 SB	Title: State printing	Agency: 150-Dept of General Administration
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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		(620,356)	(620,356)		
Total \$		(620,356)	(620,356)		

Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
Account					
Total \$					

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: Jenny Greenlee	Phone: 360-786-7711	Date: 02/18/2010
Agency Preparation: Sarah Mollas	Phone: (360) 902-7414	Date: 02/26/2010
Agency Approval: Michael Kashmar	Phone: 360-902-7353	Date: 02/26/2010
OFM Review: Mike Steenhout	Phone: 360-902-0554	Date: 02/26/2010

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 eliminates the State Printer (Department of Printing) effective July 1, 2010.

Section 11 (New Section)

This requires the printer to coordinate with the Department of General Administration to sell or surplus all equipment. It also requires the Department of General Administration to develop a plan for disposing of or leasing the building housing the state print plant. The plan is due to the legislature by December 15, 2010.

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 following programs within General Administration are impacted by this bill:

Material Management Center (MMC): This bill requires GA to sell or surplus equipment and develop a plan for disposing of or leasing the state plant building. Currently the Printer leases 12,000 square feet of MMC's building in Tumwater, accounting for \$4300/monthly in leased space. This is an annual impact of \$51,600. In addition, MMC currently uses .25 FTE of a Truck Driver 2, to support Printer transportation needs. A fully load Truck Driver 2, .25 time, is \$17,989 annually.

Total Impact to MMC= \$69,589

**There is assumed to be an indeterminate increased revenue associated with the surplus property.

Facilities: This bill requires GA to sell or surplus equipment and develop a plan for disposing of or leasing the state plant building. The closure would be effective July 1, 2010. GA's plan is due to the legislature by December 15, 2010.

GA owns the Modular Building in Tumwater where the print plant is located. The plant is 89,004 square feet with an annual rent of \$469,051.08. This is an unserviced lease; Printing pays their own utilities and custodial. If Printing closes, GA would lose the revenue plus have to pay minimal utilities until the space was back-filled. This would affect Buildings and Grounds, which is paid to maintain and do partial custodial for the building. The reimbursable custodial agreement is for .25 of an FTE (about \$22,000 annually.)

In addition, Printer also has two copy center spaces on the Capitol Campus, in the NRB and GA Buildings. The space in NRB is 1,603 square feet, for which Printing pays \$32,252 per year. GA's Facilities and Services revenue for the GA Building is \$27,464.12 per year for 2,111 square feet. The GA copy center has already closed and utilizes a pick-up box in its place.

Total Impact to Facilities= \$550,767

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.

Refurbishing the copy center spaces in the GA Building and the NRB to normal office space is estimated to be \$26,000.

The development of the plan due to the Legislature December 15, 2010 for disposing of or leasing the building housing the state print plant is considered normal course of business.

Costs associated with disposing or refurbishing the Print plant building for a new lessor are indeterminate until the plan is completed, utility costs occurring when the building is vacant are also indeterminate.

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					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services		26,000	26,000		
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	\$26,000	\$26,000	\$0	\$0

Part IV: Capital Budget Impact

None associated with 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.

None associated with this bill.

Individual State Agency Fiscal Note

Bill Number: 6867 SB	Title: State printing	Agency: 235-Department of Labor and Industries
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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	2.0	1.0	2.0	2.0
Account					
Accident Account-State 608-1	0	307,500	307,500	582,000	582,000
Medical Aid Account-State 609-1	0	307,500	307,500	582,000	582,000
Total \$	0	615,000	615,000	1,164,000	1,164,000

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

Request # 6867 SB-1

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:	Jenny Greenlee	Phone: 360-786-7711	Date: 02/18/2010
Agency Preparation:	Jeri Deuel	Phone: 360-902-6982	Date: 03/03/2010
Agency Approval:	Victoria Kennedy	Phone: 360-902-4997	Date: 03/03/2010
OFM Review:	Matthew Bridges	Phone: (360) 902-0575	Date: 03/03/2010

Request # 6867 SB-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.

See Attachment

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.

See Attachment

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years		2.0	1.0	2.0	2.0
A-Salaries and Wages		110,340	110,340	220,680	220,680
B-Employee Benefits		36,498	36,498	72,996	72,996
C-Personal Service Contracts					
E-Goods and Services		443,418	443,418	866,836	866,836
G-Travel		1,744	1,744	3,488	3,488
J-Capital Outlays		23,000	23,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$615,000	\$615,000	\$1,164,000	\$1,164,000

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 2010	FY 2011	2009-11	2011-13	2013-15
Contract Specialist 2	55,836		1.0	0.5	1.0	1.0
Graphic Designer Supervisor	54,504		1.0	0.5	1.0	1.0
Total FTE's	110,340		2.0	1.0	2.0	2.0

Part IV: Capital Budget Impact

None

Request # 6867 SB-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.

None

Part II: Explanation

This bill eliminates the Department of Printing (PRT) also known as the State Printer. The bill takes effect July 1, 2010.

II. A – Brief Description of What the Measure Does that Has Fiscal Impact

New Section 1 – Determines that printing is not a core state service and should be handled by each agency using private vendors. It eliminates the State Printer.

Section 12 – This act takes effect July 1, 2010

II. B – Cash Receipt Impact

None

II. C – Expenditures

The Department of Printing (PRT) currently provides a variety of services that will not be available to the Department of Labor and Industries (L&I) if PRT is eliminated. It is not possible to quantify all costs to implement this legislation. This change needs to be accomplished in less than four months.

L&I will need additional staffing to handle work that the (PRT) performs currently, including:

- Manage print job specifications;
- Estimate printing and mailing costs;
- Solicit bids;
- Coordinate mailing preparation/ mailing projects associated with printing jobs (either through a main vendor's sub-vendor or a separate mailing vendor);
- Manage vendor relations and accountability;
- Handle contract negotiations and resolutions;
- Ensure compliance with all legal requirements currently in place for print procurement;
- Provide public disclosure requests for work contracted to the private sector.

Staffing

In Fiscal Year 2009, L&I submitted 931 print requests to the PTR for forms, stationery, envelopes, posters, brochures, mailers, manuals and other documents. We assumed two hours for intake processing time per requisition. The processing is currently performed by PTR. This equates to 1,862 hours, or about .89 of an FTE. (1,862 divided by 2,088 hours per FTE)

PTR also provides cost estimates for a variety reasons, including assessing costs to do a mailing, determining budget impacts of policy changes that require printing, or deciding quantities to print (cost break points).

In Fiscal Year 2009, L&I processed 249 print requests that required cost estimates. We assumed three hours per cost estimate due to the need to contact and discuss specifications and related costs with multiple vendors. This equates to 747 hours, or about .36 of an FTE. (747 divided by 2,088 hours per FTE).

Based on the volume of printing currently processed by PTR, we anticipate a significant workload impact for contracting services. Below are the assumptions we used:

- 465 or 50 percent of the Fiscal Year 2009 printing requisitions were for work that could not be completed using digital printing technology (e.g., where printing presses are more cost effective) or where specialized printing, bindery services and mailing preparation services are required. (931 divided by 2 = 465)
- The time to obtain bids from private vendors (even if “pre-approved”) would average three hours per requisition or 1,395 hours per year (465 *3 =1,395) or 0.67 of an FTE. (1,395 divided by 2,088 hours per FTE).
- Total FTEs needed is 1.92 rounded up to 2.0.
 - 0.89 FTE requisitions intake processing
 - 0.36 FTE responsible for cost estimates
 - 0.67 FTE manage bidding and contracting processes
 - 1.92 FTE total

Knowledge, Skills and Abilities Needed

These two FTEs are needed to provide increased resident knowledge of printing technology and options, mailing requirements and postage regulations, and bindery options in order to effectively manage both direct ordering with vendors and contracting with vendors. The positioned necessary are:

Graphic Designer Supervisor

Contracts for, monitors and approves the work of private design firms, photographers, commercial lithographers, printers, and advertising agencies; obtains estimates and bids; prepares bid package.

Contract Specialist 2

Performs the journey level of professional contract administration with responsibility in the negotiation and preparation of complex contracts, interagency agreements, leases and letters of understanding to provide or obtain services or goods for the agency, including technical contract support activities such as contract cost/price analysis, contract compliance administration or contract property administration.

FTE Standard Costs

Permanent and temporary FTE costs include salary and benefits, and the standard costs associated with a new FTE. These standard costs include:

- Leased office space.
- Work unit (desk, file cabinet, etc.) and furniture (if needed).
- Telephone and communication expenses.
- Training.
- Travel.
- Leased PC equipment.

Direct Cost of Printing

Based on an analysis of agency office printing via print assessments and print management, printing costs for L&I will increase by at least 20 percent per Department of Printing fiscal note assumptions.

L&I's average annual printing bill with PRT, based on the last three fiscal years, is \$1,563,872. An increase of 20 percent would mean additional direct printing costs of \$312,774 per year.

Private printers charge sales tax. Sales tax is not added to work directly performed by the PRT. We estimate that the percentage of L&I's work performed by PRT is about 65 percent. The increase in printing costs related to sales tax would be about \$86,404. ($\$1,563,872 \times 65\% = \$1,016,516 \times 8.5\% = \$86,404$.)

PTR currently stores L&I's warrants. If PRT is abolished, L&I will be responsible for purchasing, storing warrants and the related risks. Currently, L&I pays PRT \$36 a month for storage ($\$36 \times 24 = \864 per biennium). This savings would be offset by the cost to install a locked cage at a onetime cost of approximately \$5,000 to store the warrants.

Expenditures	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
FTEs		2.0	2.0	2.0	2.0	2.0
Salaries		110,340	110,340	55,618	55,618	55,618
Benefits		36,498	36,498	36,498	36,498	36,498
Goods & Services		43,418	33,418	33,418	33,418	33,418
Printing (20 percent increase)		313,000	313,000	313,000	313,000	313,000
Printing (8.5 Tax increase)		87,000	87,000	87,000	87,000	87,000
Travel		1,744	1,744	1,744	1,744	1,744
Equipment for storage		5,000	1,744	1,744	1,744	1,744
Equipment		18,000	0	0	0	0
Total		615,000	582,000	582,000	582,000	582,000

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

None

Individual State Agency Fiscal Note

Bill Number: 6867 SB	Title: State printing	Agency: 240-Department of Licensing
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT					
Total \$					

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

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: Jenny Greenlee	Phone: 360-786-7711	Date: 02/18/2010
Agency Preparation: Ronell Witt	Phone: (360) 902-0120	Date: 03/02/2010
Agency Approval: Sam Knutson	Phone: (360) 902-3644	Date: 03/02/2010
OFM Review: Alyson Cummings	Phone: 360-902-0576	Date: 03/02/2010

Request # 6867 SB-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.

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.

Part III: Expenditure Detail

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.

Part II: Explanation

Senate Bill 6867 eliminates the State Printer. The bill requires agencies to request proposals for print jobs by private vendors. The bill also eliminates the Fulfillment Center within the State Printer.

II. A – Brief Description of What the Measure Does that Has Fiscal Impact

Section 1 – eliminates the State Printer, including the Fulfillment Center

Section 12 – has an effective date of July 1, 2010

II. B – Cash Receipt Impact

None

II. C – Expenditures

The Department of Licensing (DOL) currently expends approximately \$2.9 million dollars annually with the Public Printer. Based on Calendar Year 2009 expenditures and assuming a 20 percent cost increase, printing costs would be approximately \$594,579 more per year. DOL is also assuming an 8.5 percent sales tax increase moving from the Public Printer to a private vendor. That cost would be approximately an additional \$303,235. The annual total cost would be \$3,890,709. Note: Print jobs that are contracted out to another vendor are currently subject to sales tax and a 5 percent administrative fee. DOL does not know how many print jobs are currently contracted out to another vendor by the State Printer.

Last year DOL sent 600 print jobs to the Public Printer. DOL has 1,000 forms that are printed at the Public Printer. DOL assumes that the agency will print 600-1,000 different forms each year, and each print job will require a contract. Based on this variable workload, DOL cannot estimate exactly the staff support required, but knowledge of the workload impact of contract management DOL can estimate that the agency will need one to two Contract Specialist 2's to gather business requirements, and write contracts for print jobs. Likewise, due to the variable workload possible by the range in number of contracts, one to two Fiscal Analyst 1's will be required to process vendor payment in accordance with the contract. The agency would also need one Warehouse Operator 1 and one Procurement and Supply Specialist 2 to provide warehouse support. These duties would include verifying print orders coming from the vendor, filling customer orders, packing and shipping customer orders. DOL will need a Printer Buyer to purchase specialty print products and print jobs to ensure DOL is paying a competitive price, and a Management Analyst 3 to audit, monitor contract compliance, and authorize payments. There will be one-time information technology cost to move our systems from the Public Printer to the private vendors. A 0.6 FTE back-fill of an Information Technology Specialist 5 will be needed to free up existing staff for implementation.

Assuming current occupied square footage at the Fulfillment Center an additional \$60,000 would be required to increase 5,000 square feet at the DOL warehouse. There is also a one-time cost for additional warehouse storage shelving of \$32,000.

Part III: Expenditure Detail

III. A (2) – Detail of Expenditures by Fund

Additional information about assumptions and impacts is available directly from the Department of Licensing at 902-3644.

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

None

Individual State Agency Fiscal Note

Bill Number: 6867 SB	Title: State printing	Agency: 405-Department of Transportation
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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: Jenny Greenlee	Phone: 360-786-7711	Date: 02/18/2010
Agency Preparation: Deb Webb	Phone: 360-705-7842	Date: 03/03/2010
Agency Approval: Jerry Lenzi	Phone: 360-705-7032	Date: 03/03/2010
OFM Review: Ron Lorentson	Phone: (360) 902-9822	Date: 03/05/2010

Request # 10-096-1

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.

Section 1 of this bill eliminates the state printer. WSDOT Printing Services currently provides printing and copying services to the department. WSDOT utilizes the state printer on oversized jobs, or when it is more economical to use a larger printing facility (envelopes, snap apart forms, etc). The state printer often sends these projects to outside vendors adding 5% to the final cost. This bill would allow WSDOT to solicit bids for projects that are outside of Printing Services' capability.

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.

Part III: Expenditure Detail

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: 6867 SB	Title: State printing	Agency: 461-Department of Ecology
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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	1.0	0.5	1.0	1.0
Account					
General Fund-State 001-1	0	88,537	88,537	171,738	171,738
Total \$	0	88,537	88,537	171,738	171,738

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: Jenny Greenlee	Phone: 360-786-7711	Date: 02/18/2010
Agency Preparation: Allen Robbins	Phone: 360-407-7099	Date: 02/25/2010
Agency Approval: Patricia McLain	Phone: 360-407-7005	Date: 02/25/2010
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 02/25/2010

Request # 10-124-1

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.

Background: Under current law, Ecology makes extensive use of the State Printer's Copy Center 6 and uses a RICOH printer service contract managed by the State Printer for maintenance and rapid service of RICOH printers in Ecology office areas. Ecology also uses other State Printer services, including mailing of printed documents in conjunction with Consolidated Mail Services of the Department of General Administration, and help managing Ecology publications.

This bill would eliminate the State Printer along with certain requirements for printing agency documents imposed through the state printer.

-- In Section 1 the legislature would find that technological changes have decreased the need for a central state printer. The legislature would also find that printing is not a core state service and would be better handled within the private sector.

-- Section 6 (4) would eliminate a provision that the state printer may deliver state publications directly to the state library.

-- Section 8 (6) would exempt the acquisition of printing services from certain state requirements for purchasing services in RCW 41.06.142 (Purchasing services by contract — Effect on employees in the classified service — Criteria to be met — Bidding — Definitions).

-- Section 9 would direct that the State Treasurer is responsible for printing all state treasury warrants.

-- Section 10 would eliminate many references to the state printer in statute law. Section 10(12) would eliminate the requirement from Chapter 356, Laws of 2009, that the public printer shall use one hundred percent recycled copy and printing paper for all jobs printed on white copy and printing paper.

-- Section 12 states that this act would take effect July 1, 2010.

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.

This bill would eliminate the State Printer, which would require Ecology to take over a number of functions and services currently provided by the State Printer. This would include but not be limited to the following:

- Produce various print projects in-house, including making copies of public records,
- Manage the out-sourcing of print projects,
- Manage print job specifications, solicit bids, manage vendor relations and accountability, handle negotiations and resolutions, comply with all legal requirements currently in place for print procurement, and provide public disclosure requests for work contracted to the private sector,
- Establish and manage processes for ordering and distributing agency materials and publications currently done by the State Printer,

- Manage the submission of agency publications and print jobs to the State Archives and the State Library according to specific record retention schedules, as the State Printer currently does.
- Become educated on various services such as CASS certification, address management, merge and purge of addresses, and filling out complex bulk mail requirements,
- Coordinate the purchase and production of envelopes with private vendors, Consolidated Mail Services (Department of General Administration), or other internal operations, and
- Take over responsibility for the current print management contract with RICOH.

Staffing costs:

Ecology estimates that 0.25 FTE at the Contract Specialist 2 level would be required to coordinate and manage the outsourcing, bidding, negotiating, vendor relations and accountability, and other legal requirements around procurement of print services.

Ecology estimates that 0.50 FTE at the Office Assistant 2 level would be required to make images and perform the related work associated with satisfying public disclosure requests that have historically been done by the state printer. (A \$30,103 reduction per year to offset the cost of this FTE is included in Good and Services costs, since this is a current State Printer function that would be performed by Ecology, not passed to private services.)

Ecology estimates that 0.10 FTE at the ITAS 4 level would be required to manage the RICOH contract. This cost would be approximately equal to the \$14,500 average annual cost in overhead to the State Printer to manage the current print management contract with RICOH. (A \$14,500 reduction per year is included in Goods and Services costs.)

Goods and Services costs and reductions:

Consistent with lead agency assumptions, Ecology has estimated that sales tax would be paid on private print jobs. Ecology is using the approximate \$1.4 million 07-09 Biennium State Printer costs as the basis for the 8.5% sales tax assumption in Goods and Services.

Also consistent with lead agency assumptions, Ecology assumes that the \$1.4 million per biennium in Goods and Services costs now going to the State Printer would go to new alternative printers under the bill for the same products. Since this portion of our costs is assumed to remain unchanged from current law to the bill, this cost is not shown in the fiscal note.

Expenditure Assumptions:

Salary estimates are based on current actual rates in effect for each job classification, and are calculated at the step corresponding to the experience level required.

Employee Benefits are calculated at the agency average of 28.3% of salaries.

Goods and Services standard costs are calculated at the agency average rate of \$4,377 per direct program FTE. Also included here is the assumption for sales tax of \$59,500 per year (at 8.5% of the approximate \$700,000 per year of printing costs to shift from the State Printer to alternative printers). Included in the Goods and Services total is a negative \$14,500 per year, reflecting the reduction in the RICOH contract management overhead now going to the state printer, a

negative \$30,103 for the FTE to provide copying services that would have been provided by the State Printer, and an increase of \$1,900 for the estimated costs using our existing RICOH contract in place of the State Printer.

Travel expenditures are calculated at the agency average rate of \$1,110 per direct program FTE.

Agency Administrative Overhead is calculated at the federal indirect rate of 36.8% of program salaries and benefits, and is identified in Expenditures by Object as 9-Agency Administrative Overhead. Administration program FTEs are included at 0.15 FTE per direct program FTE, and are identified in the Part III-B FTE Detail table as Fiscal Analyst 2.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years		1.0	0.5	1.0	1.0
A-Salaries and Wages		36,697	36,697	73,394	73,394
B-Employee Benefits		10,385	10,385	20,770	20,770
C-Personal Service Contracts					
E-Goods and Services		16,705	16,705	41,034	41,034
G-Travel		944	944	1,888	1,888
J-Capital Outlays		6,480	6,480		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Agency Administrative Overhead		17,326	17,326	34,652	34,652
Total:	\$0	\$88,537	\$88,537	\$171,738	\$171,738

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
Contract Specialist 2	55,836		0.3	0.1	0.3	0.3
Fiscal Analyst 2			0.1	0.1	0.1	0.1
Information Technology Specialist 4	71,496		0.1	0.1	0.1	0.1
Office Assistant 2	31,176		0.5	0.3	0.5	0.5
Total FTE's	158,508		1.0	0.5	1.0	1.0

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.

Individual State Agency Fiscal Note

Revised

Bill Number: 6867 SB	Title: State printing	Agency: 477-Department of Fish and Wildlife
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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	0.5
Account					
General Fund-State 001-1	0	31,450	31,450	62,900	62,900
State Wildlife Account-State 104 -1	0	31,450	31,450	62,900	62,900
Total \$	0	62,900	62,900	125,800	125,800

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

Request # 10-FN075-2

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:	Jenny Greenlee	Phone: 360-786-7711	Date: 02/18/2010
Agency Preparation:	Beth Stultz	Phone: 360-902-2400	Date: 02/23/2010
Agency Approval:	David Giglio	Phone: (360) 902-8128	Date: 02/23/2010
OFM Review:	Chris Stanley	Phone: (360) 902-9810	Date: 02/23/2010

Request # 10-FN075-2

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 1 eliminates the state printer.

Section 2-10 removes references to the State Printer in RCW and repeals acts or parts of acts that provide authority to the State Printer.

Section 11 requires GA, with the State Printer, to sell or surplus all equipment and, by December 15, 2010, develop a plan to dispose of or lease the state plant building.

Section 12 makes the act effective on July 1, 2010.

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.

NA

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.

Section 1:

Washington Department of Fish & Wildlife (WDFW) currently orders a diverse range of jobs from the State Printer, including all of its hunting, fishing, and recreational pamphlets; commercial licensing materials; catch record cards; envelopes; business cards; and posters and promotional materials. The State Printer produces some of WDFW's jobs in house, but because of the high quantity and complexity of the agency's jobs, about 80% of the department's cost for printing is for jobs that the State Printer outsources. There is a convenience copy center in the Natural Resources Building provided by the State Printer. About 500 WDFW staff utilize this service for smaller, faster turnaround jobs. WDFW does not have inventory stored at the State Printer, therefore does not use the fulfillment services they provide.

Within WDFW, each program has unique printing needs, so it is most efficient to have a decentralized system for printing coordination. Each program has assigned the role of Print Coordinator to an administrative assistant or communications consultant. This work accounts for 5-10% of their staff time (about 0.5 FTE total). With the elimination of the State Printer, WDFW would require an additional 0.5 FTE, Contracts Specialist 3 to establish and manage contracts with several private vendors to complete the diverse range of jobs we require. A number of our print jobs require specialized materials. For example, our commercial licensing buoy tags are made from a flexible plastic to withstand adverse marine conditions. Also, printing is a variable industry that often requires negotiation and resolution. The cost for the additional 0.5 FTE would be as follows:

\$32,400 Salary; \$9,900 Benefits; \$12,600 Standard Good and Services (\$2,500 standard costs + \$9,800 Admin Fees + \$300 DOP/HRMS Fees) for a Total of \$54,900 / FY.

WDFW spends about \$1 million annually for printing services through the State Printer. The State Printer outsources about \$800,000 of these jobs to private vendors. WDFW already pays 8.5% tax on these outsourced jobs. We also

pay a 5% handling charge to the State Printer, which covers their costs for soliciting bids, managing vendor relations and accountability, and handling negotiations and resolutions. By working with the vendors directly, we could save about \$40,000 per year (~\$800,000 x 5%). Because we would be paying taxes on services previously provided by the State Printer, we would pay an additional \$17,000 per year for those jobs (\$200,000 x 8.5%). With the closure of the copy center in the Natural Resources building, WDFW would need to lease a color multifunction device with the specialized functions that our current devices do not perform (\$11,000/yr). These changes would amount to \$12,000 in savings per year (\$40,000-\$17,000-\$11,000=\$12,000). This savings is shown in Goods & Services.

The lead agency assumptions estimate an increase of at least 20% for printing costs (based on objective analysis of agency office printing via print assessments and print management). This reflects higher costs agencies will incur from printing smaller-quantity jobs in-house. WDFW, however, contracts the majority of its printing needs (80%) with outside vendors, since most of the print work requires specialized materials not available at Department of Printing, WDFW assumes that 50% of the print jobs previously done by the Department of Printing (\$200,000) will be done in-house, which amounts to \$100,000 / yr. Based on the lead agency assumptions, WDFW printing costs would increase \$20,000 / yr (\$100,000 x 20%). This costs is shown in Goods & Services.

WDFW has the systems in place to solicit bids and manage current print job specifications. Unfortunately, due to staffing reductions and the closure of WDFW's print shop in 2007, WDFW does not have the capacity to manage new jobs or substantial revisions to current ones.

The measurable costs would come to \$62,900 per year. Without an assessment of printing costs and capacities of private vendors, it would be unfeasible to anticipate the overall fiscal impact this change would have on WDFW.

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	0.5
A-Salaries and Wages		32,400	32,400	64,800	64,800
B-Employee Benefits		9,900	9,900	19,800	19,800
C-Personal Service Contracts					
E-Goods and Services		20,600	20,600	41,200	41,200
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	\$62,900	\$62,900	\$125,800	\$125,800

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
Contract Specialist 3	64,740		0.5	0.3	0.5	0.5
Total FTE's	64,740		0.5	0.3	0.5	0.5

Part IV: Capital Budget Impact

NA

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.

NA

Individual State Agency Fiscal Note

Bill Number: 6867 SB	Title: State printing	Agency: 495-Department of Agriculture
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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	1.0	0.5	1.0	1.0
Account					
All Other Funds-Non-Appropriated 000-6	0	137,000	137,000	261,200	261,200
General Fund-State 001-1	0	42,300	42,300	81,400	81,400
Total \$	0	179,300	179,300	342,600	342,600

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:	Jenny Greenlee	Phone: 360-786-7711	Date: 02/18/2010
Agency Preparation:	Dannie McQueen	Phone: 360-902-1809	Date: 02/24/2010
Agency Approval:	Mark Johnson	Phone: 360-902-1986	Date: 02/24/2010
OFM Review:	Chris Stanley	Phone: (360) 902-9810	Date: 02/24/2010

Request # 35-1

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.

Senate Bill 6867 eliminates the State printer and requires the printer to coordinate with the department of general administration to sell or surplus all equipment. The proposal also requires the Department of General Administration to develop a plan for disposing of or leasing the state plant building.

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.

The Washington State Department of Agriculture (WSDA) utilizes the Department of Printing for more complex-type job functions, such as:

- Publications that require special paper and binding
- Publications that would require saddle stitching
- Index tab printing
- US postal Service National Change of Address database
- High volume printing of material to be mailed, inclusion of address, folding, stuffing and mailing of material
- Printing of multi-part forms (such as NCR paper)

The Washington State Department of Agriculture (WSDA) will continue to procure the same level of services formerly provided by the Department of Printing. During the 2007-09 biennium, \$708,000 (26% GF-S; 74% other funds) was paid to the Department of Printing. Because new responsibilities that currently reside with the Department of Printing would become responsibilities of WSDA we assume one new staff person would be needed to manage the increased workload. The additional responsibilities transferred to WSDA include:

- Producing and managing the outsourcing of print jobs
- Soliciting bids
- Managing vendor relations and accountability
- Handling negotiations and resolutions
- Delivering copies of all print jobs to the State Archives and State Library according to specific records retention schedules
- Complying with all legal requirements currently in place for print procurement
- Working with the Office of the Secretary of State directly for instructions on use of the State Seal
- Learning current Department of Printing procedures such as CASS certification, address management, merge and purge of addresses, filling out complex bulk mail requirements
- Ensuring that WSDA policies and procedures are followed regarding the layout and design of final materials and

publications.

Costs for the additional FTE are calculated at a Range 35 Step L and all costs are split based on the Administrative Funding split of approximately 20% GF-S and 80% Ag Local Fund.

Other costs:

- WSDA will begin paying an average sales tax of 8.5%, which is currently not charged to state agencies (for work produced by the Department of Printing).
- Printing costs for the state will increase by at least 20 percent (based on objective analysis of agency office printing via print assessments and print management).

Costs that are non-zero but indeterminate at this time:

*WSDA will have to inventory its technology and software systems to manage procurement of printing (from end to end); and procure any needed equipment and/or software.

*There will be one-time charges for WSDA unique dies by vendors, since the dies may not be transferred or in conformance with other vendor dies.

*Complex variable data jobs currently produced by the Department of Printing will not be able to be transitioned to other vendors by 7/1/10, posing risks to involved agencies and their audiences.

*Four convenience copy centers operated by the Department of Printing will close and related facilities leases will become void. It is anticipated that WSDA copy equipment will require upgrade due to the increased demand of copying large jobs in-house.

*A site will be needed to make all government publications available to the public, and someone will need to manage this site and serve the public (this is currently hosted by the Department of Printing).

*Envelopes currently manufactured by the Department of Printing will need to be purchased, produced, and coordinated with private vendors, Consolidated Mail Services (Department of General Administration), or other internal operations.

*Agencies or their print vendors will become responsible for purchasing, storing, and risks related to warrants

If unanticipated costs are incurred, WSDA will request additional funding through the normal budget process.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years		1.0	0.5	1.0	1.0
A-Salaries and Wages		36,800	36,800	73,600	73,600
B-Employee Benefits		15,300	15,300	30,600	30,600
C-Personal Service Contracts					
E-Goods and Services		117,300	117,300	234,600	234,600
G-Travel					
J-Capital Outlays		9,200	9,200	2,400	2,400
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service		700	700	1,400	1,400
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$179,300	\$179,300	\$342,600	\$342,600

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
Administrative Assistant 2	33,760		1.0	0.5	1.0	1.0
Total FTE's	33,760		1.0	0.5	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.

N/A

Individual State Agency Fiscal Note

Bill Number: 6867 SB	Title: State printing	Agency: 540-Employment Security Department
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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	3.5	1.8	3.0	3.0
Account					
General Fund-Federal 001-2	0	4,000	4,000	6,000	6,000
General Fund-Private/Local 001-7	0	4,000	4,000	4,000	4,000
Unemployment Compensation Administration Account-Federal 119-2	0	196,000	196,000	242,000	242,000
Employment Service Administrative Account-State 134-1	0	7,000	7,000	10,000	10,000
Total \$	0	211,000	211,000	262,000	262,000

Estimated Capital Budget Impact:

Total \$					

Request # 068-BPCD-1

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:	Jenny Greenlee	Phone: 360-786-7711	Date: 02/18/2010
Agency Preparation:	John Nacht	Phone: 360-586-8009	Date: 03/04/2010
Agency Approval:	Randi Warick	Phone: 360-902-9423	Date: 03/04/2010
OFM Review:	Sandi Triggs	Phone: (360) 902-0553	Date: 03/05/2010

Request # 068-BPCD-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.

Section 1 finds that printing technologies have changed such that they have become within the reach of most agencies to conduct their own printing and that printing is not a core state service and would be better handled within the private sector so the legislature is eliminating the state printer.

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.

This bill assumes a transition period over which ESD will expand the internal Print Center capabilities to provide certain services, including design layout, print contract management, and Digital Storefront (an equivalent to PRTOOnline), to ESD divisions currently receiving those services from and through the State Printer.

The \$1.8 million in print jobs and materials supplied by or through the State Printer (FY2010 basis) will be contracted to the private sector during a transition period. ESD Print Center staff will be increased to manage the transition and to provide expanded print services to ESD divisions, in addition to accomplishing the \$1.0 million in annual internal print jobs currently being accomplished.

Fiscal Year 2011 Expenditures

ESD Print Center staff would be increased by 3.5 FTE in the first year to include salaries, benefits, and startup costs:

1.0 Customer Service Specialist 2 (\$65,846)

1.0 Customer Service Specialist 3 (\$71,541)

1.0 Graphic Designer (\$74,659)

0.5 Management Analyst 4 - Transition Coordinator (\$52,898)

Fiscal Year 2011 Savings

Agency savings are estimated at 3% of the \$1.8M spent on State Printer activities (\$54,000) in the first year based on removal of the 5% surcharge attached by the State Printer to “pass through” jobs, and efficiencies expected from placing jobs in the private sector in the current economy. The exact number and value of ESD jobs that are “pass through” are unknown at this time.

Subsequent Biennial Expenditures

ESD Print Center staff increase is 3.0 FTE (CSS2, CSS3, Graphic Designer) = \$ 184,370 per year.

Subsequent Biennial Savings

ESD assumes a savings of \$80,400 per by removal of the 5% surcharge for jobs contracted through the State Printer, increased use of the ESD Print Center for print jobs formerly performed by the State Printer, and efficiencies in private sector print services procurement:

- o ESD Print Center savings on jobs previously accomplished by the State Printer by assuming 8.0% of the \$1.8 million paid previously to the State Printer would be accomplished in-agency at a 10% savings, \$14,400.
- o Assume a 4.0% savings from contract management and private sector competition for \$1.66 million in print jobs formerly accomplished by the State Printer or contracted to the private sector, plus removal of the 5% surcharge on those jobs contracted to the private sector.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years		3.5	1.8	3.0	3.0
A-Salaries and Wages		170,000	170,000	268,000	268,000
B-Employee Benefits		51,000	51,000	80,000	80,000
C-Personal Service Contracts					
E-Goods and Services		(10,000)	(10,000)	(86,000)	(86,000)
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	\$211,000	\$211,000	\$262,000	\$262,000

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 2010	FY 2011	2009-11	2011-13	2013-15
Customer Specialist 2	36,756		1.0	0.5	1.0	1.0
Customer Specialist 3	40,525		1.0	0.5	1.0	1.0
Graphic Designer	42,588		1.0	0.5	1.0	1.0
Management Analyst 4	63,192		0.5	0.3		
Total FTE's	183,061		3.5	1.8	3.0	3.0

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.

Individual State Agency Fiscal Note

Bill Number: 6867 SB	Title: State printing	Agency: 699-Community/Technical College System
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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	3,000	3,000	6,000	6,000
Inst of HI ED-Operating Fees	0	11,000	11,000	22,000	22,000
Acct-Non-Appropriated 149-6					
All Other Local	0	10,000	10,000	20,000	20,000
Funds-Non-Appropriated NEW-6					
Total \$	0	24,000	24,000	48,000	48,000

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: Jenny Greenlee	Phone: 360-786-7711	Date: 02/18/2010
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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.

SB 6867 eliminates the State Printer, effective July 1st, 2010.

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.

28B.10.029 currently exempts the Community and Technical College System from the requirement to use the Department of Printing for printing and binding requirements.

For this fiscal note, the State Board surveyed eight colleges. The results indicate a majority of colleges conduct printing through an in-house operation or contract with private vendors.

However, four of the surveyed colleges, and the State Board office, rely on the Department of Printing for the printing of envelopes, letterhead, and business cards. Survey results suggest savings of approximately ten to fifteen percent for these items compared to other vendors.

For the two colleges using the Department of Printing for large jobs, such as the quarterly class schedule, the survey indicated Department of Printing bid prices were similar to private vendors.

Based on the information provided by the eight colleges and the including the expenditures of the State Board office, 1.4 percent of subobject EF expenditures can be attributed to the Department of Printing.

For this fiscal note, the survey results will be extrapolated to the system and will assume that 1.4 percent of all subject EF expenditures are attributable to the Department of Printing. In FY 2009, the system spent a total of \$10.9 million on printing services (subobject EF, all funds). 1.4 percent of that is \$149,000. Most of these costs are for envelopes, letterhead, and business cards.

Assuming an increase of 15 percent in costs, based on the survey results, will increase total costs by \$24,000 per year, all funds, in Object E (goods and services).

Additional Summary Detail:

General Fund-State:

\$1.2 million (FY 2009 Subobject EF Amount) x 1.4% x 15% = \$2,520

Tuition (149):

\$5 million (FY 2009 Subobject EF Amount) x 1.4% x 15% = \$10,500

All Other Funds:

\$4.8 million (FY 2009 Subobject EF Amount) x 1.4% x 15% = \$10,080

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					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services		24,000	24,000	48,000	48,000
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	\$24,000	\$24,000	\$48,000	\$48,000

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.