

Multiple Agency Fiscal Note Summary

Bill Number: 5942 E S SB	Title: Liquor warehousing
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Estimated Cash Receipts

Agency Name	2011-13		2013-15		2015-17	
	GF- State	Total	GF- State	Total	GF- State	Total
Liquor Control Board	Non-zero but indeterminate cost. Please see discussion."					
Total \$	0	0	0	0	0	0

Estimated Expenditures

Agency Name	2011-13			2013-15			2015-17		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	Fiscal note not available								
Office of Financial Management	1.0	278,780	278,780	.0	0	0	.0	0	0
Liquor Control Board	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total	1.0	\$278,780	\$278,780	0.0	\$0	\$0	0.0	\$0	\$0

Estimated Capital Budget Impact

NONE

Prepared by: Tristan Wise, OFM	Phone: (360) 902-0538	Date Published: Preliminary
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 30300

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 5942 E S SB	Title: Liquor warehousing	Agency: 105-Office of Financial Management
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	2.0	0.0	1.0	0.0	0.0
Account					
General Fund-State 001-1	278,780	0	278,780	0	0
Total \$	278,780	0	278,780	0	0

Estimated Capital Budget Impact:

NONE

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: Jeff Olsen	Phone: 360-786-7157	Date: 05/23/2011
Agency Preparation: Stephanie Lidren	Phone: 360-902-3056	Date: 05/24/2011
Agency Approval: Aaron Butcher	Phone: 360-902-0406	Date: 05/24/2011
OFM Review: Tristan Wise	Phone: (360) 902-0538	Date: 05/24/2011

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.

Sec. 1. The legislature finds that it is in the public interest to seek revenue opportunities through leasing and modernizing the state's liquor warehousing and distribution facilities and related operations. The legislature finds that it is also in the public interest to conduct a competitive process to select a private sector lessee for this purpose.

Sec. 2. (1) Within one hundred twenty days after the effective date of this section, the office of financial management, in consultation with the Washington state liquor control board and the liquor distribution advisory committee, must establish and conduct a competitive process for the selection of a private sector entity to lease and modernize the state's liquor warehousing and distribution facilities and related operations.

Sec. 2. (2)(a) To implement the competitive process required under subsection (1) of this section, the office of financial management must, after consultation with the Washington state liquor control board and the spirits distribution advisory committee, request proposals for:

(i) The lease of or other contract for the entire state liquor warehousing and distribution business, including the facilities, operations, and other assets associated with the warehousing of liquor and the distribution of liquor; and (ii) The exclusive right to warehouse spirits and to distribute spirits in the state.

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.

It is estimated to require 1 FTE Contract Consultant, \$7,086/mo and 1 FTE Budget Assistant, \$6,900/mo for the duration of the procurement (1 year). Also included are benefits and miscellaneous goods and services associated with two FTEs.

OFM assumes the Liquor Board will supply expertise on warehousing and distribution (materials management) of liquor per Section 2 (a)(i).

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	2.0		1.0		
A-Salaries and Wages	167,832		167,832		
B-Employee Benefits	44,148		44,148		
C-Personal Service Contracts					
E-Goods and Services	48,000		48,000		
G-Travel	4,800		4,800		
J-Capital Outlays	14,000		14,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$278,780	\$0	\$278,780	\$0	\$0

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2012	FY 2013	2011-13	2013-15	2015-17
Budget Assistant	82,800	1.0		0.5		
Contract Consultant	85,032	1.0		0.5		
Total FTE's	167,832	2.0		1.0		0.0

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.

Individual State Agency Fiscal Note

Bill Number: 5942 E S SB	Title: Liquor warehousing	Agency: 195-Liquor Control Board
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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:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- ☒ If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Jeff Olsen	Phone: 360-786-7157	Date: 05/23/2011
Agency Preparation: Colin O'Neill	Phone: (360) 664-1675	Date: 05/23/2011
Agency Approval: Michael Steenhout	Phone: (360) 664-4524	Date: 05/23/2011
OFM Review: Tristan Wise	Phone: (360) 902-0538	Date: 05/24/2011

Request # 5942 ESSB-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 2: This section directs OFM to conduct a competitive bidding process to determine if it is of "positive financial benefit to the state" to privatize the warehousing and distribution of spirits in Washington state. If no bids are acceptable, the current distribution system will remain in effect.

Section 3: This section directs that any up-front deposits in excess of \$100 million from the successful bidder be deposited into an irrevocable trust with the state as the beneficiary, with a maximum of one-sixth available to the state in any fiscal year.

Expenditures and cash receipts are indeterminate at this time.

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.

Cash receipts are indeterminate as it is possible no winning bidder will be selected.

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.

Expenditures are indeterminate as it is possible no winning bidder will be selected.

Part III: Expenditure Detail

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.