

Multiple Agency Fiscal Note Summary

Bill Number: 6100 E SB	Title: Economic gardening pilot pr.
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Estimated Cash Receipts

Agency Name	2015-17		2017-19		2019-21	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Department of Commerce	0	15,000	0	0	0	0
Total \$	0	15,000	0	0	0	0

Estimated Expenditures

Agency Name	2015-17			2017-19			2019-21		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.3	275,113	275,113	.2	372,782	372,782	.0	0	0
Total	0.3	\$275,113	\$275,113	0.2	\$372,782	\$372,782	0.0	\$0	\$0

Estimated Capital Budget Impact

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). A fiscal analysis was prepared to show the projected ten-year cost to tax or fee payers of the proposed taxes or fees. The ten-year projection can be viewed at

<http://www.ofm.wa.gov/tax/default.asp>

Prepared by: Shane Hamlin, OFM	Phone: (360) 902-0547	Date Published: Final 2/19/2016
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 44132

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 6100 E SB	Title: Economic gardening pilot pr.	Agency: 090-Office of State Treasurer
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). A fiscal analysis was prepared to show the projected ten-year cost to tax or fee payers of the proposed taxes or fees. The ten-year projection can be viewed at

<http://www.ofm.wa.gov/tax/default.asp>

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact:	Phone:	Date: 02/18/2016
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 02/18/2016
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 02/18/2016
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 02/18/2016

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.

ESB 6100 creates the economic gardening pilot project fund with the general fund as the recipient of the earnings from investments.

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.

Projected cash flows are currently unavailable, therefore, estimated earnings from investments are indeterminable.

Earnings for an account are a function of the average daily balance of the account and the earnings rate of the investment portfolio. The average daily balance is a function of the beginning balance in the account and the timing & amount of receipts, disbursements, & transfers during the time period under review. Accordingly, even with a beginning balance of zero, two accounts with the same overall level of receipts, disbursements, and transfers can have different average daily balances, and hence different earnings.

Based on the February 2016 revenue forecast, assume approximately \$6,800 in FY 17, \$20,000 in FY 18, \$30,000 in FY 19, \$31,000 in FY 20 and \$31,000 in FY 21 in net earnings would be gained or lost annually for every \$1 million shift in average daily cash balances.

There may be an impact on the debt service limitation calculation. Any change to the earnings credited to the general fund will change, by an equal amount, general state revenues.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

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: 6100 E SB	Title: Economic gardening pilot pr.	Agency: 103-Department of Commerce
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2016	FY 2017	2015-17	2017-19	2019-21
Economic Gardening Pilot Project-State NEW-1		15,000	15,000		
Total \$		15,000	15,000		

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	0.0	0.6	0.3	0.2	0.0
Account					
General Fund-State 001-1	0	275,113	275,113	372,782	0
Total \$	0	275,113	275,113	372,782	0

Estimated Capital Budget Impact:

NONE

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). A fiscal analysis was prepared to show the projected ten-year cost to tax or fee payers of the proposed taxes or fees. The ten-year projection can be viewed at

<http://www.ofm.wa.gov/tax/default.asp>

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact:	Phone:	Date: 02/18/2016
Agency Preparation: Karen McArthur	Phone: 360-725-4027	Date: 02/19/2016
Agency Approval: Chris Green	Phone: 206-256-6146	Date: 02/19/2016
OFM Review: Shane Hamlin	Phone: (360) 902-0547	Date: 02/19/2016

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.

There are no differences between the engrossed bill and the original bill that affect the fiscal impact to the Department of Commerce.

Summary of the engrossed bill:

Section 2(1) creates the economic gardening pilot project in the Department of Commerce.

Section 2(2) requires Commerce to oversee and direct all resources for the execution of the pilot program including working with economic development organizations to implement the pilot project, developing the processes for qualifying and selecting second-state companies, identifying training components for economic development organizations, engaging trained and certified economic gardening private contractors and providing economic gardening strategic assistance to companies participating in the pilot project.

Section 2(6) requires Commerce to submit a report to the economic and workforce development committees of the Legislature on or before November 1, 2017, and by November 1 of each subsequent year through 2019.

Section 2(9) terminates the pilot program on July 1, 2020.

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.

Section 2(4)(b) requires the twenty second-stage companies selected to participate in the pilot program to pay a one-time fee of \$750 dollars each. The department assumes 20 companies would participate as required in Section 2(4)(c). The funds collected must be deposited into the economic gardening pilot project fund, created in Section 5.

FY17: \$15,000

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.

ASSUMPTIONS: Section 2(2) directs the department to oversee and direct all resources for the execution of the pilot project, including working with economic development organizations to implement the pilot project, developing the processes for qualifying and selecting second-state companies, identifying training components for economic development organizations, engaging trained and certified economic gardening private contractors and providing economic gardening strategic assistance to companies participating in the pilot project. The department assumes that it would contract with identified economic development organizations to perform the functions outlined in this bill.

FTE Salaries and Benefits:

The department estimates 0.5 FTE of a Commerce Specialist 3 in FY17 to identify and coordinate with economic

development organizations on the program proposal and to negotiate and manage contracts with the selected participating economic development organizations. Commerce estimates 0.2 FTE Commerce Specialist 3 in FY18 and FY19 to manage the contract, review contract deliverables, assist in second-stage company selection and compile the report for the legislative committees.

FY17: \$45,901

FY18-19: \$18,361 each fiscal year.

Professional Services

The department will contract with eight selected participating economic development organizations to obtain economic gardening certification through the National Center for Economic Gardening. The certification is a six week course and includes online, in-person and mentoring components. All costs (\$4,300 per advisor) include retreat lodging and meals at the Edward Lowe Foundation's retreat facility in Cassopolis, Michigan. The cost of training eight staff and travel total \$40,000. The department will also contract \$20,000 per advisor/per fiscal year to provide economic gardening assistance to the 20 second-stage companies selected for the pilot project.

FY17: \$200,000

FY18-19: \$160,000 each fiscal year

Goods and Other Services

FY17: \$28,076

--standard G&S \$16,457

--space and utilities \$3,619

--nonstandard goods and services \$8,000 (for attorney general)

FY18-19: \$8,030 each fiscal year

--standard G&S \$6,582

--space and utilities \$1,448

Note: Standard goods and services costs include supplies and materials, employee development and training, mandatory state seat of government and Department of Enterprise Services charges, and Commerce agency administration. Commerce administration provides general governmental services including, but not limited to: administration, management, financial services, human resources, information technology, facilities management, public affairs and Interagency Payments. The department is in the process of seeking federal approval for a revised indirect rate for the cost allocation of administrative costs. If approved, the department intends to use the same rates and basis for allocating administrative costs for state grant programs. The cost estimate in this fiscal note represents the currently approved indirect rate and is subject to change.

Travel

The department estimates 1,200 miles and 10 days of hybrid motor pool vehicle travel (\$446) and ten days of per diem (\$690) in FY17 during the development of contracts for the implementation and administration of the program.

FY17: \$1,136

Summary of Estimated Costs:

FY17: \$275,113

FY18-19: \$186,391 each fiscal year

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years		0.6	0.3	0.2	
A-Salaries and Wages		33,942	33,942	27,154	
B-Employee Benefits		11,959	11,959	9,568	
C-Professional Service Contracts		200,000	200,000	320,000	
E-Goods and Other Services		28,076	28,076	16,060	
G-Travel		1,136	1,136		
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	\$275,113	\$275,113	\$372,782	\$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 2016	FY 2017	2015-17	2017-19	2019-21
Administrative Services - Indirect	69,552		0.1	0.0	0.0	
Commerce Specialist 3	67,884		0.5	0.3	0.2	
Total FTE's	137,436		0.6	0.3	0.2	0.0

III. C - Expenditures By Program (optional)

Program	FY 2016	FY 2017	2015-17	2017-19	2019-21
Agency Administration (Indirect) (100)		16,065	16,065	12,852	
Office of Economic Dev. and Competitiveness (600)		259,048	259,048	359,930	
Total \$		275,113	275,113	372,782	

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.

NONE