

Multiple Agency Fiscal Note Summary

Bill Number: 1183 S HB	Title: Creative districts
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Estimated Cash Receipts

NONE

Estimated Expenditures

Agency Name	2017-19			2019-21			2021-23		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Washington State Arts Commission	.0	156,000	156,000	1.0	235,000	235,000	1.0	235,000	235,000
Total	0.0	\$156,000	\$156,000	1.0	\$235,000	\$235,000	1.0	\$235,000	\$235,000

Local Gov. Courts *									
Loc School dist-SPI									
Local Gov. Other **	Fiscal note not available								
Local Gov. Total									

Estimated Capital Budget Impact

NONE

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

** See local government fiscal note

FNPID: 48089

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 1183 S HB	Title: Creative districts	Agency: 387-Washington State Arts Commission
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.0	0.0	0.0	1.0	1.0
Account					
General Fund-State 001-1	78,000	78,000	156,000	235,000	235,000
Total \$	78,000	78,000	156,000	235,000	235,000

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.

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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.

Section 1 - The Local Creative Districts legislation charges the Washington State Arts Commission with providing leadership and a helping hand to local governments, local communities and federally recognized Indian tribes desirous of certifying a part of their territory as a Creative District.

Section 2 - (2) Creates a new definition of "Coordinator" employed by the Washington State Arts Commission.
Section 2 - (3) Creates a "State-certified creative district" requiring approval by the Washington State Arts Commission.

Sections 4 and 5 - This measure has moderate fiscal impact on the Washington State Arts Commission. In the first biennium the agency will hire a contractor to begin researching the new program. The Agency will need to hire a Creative Districts Coordinator to manage and evolve the program. In the first biennium, the Agency will hire a contractor to begin researching the new program. The Agency will need to hire a Creative Districts Coordinator to manage and evolve the program. For the second biennia and beyond, the fiscal note includes salary and benefits for one coordinator, a slim budget for travel, and additional budget items permitting meaningful technical and professional support for communities pursuing Creative District Certification.

Section 4, subsection (9) limits funding to \$156,000 for the first biennium and \$235,000 the second year and requires \$40,000 in grants each year. .

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.

No impact.

II. C - Expenditures

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

Sections 4 and 5 - The Washington State Arts Commission (Arts Commission) shall employ a coordinator to work with the public and the Arts Commission to develop criteria for a statewide Creative District program; a certification process and forms; a review process; a denial, revocation and appeal process; and develop an incentive process for state-certified creative districts. The coordinator will be tasked with the provision of technical assistance and planning help. In the first two years of implementation a contractor will be hired to begin research, coordination, meeting with community leaders and development of the new program.

Ongoing costs in future biennia include salary, benefits, office expenses, travel, and incentives in the form of grants for state-certified creative districts. For purposes of this Fiscal Note the Agency assumes we would have funds or processes available to incentivize successful applications at \$40,000 in grants each year. The Agency assumes it will be challenging to be able to grant \$40,000 in the first year when the criteria, processes and forms will not be finalized, making it difficult to select qualified creative districts to receive grants.

New subsection (9) in Section 4 limits the funding to \$156,000 per biennium or \$78,000 per year including \$40,000 in grants each year. In the second biennium it limits funding to \$235,000 per biennium or \$117,500 per

year including \$40,000 in grants each year. The proposed funding for the first biennium is insufficient to hire an employee, pay benefits and enterprise services and award the minimum required \$40,000 in grants. The Agency assumes with this amount of funding that hiring a contractor for the first two years allows the Agency to meet the \$78,000 per year. In the second biennium when the funding is higher, the Agency will dedicate a coordinator position to the program. Hiring an employee allows for someone on site, sharing resources from the Agency, oversight by the Agency and inclusion with statewide planning within the Agency and meets the definition outlined in Section (2).

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years				1.0	1.0
A-Salaries and Wages				120,000	120,000
B-Employee Benefits				31,000	31,000
C-Professional Service Contracts	35,000	35,000	70,000		
E-Goods and Other Services	2,000	2,000	4,000	2,000	2,000
G-Travel	1,000	1,000	2,000	2,000	2,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	40,000	40,000	80,000	80,000	80,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$78,000	\$78,000	\$156,000	\$235,000	\$235,000

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 2018	FY 2019	2017-19	2019-21	2021-23
WMS 1, Band I - \$5,000 / month	60,000				1.0	1.0
Total FTE's	60,000				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.

Sections (3), (4), and (5) require the Washington State Arts Commission to develop and adopt eligibility criteria for Creative Districts; develop application forms; develop a process for review of applications from local governments; develop denial, revocation and appeal processes; and develop incentives for state-certified creative districts in the form of grants.