

Multiple Agency Fiscal Note Summary

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|-------------------------------|--|
| Bill Number: 1656 S HB | Title: Aviation revival. loan prg |
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Estimated Cash Receipts

| Agency Name | 2017-19 | | 2019-21 | | 2021-23 | |
|------------------------------|--|-------|-----------|-------|-----------|-------|
| | GF- State | Total | GF- State | Total | GF- State | Total |
| Department of Transportation | Non-zero but indeterminate cost and/or savings. Please see discussion. | | | | | |
| Total \$ | 0 | 0 | 0 | 0 | 0 | 0 |

Estimated Expenditures

| Agency Name | 2017-19 | | | 2019-21 | | | 2021-23 | | |
|------------------------------|---------------------------|------------|------------------|------------|------------|------------------|------------|------------|------------------|
| | FTEs | GF-State | Total | FTEs | GF-State | Total | FTEs | GF-State | Total |
| Office of State Treasurer | Fiscal note not available | | | | | | | | |
| Department of Commerce | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Department of Transportation | .5 | 0 | 148,000 | 1.0 | 0 | 264,000 | 1.0 | 0 | 266,000 |
| Total | 0.5 | \$0 | \$148,000 | 1.0 | \$0 | \$264,000 | 1.0 | \$0 | \$266,000 |

Estimated Capital Budget Impact

NONE

| | | |
|-------------------------------------|---------------------------------|---|
| Prepared by: Kathy Cody, OFM | Phone: (360) 902-9822 | Date Published: Preliminary 2/16/2018 |
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 52385

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

| | | |
|-------------------------------|--|---|
| Bill Number: 1656 S HB | Title: Aviation revival. loan prg | Agency: 103-Department of Commerce |
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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: Patricia Hasan | Phone: 360-786-7292 | Date: 02/10/2018 |
| Agency Preparation: Lea Ford | Phone: 360-725-2911 | Date: 02/14/2018 |
| Agency Approval: Martin McMurry | Phone: 360-725-2710 | Date: 02/14/2018 |
| OFM Review: Gwen Stamey | Phone: (360) 902-9810 | Date: 02/15/2018 |

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 requires the director of the Department of Commerce to serve as a member on the Community Aviation Revitalization Loan Oversight Committee within the Department of Transportation.

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.

There is no fiscal impact to the department. The department assumes that any per diem and travel expenses for the director are part of the routine duties of that position. Those expenses will be paid by the department and not reimbursed by the committee or by the department of transportation.

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.

None

Individual State Agency Fiscal Note

| | | |
|-------------------------------|--|---|
| Bill Number: 1656 S HB | Title: Aviation revital. loan prg | Agency: 405-Department of Transportation |
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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:

| | FY 2018 | FY 2019 | 2017-19 | 2019-21 | 2021-23 |
|--|---------|---------|---------|---------|---------|
| FTE Staff Years | 0.0 | 1.0 | 0.5 | 1.0 | 1.0 |
| Account | | | | | |
| State Taxable Building Construction Account-State 355-1 | 0 | 148,000 | 148,000 | 264,000 | 266,000 |
| Total \$ | 0 | 148,000 | 148,000 | 264,000 | 266,000 |

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.

| | | |
|-------------------------------------|-----------------------|------------------|
| Legislative Contact: Patricia Hasan | Phone: 360-786-7292 | Date: 02/10/2018 |
| Agency Preparation: Terri Palumbo | Phone: 360-709-8096 | Date: 02/16/2018 |
| Agency Approval: David Fleckenstein | Phone: 360-709-8020 | Date: 02/16/2018 |
| OFM Review: Kathy Cody | Phone: (360) 902-9822 | Date: 02/16/2018 |

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 proposed legislation creates a Community Aviation Revitalization Board (referred to below as the Board) and sets forth its membership, administration, and powers and duties including making loans for general aviation improvement projects. The bill authorizes the loan program, to be funded in a new non-appropriated, allotted revolving account for federal or other funds procured by the Board for the purpose.

Section 2 establishes the structure of the Board and defines its membership and its duties. Committee membership includes legislative members, a representative from the Washington State Department of Transportation (WSDOT) Aviation Division, and a representative from the Department of Commerce. In addition, the Secretary of Transportation appoints five committee members that represent designated groups or government jurisdictions. The Secretary of Transportation and the Director of Commerce serve as non-voting members. WSDOT is required to provide management services, including fiscal and contract services, as well as staff support to the Board.

Section 6 provides that the Board may make direct loans to airport sponsors of public use airports in the state for the purpose of airport improvements that primarily support general aviation activities. It also sets the conditions for providing loans and defines eligible recipients and projects, requires that priority be given to applications with revenue-generating opportunities, and lists additional minimum criteria for evaluation.

Section 9 amends the section of the 2018 enacted capital budget that created the General Aviation Airport Loan Revolving Account, which will codify the creation of the account.

Section 10 requires the WSDOT to keep proper records of accounts, which are subject to audit by the State Auditor.

Section 11 adds the public use General Aviation Airport Loan Revolving Account to RCW 43.79A.040 to the list of funds within the Office of the State Treasurer's trust fund that receive proportionate shares of earnings from investment income.

Section 13 revises the capital budget passed by the Legislature in January, 2018 (Chapter 2, Laws of 2018) related to aviation revitalization loans, making Board membership under the capital budget consistent with the remainder of the bill (SHB 1656). The Board may provide loans for the purpose of airport improvements only if the state is receiving commensurate public benefit, which must include, as a condition of the loan, a commitment to provide public access to the airport for a period of time equivalent to one and one-half times the term of the loan.

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.

Because the Board determines when loans are made and at what interest rate, WSDOT cannot determine the timing and level of moneys to be collected, so this portion of this fiscal note is indeterminate. The enacted capital budget previously capitalized the account with an appropriation to WSDOT for deposit into the new account.

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.

WSDOT assumes it will have costs beginning July 1, 2018, to support the Board and manage the loan program. This would require one FTE, a Transportation Planning Specialist 4 (TPS4) position. The TPS4 responsibilities include:

- Pursuing potential revenue sources,
- Obtaining and reviewing initial applications to ensure conditions of the law are met,
- Setting up task force meetings for loan application review,
- Providing materials and information to the task force for review,
- Processing loan applications,
- Providing oversight on projects, and
- Maintaining records of the loans and accounts.

The estimated initial costs for the program are approximately \$147,800 for Fiscal Year 2019. Costs are calculated using WSDOT salaries and benefits for a TPS4 plus the additional items below.

- 1) Goods/Services - Initial costs in the first biennium would be higher to set up the program, which would include sending information to airports regarding the criteria for the loan program and providing a means of obtaining application materials for airports who would apply for a loan; estimated at \$5,000.
- 2) Travel - Costs for travel are based on projections for the program manager to visit airports with loans to ensure compliance with the conditions of the program at least once per year and to attend Board meetings.

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 | 0.5 | 1.0 | 1.0 |
| A-Salaries and Wages | | 85,000 | 85,000 | 170,000 | 170,000 |
| B-Employee Benefits | | 34,000 | 34,000 | 68,000 | 68,000 |
| C-Professional Service Contracts | | | | | |
| E-Goods and Other Services | | 18,000 | 18,000 | 8,000 | 8,000 |
| G-Travel | | 5,000 | 5,000 | 10,000 | 10,000 |
| J-Capital Outlays | | 6,000 | 6,000 | 8,000 | 10,000 |
| M-Inter Agency/Fund Transfers | | | | | |
| N-Grants, Benefits & Client Services | | | | | |
| P-Debt Service | | | | | |
| S-Interagency Reimbursements | | | | | |
| T-Intra-Agency Reimbursements | | | | | |
| 9- | | | | | |
| Total: | \$0 | \$148,000 | \$148,000 | \$264,000 | \$266,000 |

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 |
|--------------------------------------|--------|---------|---------|---------|---------|---------|
| Transportation Planning Specialist 4 | | | 1.0 | 0.5 | 1.0 | 1.0 |
| Total FTE's | | | 1.0 | 0.5 | 1.0 | 1.0 |

Part IV: Capital Budget Impact

N/A

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.