

Multiple Agency Fiscal Note Summary

Bill Number: 5935 E 2S SB 5935-S2.E AMH TED H5116.1	Title: Broadband & telecomm service
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Estimated Cash Receipts

Agency Name	2017-19		2019-21		2021-23	
	GF- State	Total	GF- State	Total	GF- State	Total
Consolidated Technology Services	0	75,000,000	0	0	0	0
Total \$	0	75,000,000	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 the Secretary of State	.0	1,220	1,220	.0	2,440	2,440	.0	2,440	2,440
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Office of Financial Management	Fiscal note not available								
Department of Revenue	Fiscal note not available								
Consolidated Technology Services	1.3	0	500,000	6.5	0	2,064,460	6.5	0	2,064,460
Utilities and Transportation Commission	.3	0	81,645	.0	0	0	.0	0	0
Total	1.6	\$1,220	\$582,865	6.5	\$2,440	\$2,066,900	6.5	\$2,440	\$2,066,900

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

Estimated Capital Budget Impact

NONE

Prepared by: Bryan Way, OFM	Phone: (360) 902-0650	Date Published: Preliminary 3/ 2/2018
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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: 5935 E 2S SB 5935-S2.E AMH TED H5116.1	Title: Broadband & telecomm service	Agency: 085-Office of the Secretary of State
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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
Account					
General Fund-State 001-1	0	1,220	1,220	2,440	2,440
Total \$	0	1,220	1,220	2,440	2,440

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:

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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: Lily Smith	Phone: 360-786-7175	Date: 03/01/2018
Agency Preparation: Temple Allen	Phone: 360-704-5215	Date: 03/02/2018
Agency Approval: Mark Neary	Phone: 360-902-4186	Date: 03/02/2018
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 03/02/2018

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 3 of this bill names the State Librarian as one of the entities that the Governor's Office on Broadband must collaborate with to ensure statewide broadband access and deployment. In this role, the State Librarian may be called upon to attend meetings and confer on issues. This would add to the State Librarian's workload, most likely to a small degree, and some travel, most likely local, may be required to attend meetings and other events.

Section 6 of this bill includes the State Librarian as one of the members of the advisory committee on a statewide rural broadband strategy that the Office may form. Should there be an advisory committee, the State Librarian may be called upon to attend meetings and confer on issues. This would add to the State Librarian's workload, most likely to a small degree, and some travel, most likely to rural areas of the state, may be required to attend meetings and other events.

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.

Section 3 of the bill may require some local travel to meetings. Assuming that there are 4 meetings per year in Olympia, the total cost to the State Library will be \$20. Mileage from Tumwater to Olympia and back is approximately \$5 (9 miles x .535 = \$4.82).

Section 6 of the bill may require some travel to meetings, most likely in rural areas of the state. Assuming that there are 4 meetings per year, possibly as far away from Olympia as Spokane and with one night's stay in a hotel, the total cost to the State Library/OSOS will be \$1200. Current per diem in Spokane is \$64 per day, with \$102 per night allowed for hotel. According to the DES travel calculator, a state car would cost \$120 for a trip to/from Spokane. The total cost for a Spokane trip would be \$350. Assuming some trips would be cheaper, \$1200 for 4 meetings, or \$300 per meeting, is a reasonable estimate.

The total fiscal impact is \$1220 per year.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel		1,220	1,220	2,440	2,440
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	\$1,220	\$1,220	\$2,440	\$2,440

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: 5935 E 2S SB 5935-S2.E AMH TED H5116.1	Title: Broadband & telecomm service	Agency: 090-Office of State Treasurer
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Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2018	FY 2019	2017-19	2019-21	2021-23
Budget Stabilization Account-State 14B-1	(75,000,000)		(75,000,000)		
Broadband Access Account-State New-1	75,000,000		75,000,000		
Total \$					

Estimated Expenditures from:

NONE

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: Lily Smith	Phone: 360-786-7175	Date: 03/01/2018
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 03/02/2018
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 03/02/2018
OFM Review: Ramona Nabors	Phone: (360) 902-0547	Date: 03/02/2018

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.

E2SSB 5935 AMH TED H5116.1 creates the broadband access account, coupled 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.

Under section 5, the bill directs the state treasurer to transfer \$75 million from the budget stabilization account to the broadband access account.

Assumption: the \$75 million transfer will occur in FY 18.

The estimated amounts deposited into the broadband access account under section 7 are indeterminate as reported by the department of revenue.

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. 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 2018 revenue forecast, assume approximately \$10,300 in FY 18, \$17,800 in FY 19, \$25,400 in FY 20 and \$30,800 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: 5935 E 2S SB 5935-S2.E AMH TED H5116.1	Title: Broadband & telecomm service	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: Lily Smith	Phone: 360-786-7175	Date: 03/01/2018
Agency Preparation: Karen McArthur	Phone: 360-725-4027	Date: 03/02/2018
Agency Approval: Martin McMurry	Phone: 360-725-2710	Date: 03/02/2018
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 03/02/2018

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.

Differences and summary between E2SSB 5935-S2 and E2SSB 5935

Section 3(1) Creates the governor's office on broadband access in the consolidated technology services agency rather than the department of commerce (department).

Section 3(2) has the department and the community economic revitalization board (CERB) collaborating with the office and serving as with it as the coordinating body for public and private efforts to ensure statewide broadband access and deployment.

Section 6(1) has the department serving on an advisory committee convened by the office to ensure broadband access statewide by January 1, 2026.

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 department's information communications technology sector lead would serve as the department's representative in collaborating with the office and serve on the advisory group as part of their normal operations within the department. CERB and CERB staff would collaborate pursuant in section 3(2) (and in other areas pursuant in the bill that may require collaboration from CERB), within current and normal operating processes.

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: 5935 E 2S SB 5935-S2.E AMH TED H5116.1	Title: Broadband & telecomm service	Agency: 163-Consolidated Technology Services
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2018	FY 2019	2017-19	2019-21	2021-23
Broadband Access Account-State New-1		75,000,000	75,000,000		
Total \$		75,000,000	75,000,000		

Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	0.0	2.5	1.3	6.5	6.5
Account					
Broadband Access Account-State New-1	0	500,000	500,000	2,064,460	2,064,460
Total \$	0	500,000	500,000	2,064,460	2,064,460

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:

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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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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: Lily Smith	Phone: 360-786-7175	Date: 03/01/2018
Agency Preparation: Wendy Armstrong	Phone: 360-407-8977	Date: 03/02/2018
Agency Approval: Wendi Gunther	Phone: 360-407-8779	Date: 03/02/2018
OFM Review: Bryan Way	Phone: (360) 902-0650	Date: 03/02/2018

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 3 (1) creates the Governor's Office on Broadband Access (GOBA) in the Consolidated Technology Services (WaTech) to improve economic vitality, health care access, and education through greater access to broadband services.

Section 3 (2) establishes a coordinating body to work with the GOBA that includes the Utilities and Transportation Commission (UTC), the Department of Commerce, the State Librarian and the Community Economic Revitalization Board.

Section 3(3) defines the duties of the GOBA to include reviewing existing initiatives, policies, public and private investments, updating the state's goals and standards, identifying unserved and underserved areas of the state, initiating actions to develop and maintain inventory of the deployment of broadband services, developing standards for defining levels of service, prioritizing and sequencing delivery, and coordinating public, private, state and federal funds.

Section 3(5) requires the GOBA to submit a report to the governor and the economic development committees of the Senate and the House of Representatives by December 1, 2019 detailing the strategy to bring broadband service at minimum download speeds, recommendations for policy changes, a framework for future funding, progress on the broadband strategy, ongoing and future funding options that would achieve the service goals at the lowest cost to the state, and a study of taxes imposed on the capital costs associated with providing retail broadband service, including sales and use taxes.

Section 4 provides authority for the GOBA to apply for federal funds and other grants or donations.

Section 5(1) requires the treasure transfer \$75,000,000 from the budget stabilization account to the Broadband Access Account (BAA).

Section 5(2) appropriates \$500,000 from the newly created BAA solely for the purpose of development of a broadband strategy and report.

Section 6 (1) creates an advisory committee to include experts from the utilities and transportation commission, the state librarian and the department of commerce to make recommendations on developing a statewide rural broadband strategy to ensure broadband access by January 1, 2026. The advisory committee is required to conduct a gap analysis on the deployment of broadband services.

Section 7 requires the Department of Revenue to estimate the annual amount of taxes paid and to deposit the estimated amounts into the broadband access account beginning January 1, 2019.

Section 8 creates the BAA in RCW 43.105 (WaTech). Moneys in the account may be spent only after appropriating and expenditures may be used only for the expansion of broadband access, including funding grants.

Sections 9 thru 17 contain changes to state law involving the UTC.

Section 18 contains changes to state law involving the Department of Commerce.

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 5 creates the Broadband Access Account (BAA) and transfers \$75,000,000 from the Budget Stabilization Account.

Section 5(2) appropriates \$500,000 from the BAA solely for the purpose of development of a broadband strategy and report due December 1, 2019

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 3(5) requires the Governor’s Office on Broadband Access (GOBA) to submit a report to the governor and the economic development committees of the Senate and the House of Representatives by December 1, 2019. It is assumed that the GOBA will need the following staff to provide expert policy advice and consultation on a range of issues that have statewide implications specific to broadband access and deployment:

One Senior Program Manager EMS4 (\$163,700 salaries and benefits) to provide leadership, oversight, supervision, rules coordination and decision making over all elements of the office.

One Management Analyst 5 (\$101,900 salaries and benefits) to conduct research on the development and deployment of broadband access, program data analysis, research ongoing and future funding options, and conduct research on taxes imposed on the capital costs associated with providing retail broadband services, including sales and use taxes.

One-half (.5) FTE Administrative Assistant 4 (\$42,500 salaries and benefits) to provide administrative support for the office, document review, schedule meetings, maintain schedules and priorities.

Section 4 provides authority for the governor’s office on broadband access to apply for federal funds and other grants or donations. It is assumed that additional staff will be required to implement funding programs established by the governor’s office on broadband access and to manage the Broadband Access Account (BAA).

It is assumed that one Grants Manager (\$163,700 salaries and benefits) will be required to coordinate public, private, state and federal funding for deployment of broadband services, including responsibility for on-going grant reporting requirements; two (2) contract specialists (\$104,700 each for salaries and benefits) would be required to administer reverse auctions and oversee broadband contract management and one Financial Analyst 5 (\$92,900 salaries and benefits) to process vendor payments and assist with BAA management.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years		2.5	1.3	6.5	6.5
A-Salaries and Wages		226,000	226,000	1,037,200	1,037,200
B-Employee Benefits		82,000	82,000	402,106	402,106
C-Professional Service Contracts		66,000	66,000		
E-Goods and Other Services		12,000	12,000	61,154	61,154
G-Travel		9,000	9,000	18,000	18,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		105,000	105,000	546,000	546,000
9-					
Total:	\$0	\$500,000	\$500,000	\$2,064,460	\$2,064,460

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
Administrative Assistant 4	51,504		0.5	0.3	0.5	0.5
(Classified)						
Contracts Specialist (Exempt)	75,600				2.0	2.0
Fiscal Analyst 5	65,916				1.0	1.0
Grants Manager (WMS2)	75,600				1.0	1.0
Management Analyst 5 (Classified)	74,592		1.0	0.5	1.0	1.0
Senior Program Manager (EMS4)	125,500		1.0	0.5	1.0	1.0
Total FTEs			2.5	1.3	6.5	6.5

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: 5935 E 2S SB 5935-S2.E AMH TED H5116.1	Title: Broadband & telecomm service	Agency: 215-Utilities and Transportation Commission
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Part I: Estimates

☐

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	0.5	0.3	0.0	0.0
Account					
Universal Communications Services Acct-Non-Appropriated 19J-6	0	81,645	81,645	0	0
Total \$	0	81,645	81,645	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:

☒

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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: Lily Smith	Phone: 360-786-7175	Date: 03/01/2018
Agency Preparation: Melissa Hamilton	Phone: 360 664-1158	Date: 03/02/2018
Agency Approval: Jon Noski	Phone: 360-664-0000	Date: 03/02/2018
OFM Review: Kathy Cody	Phone: (360) 902-9822	Date: 03/02/2018

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.

5935 E2S SB 5935-S2.E AMH TED H5116.1 addresses a number of telecommunications issues including rural telecommunications funding, creation of Governor's Office on Broadband Access in the Consolidated Technology Services Agency, and extension of the State Universal Communications Services (UCS Program).

Sections 6 and 11 – 17 contain changes to state law involving the Utilities and Transportation Commission (UTC). Section 6 requires the UTC to collaborate with the newly created governor's office on broadband access to enable public and private efforts to ensure statewide broadband access and deployment.

Sections 11-17 make changes the state UCS Program administered by the UTC. Specifically, the program is extended six more years, ending June 30, 2025 and shifts the focus of the funding from narrowband voice services to include broadband services. Beginning July 1, 2022, Section 11 requires the UTC to determine eligibility for distributions from the account using a competitive, market-based assessment of a communications provider's ability to provide voice and broadband services to the greatest number of consumers within a defined service area. The assessment must be technology-neutral in considering the level of service provided.

Section 15 requires the UTC to prepare a report to the legislature on the adequacy of funding in maintaining universal service, future impacts on recipients of the funding, and an analysis of the need for future program funding, and recommendations on funding mechanisms to improve the availability of services in unserved and underserved areas of 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.

No Cash Receipt Impact to UTC. Section 11 adds six additional years of potential state UCS Program funding of \$5 million annually which must be appropriated from the state general fund to the UTC for distribution to eligible telecommunications carriers.

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.

As proposed, the bill would not materially increase the UTC's workload, particularly with respect to overseeing the state UCS Program. However, the UTC believes at least one complex rulemaking would be necessary in FY2019 to address funding issues regarding inclusion of broadband service in the list of services to be supported and the prospect of awarding funding to an expanded group of potential recipients. Sections 12 and 13 provides that UTC expenses related to implementation and administration of the UCS Program and costs incurred to prepare a report to the legislature by December 2, 2021, may be recovered from the annual \$5 million appropriation from the general fund necessary for distribution to eligible telecommunications carriers. Therefore, the UTC assumes that all costs associated overseeing an expanded UCS Program, including the costs of a complex rulemaking and the preparation of a report to the legislature, would be recovered from the annual appropriation from the general fund.

\$81,644 FY2019 (Administrative Law Judge = .08; Assistant Director, Telecom = .07; Consumer Program

Specialist 3 = .15; Director, Legislation and Policy = .06; Director, Regulatory Services = .02; Legal Assistant 2 = .01; Paralegal 1 = .03; Regulatory Analyst 2 = .02; Regulatory Analyst 3 = .1)

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years		0.5	0.3		
A-Salaries and Wages		46,180	46,180		
B-Employee Benefits		11,083	11,083		
C-Professional Service Contracts					
E-Goods and Other Services		24,382	24,382		
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	\$81,645	\$81,645	\$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 2018	FY 2019	2017-19	2019-21	2021-23
Administrative Law Judge	10,700		0.1	0.0		
Assistant Director, Telecom	7,559		0.1	0.0		
Consumer Prgm Spec 3	4,977		0.2	0.1		
Director, Legislation & Policy	9,059		0.1	0.0		
Director, Regulatory Services	9,837		0.0	0.0		
Legal Assist. 2	3,700		0.0	0.0		
Paralegal 1	4,399		0.0	0.0		
Regulatory Analyst 2	6,062		0.0	0.0		
Regulatory Analyst 3	6,862		0.1	0.1		
Total FTEs			0.5	0.3		0.0

Part IV: Capital Budget Impact

No 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.

UTC believes at least one complex rulemaking in FY2019 would be necessary to address funding issues regarding inclusion of broadband service in the list of services to be supported and the prospect of awarding funding to an expanded group of potential recipients. The complex rulemaking will entail two day-long workshops, development of drafts and proposed rules, and multiple rounds of stakeholder comments.