

Multiple Agency Fiscal Note Summary

| | |
|------------------------------------------------------|------------------------------------------|
| Bill Number: 5740 2E 2S SB AMH CPB H5086.1 | Title: Retirement savings program |
|------------------------------------------------------|------------------------------------------|

Estimated Cash Receipts

| Agency Name | 2019-21 | | 2021-23 | | 2023-25 | |
|----------------------------|------------------------------------------------------------------------|-------|-----------|-------|-----------|-------|
| | GF- State | Total | GF- State | Total | GF- State | Total |
| Office of Attorney General | Non-zero but indeterminate cost and/or savings. Please see discussion. | | | | | |
| Total \$ | 0 | 0 | 0 | 0 | 0 | 0 |

Estimated Operating Expenditures

| Agency Name | 2019-21 | | | 2021-23 | | | 2023-25 | | |
|--------------------------------------|------------------------------------------------------------------------|----------|---------|---------|----------|---------|---------|----------|---------|
| | 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 |
| Office of Attorney General | Non-zero but indeterminate cost and/or savings. Please see discussion. | | | | | | | | |
| Department of Financial Institutions | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Department of Commerce | .6 | 244,807 | 244,807 | .8 | 383,710 | 383,710 | .6 | 289,552 | 289,552 |
| Office of Administrative Hearings | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| State Investment Board | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Department of Revenue | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Employment Security Department | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Total \$ | 0.6 | 244,807 | 244,807 | 0.8 | 383,710 | 383,710 | 0.6 | 289,552 | 289,552 |

Estimated Capital Budget Expenditures

| Agency Name | 2019-21 | | | 2021-23 | | | 2023-25 | | |
|--------------------------------------|---------|-------|-------|---------|-------|-------|---------|-------|-------|
| | FTEs | Bonds | Total | FTEs | Bonds | Total | FTEs | Bonds | Total |
| Office of State Treasurer | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Office of Attorney General | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Department of Financial Institutions | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Department of Commerce | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Office of Administrative Hearings | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| State Investment Board | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Department of Revenue | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Employment Security Department | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Total \$ | 0.0 | 0 | 0 | 0.0 | 0 | 0 | 0.0 | 0 | 0 |

Estimated Capital Budget Breakout

| | | |
|--------------------------------------|---------------------------------|-------------------------------------------|
| Prepared by: Gwen Stamey, OFM | Phone: (360) 902-9810 | Date Published: Final 3/ 6/2020 |
|--------------------------------------|---------------------------------|-------------------------------------------|

Individual State Agency Fiscal Note

| | | |
|---------------------------------------------------------|------------------------------------------|-------------------------------------------------|
| Bill Number: 5740 2E 2S SB AMH CPB H5086.1 | Title: Retirement savings program | Agency: 090-Office of State Treasurer |
|---------------------------------------------------------|------------------------------------------|-------------------------------------------------|

Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating 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: | Phone: | Date: 02/27/2020 |
| Agency Preparation: Dan Mason | Phone: (360) 902-8990 | Date: 02/28/2020 |
| Agency Approval: Dan Mason | Phone: (360) 902-8990 | Date: 02/28/2020 |
| OFM Review: Ramona Nabors | Phone: (360) 902-0547 | Date: 03/02/2020 |

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.

2E2SSB 5740 AMH CPB H-5086.1 removes the creation of the secure choice retirement savings administrative fund incorporated in 2E2SSB 5740.

Therefore, no fiscal impact.

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.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

| | | |
|---------------------------------------------------------|------------------------------------------|--------------------------------------------------|
| Bill Number: 5740 2E 2S SB AMH CPB H5086.1 | Title: Retirement savings program | Agency: 100-Office of Attorney General |
|---------------------------------------------------------|------------------------------------------|--------------------------------------------------|

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. 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.
- ☒ 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: 02/27/2020 |
| Agency Preparation: Cam Comfort | Phone: (360) 664-9429 | Date: 03/04/2020 |
| Agency Approval: Edd Giger | Phone: 360-586-2104 | Date: 03/04/2020 |
| OFM Review: Gwen Stamey | Phone: (360) 902-9810 | Date: 03/06/2020 |

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 is a new section stating legislative findings and intent.

Sections 2 through 10 amend various statutes in RCW 43.330 to replace references to the “Washington Small Business Retirement Marketplace” with the “Security Choice Retirement Savings Program” and references to “marketplace” with “program.”

Section 3 also amends RCW 43.330.735 to require the Department of Commerce (COM) to make available a diverse array of private retirement plan options for employers on a voluntary basis, including plans that have auto-enrollment and auto-escalation features designed to increase employee participation and savings. Available retirement plans may include life insurance plans, simplified employer pension plans, SIMPLE IRA plans, plans with individual retirement accounts, plans described under various Internal Revenue Code provisions, and pooled or multiple employer plans allowed under federal law. Certain requirements are imposed on financial services firms selected by COM to offer approved plans.

Section 11 is a new section decodifying RCW 43.440.730.

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.

Indeterminate cash receipts. Based on the limited information available and indeterminate time requirements, the AGO is not able to provide a plausible range of cash receipts based on the enactment of this bill.

Cash receipts are assumed to equal the Legal Services Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agency is the Department of Commerce. The Attorney General’s Office (AGO) will bill all clients for legal services rendered.

These cash receipts represent the AGO’s authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agencies’ fiscal note. Appropriation authority is necessary in the AGO budget.

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.

Indeterminate expenditure impact.

Attorney General’s Office (AGO) Agency Assumptions:

1. This bill is assumed effective 90 days after the end of the 2020 legislative session.

2. The AGO Government Compliance & Enforcement Division (GCE) has reviewed this bill and determined it will not significantly increase the division's workload in representing the Department of Financial Institutions (DFI). This bill creates the Secure Choice Retirement Savings Program. Section 3 of the bill requires the Director of the Department of Commerce (COM) to consult with other state agencies, including DFI, to design and manage the program. GCE assumes minimal, if any legal advice would be required as a result of DFI's role as consultant under this bill. Legal services associated with the enactment of this bill will be provided with existing resources. New legal services are assumed to be nominal and costs are not included in this request.

3. The AGO Licensing & Administrative Law Division (LAL) has reviewed this bill and determined it will not increase or decrease the division's workload in representing the Employment Security Department (ESD). This version of the bill tasks a different agency with the primary implementation responsibilities relative to earlier iterations of the bill. The sections of the bill that mention ESD's responsibilities are amendments to existing laws, for which ESD will not require legal services. Costs are not included in this request.

4. The AGO Revenue & Finance Division (REV) has reviewed this bill and determined it will not increase or decrease the division's workload in representing the Office of State Treasurer, Office of Administrative Hearings, Washington State Investment Board, Department of Retirement Systems, or the Department of Revenue. It is likely few, if any, requests for legal advice will be requested. Such legal services will be provided with existing resources. New legal services are assumed to be nominal and costs are not included in this request.

Assumptions for the AGO Division's Agriculture & Health Division (AHD) Legal Services for COM:

1. The AGO will bill COM for legal services based on the enactment of this bill.
2. AHD assumes additional costs of undetermined amount for legal advice contracted through Special Assistant Attorneys General (SAAGs) with expertise in Employee Retirement Income Security Act compliance, and on specialized contracts matters.
3. SAAG costs vary between \$500 and \$1,000 per hour.
4. The total hours required by FY is indeterminate. The number of SAAG hours will depend on the number of new Employee Retirement Savings Plans participating in the program.
5. Based on the limited information available and indeterminate time requirements, the AGO is not able to provide a plausible range of projected costs based on the enactment of this bill.
6. Legal services provided by AHD are expected to be nominal and costs are not included in this request.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

| | | |
|---------------------------------------------------------|------------------------------------------|------------------------------------------------------------|
| Bill Number: 5740 2E 2S SB AMH CPB H5086.1 | Title: Retirement savings program | Agency: 102-Department of Financial Institutions |
|---------------------------------------------------------|------------------------------------------|------------------------------------------------------------|

Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating 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: | Phone: | Date: 02/27/2020 |
| Agency Preparation: Emily Fitzgerald | Phone: (360) 902-8780 | Date: 03/02/2020 |
| Agency Approval: Levi Clemmens | Phone: (360) 902-8818 | Date: 03/02/2020 |
| OFM Review: Ramona Nabors | Phone: (360) 902-0547 | Date: 03/02/2020 |

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.

This bill creates the Secure Choice Retirement Savings Program. Section 3 states that the Department of Financial Institutions may be consulted in designing and managing the Savings Program. In the event that it is needed, the Department will absorb the cost of this consultation.

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.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Revised

| | | |
|---------------------------------------------------------|------------------------------------------|----------------------------------------------|
| Bill Number: 5740 2E 2S SB AMH CPB H5086.1 | Title: Retirement savings program | Agency: 103-Department of Commerce |
|---------------------------------------------------------|------------------------------------------|----------------------------------------------|

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

| | FY 2020 | FY 2021 | 2019-21 | 2021-23 | 2023-25 |
|--------------------------|---------|---------|---------|---------|---------|
| FTE Staff Years | 0.0 | 1.1 | 0.6 | 0.9 | 0.6 |
| Account | | | | | |
| General Fund-State 001-1 | 0 | 244,807 | 244,807 | 383,710 | 289,552 |
| Total \$ | 0 | 244,807 | 244,807 | 383,710 | 289,552 |

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: | Phone: | Date: 02/27/2020 |
| Agency Preparation: Karen McArthur | Phone: 360-725-4027 | Date: 03/05/2020 |
| Agency Approval: Joyce Miller | Phone: 360-725-2710 | Date: 03/05/2020 |
| OFM Review: Gwen Stamey | Phone: (360) 902-9810 | Date: 03/06/2020 |

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 between the striker amendment 5740-S2.E2 AMH CPB H5086.1 and the engrossed second substitute senate bill:

This bill strikes everything after the enacting clause and adds new sections 1-11. It eliminates all mandated sections of the Employment Security Department administered Secure Choice Program, and makes changes to the Small Business Retirement Marketplace Program administered by the Department of Commerce (department).

Summary of striker amendment 5740-S2.E2 AMH CPB H5086.1:

Section 2(1) changes the name of the Washington Small Business Retirement Marketplace to the Secure Choice Retirement Savings Program (program).

Section 3(5) directs the director of the department to include plans in the program that are completely voluntary, and plans that have auto-enrollment and auto-escalation features. Plans offered in the program may include simplified employer-pension plans, SIMPLE IRA plans, plans described under 401(a), 401(k), or 403(b) of the Internal Revenue Code and pooled employer plans or multiple employer plans allowed under federal law.

Section 3(7) eliminates the requirement that participating financial services firms offer a minimum of two plans.

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.

The department does not set, administer or collect the fee revenue contained in this bill. Section 3(11) allows participating financial services firms to determine and charge the participating employer reasonable, market-based fees commensurate with the type of retirement plan and benefits offered, provided that the fee structure must be disclosed and made transparent to participating employers and employees in order to facilitate comparison of like plans offered in the marketplace.

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.

Secure Choice Retirement Savings Program Outreach:

The change in the name of the program from Retirement Marketplace to Secure Choice will require the department to start over in terms of marketing, awareness and building value. This includes new collateral materials, presentations, exhibit graphics and a revised marketing strategies to promote the state's retirement program.

The department anticipates that additional staff will be required in the first two years of the program to provide the level of support needed to build awareness and buy-in on the part of businesses, business associations,

chambers of commerce and other potential partners and participants. It is assumed the retirement marketplace will experience an increase in financial plan firms interested in the program, given that the fee structure has changed. This will require additional staff time in the beginning to vet, process and list new plans and financial service partners. To accomplish this work the department estimates:

1.0 FTE Commerce Specialist 2 (2,088 hours in FY21-22) to provide information about and answer questions from interested providers, coordinate with the Department of Financial Institutions and the Office of the Insurance Commissioner around the verification process. Staff would input new plan information on the website, coordinate and execute outreach strategies, provide in-person information and education about the program to partners within the small business ecosystem, and coordinate or contract for paid marketing strategies and campaigns to increase awareness of the program and the importance of saving early and often for retirement.

0.5 FTE Commerce Specialist 2 (1,044 hours in FY23-25). The number of firms applying to be part of the program should level off after the first two years, given a finite number of plans in the market, so there will be less administrative/vetting work to do. Additionally, the department will have matured the outreach portion of the program. By then, business associations, chambers of commerce and other organizations would have their own promotional and marketing programs in place to continue to drive traffic and enrollments.

Salaries and Benefits

FY21-22: \$91,052 per fiscal year

FY23-25: \$45,526 per fiscal year

Goods and Services, Travel and Equipment

FY21: \$153,755

FY22: \$148,755

FY23-24: \$98,337 per fiscal year

FY25: \$100,123

Note: Travel costs include outreach and education and stakeholder meetings. Standard goods and services costs include supplies and materials, employee development and training and agency administration. Attorney General costs for compliance and legal services are probable, but indeterminate at this time. Agency administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

Total Estimated Costs

FY21: \$244,807

FY22: \$239,807

FY23-24: \$143,903 per fiscal year

FY25: \$145,649

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

| Account | Account Title | Type | FY 2020 | FY 2021 | 2019-21 | 2021-23 | 2023-25 |
|----------|---------------|-------|---------|---------|---------|---------|---------|
| 001-1 | General Fund | State | 0 | 244,807 | 244,807 | 383,710 | 289,552 |
| Total \$ | | | 0 | 244,807 | 244,807 | 383,710 | 289,552 |

III. B - Expenditures by Object Or Purpose

| | FY 2020 | FY 2021 | 2019-21 | 2021-23 | 2023-25 |
|--------------------------------------|---------|---------|---------|---------|---------|
| FTE Staff Years | | 1.1 | 0.6 | 0.9 | 0.6 |
| A-Salaries and Wages | | 65,928 | 65,928 | 98,892 | 65,928 |
| B-Employee Benefits | | 25,124 | 25,124 | 37,686 | 25,124 |
| C-Professional Service Contracts | | | | | |
| E-Goods and Other Services | | 143,755 | 143,755 | 240,632 | 193,754 |
| G-Travel | | 5,000 | 5,000 | 6,500 | 3,000 |
| J-Capital Outlays | | 5,000 | 5,000 | | 1,746 |
| M-Inter Agency/Fund Transfers | | | | | |
| N-Grants, Benefits & Client Services | | | | | |
| P-Debt Service | | | | | |
| S-Interagency Reimbursements | | | | | |
| T-Intra-Agency Reimbursements | | | | | |
| 9- | | | | | |
| Total \$ | 0 | 244,807 | 244,807 | 383,710 | 289,552 |

III. C - Operating FTE 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 2020 | FY 2021 | 2019-21 | 2021-23 | 2023-25 |
|-----------------------|--------|---------|---------|---------|---------|---------|
| Agency Administration | 69,552 | | 0.1 | 0.1 | 0.1 | 0.1 |
| Commerce Specialist 2 | 64,008 | | 1.0 | 0.5 | 0.8 | 0.5 |
| Total FTEs | | | 1.1 | 0.6 | 0.9 | 0.6 |

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact**IV. A - Capital Budget Expenditures**

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

| | | |
|---------------------------------------------------------|------------------------------------------|---------------------------------------------------------|
| Bill Number: 5740 2E 2S SB AMH CPB H5086.1 | Title: Retirement savings program | Agency: 110-Office of Administrative Hearings |
|---------------------------------------------------------|------------------------------------------|---------------------------------------------------------|

Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating 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.

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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

| | | |
|---------------------------------------|-----------------------|------------------|
| Legislative Contact: | Phone: | Date: 02/27/2020 |
| Agency Preparation: Deborah Feinstein | Phone: 360-407-2717 | Date: 03/02/2020 |
| Agency Approval: Deborah Feinstein | Phone: 360-407-2717 | Date: 03/02/2020 |
| OFM Review: Bryan Way | Phone: (360) 902-0650 | Date: 03/02/2020 |

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 Department of Employment Security estimates that if there are appeals, they will not occur until FY 2026. This is beyond the time frame of this fiscal note.

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. The Department of Employment Security estimates that if there are appeals, they will not occur until FY 2026. This is beyond the time frame of this fiscal note.

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 of Employment Security estimates that if there are appeals, they will not occur until FY 2026. This is beyond the time frame of this fiscal note.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

| | | |
|---------------------------------------------------------|------------------------------------------|----------------------------------------------|
| Bill Number: 5740 2E 2S SB AMH CPB H5086.1 | Title: Retirement savings program | Agency: 126-State Investment Board |
|---------------------------------------------------------|------------------------------------------|----------------------------------------------|

Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating 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: | Phone: | Date: 02/27/2020 |
| Agency Preparation: Celina Verme | Phone: (360) 956-4740 | Date: 02/28/2020 |
| Agency Approval: Celina Verme | Phone: (360) 956-4740 | Date: 02/28/2020 |
| OFM Review: Jane Sakson | Phone: 360-902-0549 | Date: 02/28/2020 |

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 Washington State Investment Board does not anticipate any impacts resulting from this bill.

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.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required

Department of Revenue Fiscal Note

| | | |
|---------------------------------------------------------|------------------------------------------|---------------------------------------------|
| Bill Number: 5740 2E 2S SB AMH CPB H5086.1 | Title: Retirement savings program | Agency: 140-Department of Revenue |
|---------------------------------------------------------|------------------------------------------|---------------------------------------------|

Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

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.

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|--------------------------------------|-----------------------|------------------|
| Legislative Contact: | Phone: | Date: 02/27/2020 |
| Agency Preparation: Deborah Williams | Phone: 360-534-1516 | Date: 02/28/2020 |
| Agency Approval: Don Gutmann | Phone: 360-534-1510 | Date: 02/28/2020 |
| OFM Review: Ramona Nabors | Phone: (360) 902-0547 | Date: 03/02/2020 |

Request # 5740-2-1

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.

Note: This fiscal note reflects House amendment AMH CPB H5086.1 to 2E2SSB 5740, 2020 Legislative Session.

This fiscal note only addresses those sections of the bill that impact the Department of Revenue (Department).

This bill creates the Secure Choice Retirement Savings Program.

New sections are added, and sections are amended in RCW 43.330 and RCW 43.320.

The definition of "eligible employer" is an employer with fewer than one hundred employees.

A "qualified employee" is a worker who is defined by the Internal Revenue Service to be eligible to participate in a retirement plan, as specified.

There are no changes in 2E2SSB 5740 that affect the Department.

The bill takes effect 90 days after final adjournment of the session in which it is enacted.

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.

This legislation results in no revenue impact to taxes administered by the Department.

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 of Revenue will not incur any costs with the implementation of this legislation.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

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

NONE

III. C - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

NONE

None.

Part V: New Rule Making Required

Individual State Agency Fiscal Note

| | | |
|---------------------------------------------------------|------------------------------------------|------------------------------------------------------|
| Bill Number: 5740 2E 2S SB AMH CPB H5086.1 | Title: Retirement savings program | Agency: 540-Employment Security Department |
|---------------------------------------------------------|------------------------------------------|------------------------------------------------------|

Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating 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.

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|---------------------------------|-----------------------|------------------|
| Legislative Contact: | Phone: | Date: 02/27/2020 |
| Agency Preparation: Daniel Hare | Phone: 360 902-9422 | Date: 03/02/2020 |
| Agency Approval: Sondra Walsh | Phone: 360 902-0023 | Date: 03/02/2020 |
| OFM Review: Robyn Williams | Phone: (360) 902-0575 | Date: 03/02/2020 |

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.

This bill has no fiscal impact to the Employment Security Department.

Striking amendment H-5086.1 to 2E2SSB 504, removes the Employment Security Department's role in the Secure Choice Retirement Program. Amendment H-5086.1 moves the responsibility to the Department of Commerce.

Section 1: Intent section.

Section 2: Updates definitions, including renaming the Washington Small Business Retirement Marketplace the Secure Choice Retirement Program.

Section 3: Updates references from the marketplace to the program, directs the Department of Commerce to make available:

- 1) a plan that is voluntary; and
- 2) a plan that is auto-enrolled.

Plans can include life insurance; IRAs; 401(a), 401(k), or 403(b) plans under the Internal Revenue Code; or employer pooled plans. The section provides details for plans that may be offered.

Section 4 through 8, and 10: Changes references to the market place to the program.

Section 9: Changes references to the market place to the program and removes antiquated language.

Section 11: Decodifies RCW 43.33.730 (Findings- 2015 c 296).

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.

N/A

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.

N/A

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*
NONE

III. D - Expenditures By Program (optional)
NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures
NONE

IV. B - Expenditures by Object Or Purpose
NONE

IV. C - Capital Budget Breakout
Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods
NONE

N/A

Part V: New Rule Making Required