

Multiple Agency Fiscal Note Summary

Bill Number: 1460 2S HB H-1098.3	Title: Telecommunications access
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Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of the Governor	.3	99,020	99,020	99,020	.2	64,680	64,680	64,680	.2	64,680	64,680	64,680
Department of Commerce	5.1	1,531,812	1,531,812	1,531,812	5.1	1,494,812	1,494,812	1,494,812	5.1	1,501,512	1,501,512	1,501,512
Department of Social and Health Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	5.4	1,630,832	1,630,832	1,630,832	5.3	1,559,492	1,559,492	1,559,492	5.3	1,566,192	1,566,192	1,566,192

Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Department of Social and Health Services	.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: Revised 3/16/2021
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Individual State Agency Fiscal Note

Bill Number: 1460 2S HB H-1098.3	Title: Telecommunications access	Agency: 075-Office of the Governor
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.4	0.2	0.3	0.2	0.2
Account					
General Fund-State 001-1	66,680	32,340	99,020	64,680	64,680
Total \$	66,680	32,340	99,020	64,680	64,680

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: Charlie Gavigan	Phone: 360-786-7340	Date: 02/23/2021
Agency Preparation: Jim Jenkins	Phone: 360-902-0403	Date: 03/08/2021
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 03/08/2021
OFM Review: Tyler Lentz	Phone: (360) 790-0055	Date: 03/16/2021

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 6 of this bill establishes the Washington digital equity forum with the purpose of developing recommendations to advance digital connectivity in Washington state.

Staff for the digital equity forum must be provided by the governor's statewide broadband office and the Washington state office of equity. The governor's statewide broadband office and the Washington state office of equity are jointly responsible for transmitting the recommendations of the digital equity forum to the legislature by October 28, 2022, and every even-numbered year thereafter.

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.

Office of Equity assumptions related to the Digital Equity Forum (Forum) established in Section 6 of this bill:

- The Forum will convene monthly in person, beginning September 2021 through publication of the first legislative report due October 28, 2022, and quarterly thereafter.
- Meetings will last up to 4 hours.
- The Broadband Office and Office of Equity staff will coordinate:
 - o Data collection/analysis;
 - o Report writing/editing;
 - o Meeting scheduling, planning, communication, drafting and distributing agendas, procurement of supplies;
 - o Tech and A/V equipment needs;
 - o Note taking/recording;
 - o Public records requests; and
 - o Other related administrative tasks.

The expected staffing level for the Digital Equity Forum in fiscal year 2022 will require:

- 0.4 FTE Program Manager with an annual salary of \$102,000 plus benefits, cost of goods and services, travel, and one-time equipment costs.

Beginning in fiscal year 2023 and thereafter, with an assumption of quarterly meetings and reduced work requirements, staffing requirements would be as follows:

- 0.2 FTE Program Manager with an annual salary of \$102,000 plus benefits, cost of goods and services and travel.

Total costs are assumed to be approximately \$67,000 in FY 2022 and \$32,000 in FY 2023 and thereafter.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	66,680	32,340	99,020	64,680	64,680
Total \$			66,680	32,340	99,020	64,680	64,680

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.4	0.2	0.3	0.2	0.2
A-Salaries and Wages	40,800	20,400	61,200	40,800	40,800
B-Employee Benefits	13,320	6,660	19,980	13,320	13,320
C-Professional Service Contracts					
E-Goods and Other Services	9,600	4,800	14,400	9,600	9,600
G-Travel	960	480	1,440	960	960
J-Capital Outlays	2,000		2,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	66,680	32,340	99,020	64,680	64,680

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 2022	FY 2023	2021-23	2023-25	2025-27
Program Manager	102,000	0.4	0.2	0.3	0.2	0.2
Total FTEs		0.4	0.2	0.3	0.2	0.2

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

IV. D - Capital FTE Detail: List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Revised

Bill Number: 1460 2S HB H-1098.3	Title: Telecommunications access	Agency: 103-Department of Commerce
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	5.1	5.1	5.1	5.1	5.1
Account					
General Fund-State 001-1	784,406	747,406	1,531,812	1,494,812	1,501,512
Total \$	784,406	747,406	1,531,812	1,494,812	1,501,512

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: Charlie Gavigan	Phone: 360-786-7340	Date: 02/23/2021
Agency Preparation: Autumn Yoke	Phone: 123-456-7890	Date: 03/03/2021
Agency Approval: Darrell Stoa	Phone: (360) 725-2723	Date: 03/03/2021
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 03/03/2021

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 second substitute and the substitute bill:

Section 1 amends RCW 43.330.530 to update definitions.

Section 2 amends RCW 43.330. 532 to add "broadband accessibility and adoption for unserved and underserved communities and populations".

Section 3 amends RCW 43.330.534 to add "The office may assist applicants for the grant and loan programs created in RCW 43.155.160 and 43.330.412 with seeking federal funding or matching grants and other grant opportunities for deploying or increasing adoption of broadband services.

Section 4 amends RCW 43.330.412 to rename the community technology opportunity program to the Digital Equity Opportunity Program (DEOP) to advance broadband adoption and digital equity and inclusion throughout the state and requires the State Broadband Office (SBO) to administer and manage the program.

Section 5 is a new section that establishes the Digital Equity Planning Grant, administered by the SBO, to provide grants to local governments, institutions of higher education, or other entities who have entered into an agreement with a local government, to fund the development of a digital equity plan for a discrete geographic region of the state. This section requires SBO to develop, administer, and manage the grant program.

Section 6 is a new section that establishes the Washington Digital Equity Forum to develop recommendations to advance digital connectivity in Washington state. This section requires SBO to staff the forum and report the recommendations of the Digital Equity Forum to the legislature, consistent with RCW 43.01.036, by October 28, 2022, and every even-numbered year thereafter.

Summary of the second substitute bill:

Section 3 amends RCW 43.330.534 establishes the powers of the SBO. They are to assist applicants of the Public Works Board's Broadband Program, the DEOP, and the Digital Equity Planning Program (DEPP), established in Section 405, to seek federal funding or matching grants and other grant opportunities for deploying or increasing adoption of broadband services.

The SBO may collaborate with the UTC, Office of the Chief Information Officer, the Community Economic Revitalization Board, the Public Works Board, the State Librarian, the department and other relevant state agencies.

Section 4 amends RCW 43.330.412 to change the Community Technology Opportunity Program to the DEOP. The DEOP will be implemented by the department to advance broadband adoption and digital equity and inclusion statewide. The SBO must provide organizational capacity building support to community technology programs throughout the state; evaluate the impact and efficacy of activities supported by the DEOP and DEPP programs; and to develop, catalogue, disseminate, and promote the exchange of best practices to achieve digital equity. After July 1, 2023, no more than 15 percent of funds received by the SBO may be expended on these functions.

The competitive DEOP grant program will advance digital equity and inclusion by providing training and skill-building, access to hardware and software; internet connectivity; digital media literacy; assistance in the adoption of information and communication technologies in low-income and underserved areas and populations; and development of locally relevant content and delivery of vital services through technology.

Communities must provide evidence of matching resources no less than 10 percent of the grant amount.

No more than 10 percent of grant funds may cover DEOP administrative expenses. The DEOP cannot make awards based on a formula or criteria that preferences urban areas over rural areas, including criterion that awards increased weight to the greater density of population.

Section 5 adds a new section to RCW 43.330 that establishes the Digital Equity Planning Grant Program (DEPP) to provide grants to local governments, institutions of higher education, or other entities entering into agreements with a local government to develop digital equity plans for discrete geographic regions of the state. Priority must be given to applications accompanied by express support from nonprofit community or neighborhood-based organizations, public development authorities, tribes, or other community partners, including those outlined in RCW 43.330.421.

The DEPP must evaluate and rank applications using objective criteria such as the number of underserved population served, and subjective criteria such as the degree of support and engagement by the community to be served by the investment. The DEPP cannot make awards based on a formula or criteria that preferences urban areas over rural areas, including criterion that awards increased weight to the greater density of population.

The department must adopt criteria for what the digital equity plans must include, and may adopt rules to implement the DEPP.

Section 6 is a new section that establishes the Washington Digital Equity Forum to develop recommendations to advance digital connectivity in Washington state. This section requires SBO to staff the forum and report the recommendations of the Digital Equity Forum to the legislature, consistent with RCW 43.01.036, by October 28, 2022, and every even-numbered year thereafter.

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.

Agency Assumptions

- The State Broadband Office (SBO) would assume the responsibilities outlined for the Department of Commerce (department) in proposed amendments to RCW 43.330.412 and Section 4 of this bill to implement the digital equity opportunity program (DEOP) and the digital equity planning program (DEPP).
- The DEOP and DEPP would require outreach and engagement via remote with communities, telecommunications providers, institutions of higher learning, community-based public health clinics and hospitals, and other community-based organizations. This effort will support education and sustained access to

the programs and likely rulemaking for the distinct requirements of the DEPP.

- Assistant Attorney General support is assumed to support rulemaking and development of program processes. It is assumed 100 hours of consultation would be required.

- SBO staffing for the three programs outlined in this act will build administrative efficiencies of scale by co-locating management, supervision, and contract management and monitoring. This will also allow the administrative overhead for the DEOP to remain at or below 10 percent across a number of funding scenarios.

- The Washington State Digital Equity Director or their designee would likely attend conferences related to local governments, broadband, equity, higher education, and community development with an expected cost of \$3,000 annually.

- The extensive coordination required to stand-up the programs, conduct rulemaking, and engage communities and other eligible entities in a remote environment may be more intensive than anticipated and additional staff impacts could result.

To develop and administer the DEOP and DEPP programs and staff the Digital Equity Forum, the SBO would require:

1.0 FTE Washington Management Service 2 (2,088 hours) in FY22 to FY27 to provide leadership, oversight, supervision, rules coordination and decision making over all elements of the program. Staff provide expert policy advice or consultation on a range of issues specific to the program and to areas that have agency wide implications.

1.0 FTE Commerce Specialist 5 (2,088 hours) in FY22 to FY27 to hire staff and provide day-to-day direction of staff upon hire. This includes assigning contracts and program planning elements to staff. Staff will also provide support work to policy and rule development. Staff will present advanced technical business information to eligible recipients of grant funds.

2.0 FTE Commerce Specialist 3 (4,176 hours) in FY22 to FY27 to provide or build capacity around solicitation, origination, management, and the monitoring of project contracts. Compliance may include site visits and corresponding compliance reports. Assist senior management with drafting legislation, representing the agency, developing policy positions, and coordinating the state's role with respect to the implementation of the program.

0.5 FTE Administrative Assistant 3 (1,044 hours) in FY22 to FY27 to provide administrative support to the SBO, schedule meetings, coordinate advisory and public meetings, manage document workflow and report publication.

Salary and benefits

FY22-FY27: \$510,902 per fiscal year

Goods and Services, Travel and Equipment

FY22: \$99,797

FY23-FY25: \$62,797 per fiscal year

FY26: \$69,497

FY27: \$62,797

Assistant Attorney General support is assumed to support rulemaking and development of program processes. It is assumed 100 hours of consultation would be required at \$210 per hour.

The Washington State Digital Equity Director or their designee will attend conferences related to local

governments, broadband, equity, higher education, and community development with an expected cost of \$3,000 annually.

Intra-agency Reimbursements

FY22-FY27: \$173,707 per fiscal year

Note: Standard goods and services costs include supplies and materials, employee development and training, Attorney General costs, central services charges and agency administration. Intra-agency-administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

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Total Costs

FY22: \$784,406

FY23-FY25: \$747,406 per fiscal year

FY26: \$754,106

FY27: \$747,406

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	784,406	747,406	1,531,812	1,494,812	1,501,512
Total \$			784,406	747,406	1,531,812	1,494,812	1,501,512

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	5.1	5.1	5.1	5.1	5.1
A-Salaries and Wages	377,034	377,034	754,068	754,068	754,068
B-Employee Benefits	133,868	133,868	267,736	267,736	267,736
C-Professional Service Contracts					
E-Goods and Other Services	83,797	62,797	146,594	125,594	125,594
G-Travel					
J-Capital Outlays	16,000		16,000		6,700
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	173,707	173,707	347,414	347,414	347,414
9-					
Total \$	784,406	747,406	1,531,812	1,494,812	1,501,512

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 2022	FY 2023	2021-23	2023-25	2025-27
Administrative Assistant 3	48,996	0.5	0.5	0.5	0.5	0.5
Administrative Services - Indirect	69,552	0.6	0.6	0.6	0.6	0.6
Commerce Specialist 3	76,416	2.0	2.0	2.0	2.0	2.0
Commerce Specialist 5	88,644	1.0	1.0	1.0	1.0	1.0
WMS Band 2	111,060	1.0	1.0	1.0	1.0	1.0
Total FTEs		5.1	5.1	5.1	5.1	5.1

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

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

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.

Section 5 amends RCW 43.330 to say that the department shall develop criteria for what the digital equity plans submitted by Digital Equity Planning Grant applicants must include and may adopt rules to implement this section.

Individual State Agency Fiscal Note

Bill Number: 1460 2S HB H-1098.3	Title: Telecommunications access	Agency: 300-Department of Social and Health Services
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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: Charlie Gavigan	Phone: 360-786-7340	Date: 02/23/2021
Agency Preparation: Dan Winkley	Phone: 360-902-8236	Date: 02/26/2021
Agency Approval: Molli Ragsdale	Phone: 360-902-8182	Date: 02/26/2021
OFM Review: Danielle Cruver	Phone: (360) 522-3022	Date: 03/01/2021

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 - The Governor's Statewide Broadband Office may assist applicants for the grant and loan programs with seeking federal funding or matching grants and other grant opportunities for deploying or increasing adoption of broadband services.

Section 4 redefines the Community Technology Program to the Digital Equity Opportunity Program and shall advance broadband adoptions, digital equity, and inclusion throughout Washington state. The Director of the program shall also support evaluating the impact and the efficacy of activities supported by grants awarded under the covered programs. The Director of the program shall also develop, catalog, disseminate, and promote the exchange of best practices in order to achieve digital equity.

Section 6 establishes the Washington Digital Equity Forum for the purpose of developing recommendations to advance digital connectivity in Washington state. The directors of the Governor's Statewide Broadband Office and the Washington state Office of Equity are responsible for appointing participating members of the Digital Equity Forum.

A representative from the Department of Social and Health Services (DSHS) may be appointed to the forum and may be reimbursed for travel expenses.

This bill has no fiscal impact on DSHS.

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

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required