

Multiple Agency Fiscal Note Summary

Bill Number: 1827 2S HB	Title: Community reinvestment
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Estimated Cash Receipts

Agency Name	2021-23			2023-25			2025-27		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

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	.5	169,000	169,000	169,000	.0	0	0	0	.0	0	0	0
Office of State Treasurer	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Commerce	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Washington State Health Care Authority	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.5	169,000	169,000	169,000	0.0	0	0	0	0.0	0	0	0

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
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
Washington State Health Care Authority	.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) 790-1166

Date Published:
Final 3/ 3/2022

Individual State Agency Fiscal Note

Bill Number: 1827 2S HB	Title: Community reinvestment	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	0.0	1.0	0.5	0.0	0.0
Account					
General Fund-State 001-1	0	169,000	169,000	0	0
Total \$	0	169,000	169,000	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:

- 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: Jessica Van Horne	Phone: 360-786-7288	Date: 02/09/2022
Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 02/28/2022
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 02/28/2022
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 03/01/2022

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 Department of Commerce shall, in partnership with the Office of Equity, and "by and for community organizations" as defined by the Office of Equity, develop a community reinvestment plan for distribution of the funds in the community reinvestment account. The plan must include criteria for eligible communities and programs, development of accountability measures to ensure that distribution and use of funding meets intended purposes and tracking of outcomes for the funds.

At a minimum, the plan must address how the Community Reinvestment Account funding will :

- Produce significant long-term economic benefits to the state, a region of the state, or a particular community in the state,
- Result in significant long-term economic benefits in the form of new jobs, job retention, increased personal wealth, or higher incomes for citizens of the state or a particular community in the state, and
- Ensure that:
 - Projects or programs do not require continuing state support ;
 - An expenditure will not supplant private investment ;
 - An expenditure is accompanied by additional public or private investment; and
 - Nonprofit, faith-based, and grassroots organizations are prioritized for funding.

The Office of Equity must review the Community Reinvestment Plan.

The Department of Commerce must submit the Community Reinvestment Plan by December 1, 2023, and must review and update the plan every ten (10) years.

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.

The Governor's Office assumes the work associated with this bill will end after Commerce submits the report to the Governor and the Legislature on December 1, 2023. The fiscal impacts associated with reviewing and updating this report every 10 years extends beyond the date of this fiscal note.

1.0 Equity & Social Justice Capacity Builder (Exempt) at \$150,000 for salaries and benefits

- Provide language to define what a Community Reinvestment Plan "by and for community organizations" means under Section 3 of this bill.
- Compile and analyze the information received from community organizations in development of the Community Reinvestment Plan:
 - Criteria for eligible communities and programs
 - Development of accountability measures to ensure that distribution and use of funding meets intended purposes
 - Tracking of outcomes for the funds
 - Produce significant long-term economic benefits to the state, a region of the state, or a particular community in the state; and
 - Result in significant long-term economic benefits in the form of new jobs, job retention, increased personal wealth, or higher incomes for citizens of the state or a particular community in the state ;

- Provide consultation on strategies and frameworks that will ensure that nonprofit, faith-based, and grassroots organizations are prioritized for funding.
- Consult with community organization to review the Community Reinvestment Plan.
- Assist Department of Commerce in applying an equity lens to agency decision making for policies, practices, processes, and rules they establish to implement the Community Reinvestment Plan.

1.0 Equity & Social Justice Administrative Coordinator (exempt) at \$86,000 for salaries and benefits

The types of duties we will ask this staff to perform include :

Duty 1: Principal assistant for administrative matters related to advancing equity and social justice in service delivery

Tasks include:

- Performs administrative tasks associated with convening community meetings including handling stipends, accessibility, and travel logistics (when needed).
- Handles all administrative logistics associated with scheduling meetings, preparing agendas, and meeting materials associated with the Community Reinvestment Plan.
- Prepares correspondence for supervisor; exercises signature authority on administrative matters
- Develops and maintains distribution lists of nonprofit, faith-based, and grassroots organizations needed to review the Community Reinvestment Plan.
- Supports the Equity & Social Justice Capacity Builder in compiling and analyzing information received from community organizations in development of the Community Reinvestment Plan.

Goods and services: Based on average employee costs, the Office requests ongoing funding for supplies and materials, communications and telecommunications services, lease space, training, software licensing and maintenance at \$5,000 per year, per FTE.

Travel: Based on average employee travel in FY 19, the Office requests ongoing funding for travel associated with this position at \$4,000 per year, per FTE.

Capital Outlays: The Office requests one-time funding for purchasing equipment for working remotely at \$5,000 per FTE.

Indirect: The Office pays OFM an indirect fee of approximately \$30,000 per FTE for administrative support associated with implementing this legislation. Support costs include, but are not limited to, IT support, payroll and accounting services, and human resource services.

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	0	169,000	169,000	0	0
Total \$			0	169,000	169,000	0	0

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		1.0	0.5		
A-Salaries and Wages		89,000	89,000		
B-Employee Benefits		30,000	30,000		
C-Professional Service Contracts					
E-Goods and Other Services		6,000	6,000		
G-Travel		4,000	4,000		
J-Capital Outlays		10,000	10,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements		30,000	30,000		
T-Intra-Agency Reimbursements					
9-					
Total \$	0	169,000	169,000	0	0

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
Equity and Social Justice Administrative Coordinat	61,224		0.5	0.3		
Equity and Social Justice Capacity Builder	115,000		0.5	0.3		
Total FTEs			1.0	0.5		0.0

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

Bill Number: 1827 2S HB	Title: Community reinvestment	Agency: 090-Office of State Treasurer
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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:

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: Jessica Van Horne	Phone: 360-786-7288	Date: 02/09/2022
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 02/09/2022
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 02/09/2022
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/09/2022

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 .

2SHB 1827 creates the community reinvestment account and allows the account to retain its 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 .

Projected cash flows are currently unavailable; therefore, estimated earnings from investments are indeterminable.

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

Individual State Agency Fiscal Note

Revised

Bill Number: 1827 2S HB	Title: Community reinvestment	Agency: 103-Department of Commerce
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

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

Legislative Contact: Jessica Van Horne	Phone: 360-786-7288	Date: 02/09/2022
Agency Preparation: Emily Grossman	Phone: (206) 256-6125	Date: 03/03/2022
Agency Approval: Joyce Miller	Phone: 360-725-2710	Date: 03/03/2022
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 03/03/2022

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 SHB 1827 and 2SHB 1827:

Section 1 adds an intention of the legislature to appropriate no less than 125 million annually to the Community Reinvestment Account.

Section 2 removes the fifth spending category: Supporting statutory priorities of 911 funding, and reiterates Phase I and Phase II from section 1.

Section 3 adds a new section. The original Section 3 is now Section 4. The new Section 3 requires the department, in coordination with the Office of Equity and with "by and for" organizations to develop a Community Reinvestment Plan, to include eligibility criteria and performance metrics. The plan must address specific delineated elements. The plan is due to the relevant legislative committees and governor's office by December 1, 2023. The department is encouraged to use the work of existing workgroups in developing the plan. The department must review and update the plan every ten years.

The Department must submit a report to the relevant legislative committees and governor's office by December 1, 2023 with a spending update on phase one of implementation.

Summary of 2SHB 1827:

Section 1 adds a new section establishing the legislature's intent to appropriate no less than 125 million annually to the Community Reinvestment Account. Requires the department to, when possible, spend on existing programs and networks until June 30, 2024. This is considered phase one implementation.

After June 30, 2024 for phase two of implementation, and after the Community Reinvestment Plan is developed, the legislature directs the department to shift away from existing programs and networks unless the plan calls for it.

Section 2 adds a new section, creating the Community Reinvestment Account in the state treasury. Expenditures from the account may be made by the department for the following activities.:

- Economic development and homeownership;
- Civil and criminal legal assistance;
- Community-based violence intervention and prevention; and
- Reentry services.

Section 3 adds a new section requiring the department, in coordination with the Office of Equity and with "by and for" organizations to develop a Community Reinvestment Plan, to include eligibility criteria and performance metrics. The plan must address specific delineated elements. The plan is due to the relevant legislative committees and governor's office by December 1, 2023. The department is encouraged to use the work of existing workgroups in developing the plan. The department must review and update the plan every ten years.

The Department must submit a report to the relevant legislative committees and governor's office by December 1, 2023 with a spending update on phase one of implementation.

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.

The department assumes that the impact of this legislation is indeterminant until an appropriation is established.

FOR ILLUSTRATIVE PURPOSES ONLY:

Section 1 establishes the legislature's intent of transferring \$125,000,000 annually to the Community Reinvestment Account created in Section 2 of the bill. For illustrative purposes, the department assumes a \$125,000,000 appropriation per fiscal year.

During phase one of implementation, June 30, 2024 and prior, the department assumes all funds will be spent on existing programs and networks and spread evenly across five categories (homeownership, economic development, community based violence intervention and prevention services, reentry services).

The categories are as follows:

1. Economic development, which includes addressing wealth disparities to promote asset building such as home ownership and expanding access to financial resources including, but not limited to, grants and loans for small businesses and entrepreneurs, financial literacy training, and other small business training and support activities ;
2. Civil and criminal legal assistance to provide post-conviction relief and case assistance, including the expungement of criminal records and vacation of criminal convictions ;
3. Community-based violence intervention and prevention services; and
4. Reentry services to facilitate successful transitions for persons formerly incarcerated in an adult correctional facility or juvenile residential facility in Washington.

During phase two of implementation, July 1, 2024 and after, the legislature intends to shift away from existing programs and networks once the community reinvestment plan is developed.

To administer these funds, the department would separate the first category into two subsections funding each equally. The subsections would be:

- 1a. Economic Development/small business assistance, training, support; and
- 1b. Asset Building/Homeownership.

PHASE I

To accomplish this work the department estimates the following will be needed during phase one of implementation :

Program/grants staff:

1.0 FTE Budget Analyst 4 (2,088 hours) in FY23-FY24 to support all areas eligible for funding from the Community Reinvestment Account. Responsibilities of the position include building conceptual financial analytics to support the five categories, provide or develop the capacity to eventually monitor budget and expenditures, conduct detailed analysis, and provide consultative planning for all activities established in this bill.

1.0 FTE Commerce Specialist 5 (2,088 hours) in FY23-FY24 to hire, supervise 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.

5.0 FTE's Commerce Specialist 3 (10,440 hours) in FY23-FY24 for grant administration, monitoring and management for one of the five areas of grants. Responsibilities of these positions include 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 programs.

5.0 Commerce Specialist 1 (10,440 hours) in FY23-FY24 to provide support for one of the five areas of programming. Responsibilities of these positions include providing program data analysis, review and work towards processing payments to vendors. Work will include preparing proposals, and developing monthly summary reports on the programs. Provide technical support (reviewing plans, RCWs, policies, statements of work, review criteria) to Commerce Specialist 3s and other senior-level staff or managers.

Plan development/report staff:

0.25 FTE WMS (522 hours) in FY23-FY24 to support the policy development work of the community reinvestment plan workgroup, including planning, organizing and facilitating meetings, following up with workgroup members and other stakeholders outside formal meetings to define specifics concerning plan development and research data and summarize research findings as directed by the workgroup to inform plan development.

0.25 FTE Commerce Specialist 2 (522 hours) in FY23-FY24 to provide meeting support, minutes, calendaring, processing member stipends (if warranted) and communications with workgroup members.

0.25 FTE Commerce Specialist 3 (522 hours) in FY23-FY24 to manage and take the lead role in writing and compiling the required plan as well as compiling the required updates on implementation phase I spending. Includes organizing report development work plan, consistent written structure, researching and writing key portions of the recommendations report as assigned, and managing the report review and approval process involving the department, the Office of Equity, the Office of Financial Management (OFM), other state agencies and the Governor's Office.

Salaries and Benefits:

FY23-FY24: \$1,282,716 per fiscal year

Goods and Other Services:

In addition to standard goods and services the department also assumes stipends and childcare costs for 3 individuals with lived experience to supplement the work of existing relevant taskforces and workgroups, (\$350 per person, per meeting x five meetings = \$5,250 total).

FY23-FY24: \$164,811 per fiscal year

Equipment and Capital Outlays:

FY23: \$48,000

Grants, Benefits, and Client Services :

The department estimates the following for grants for each activity :

1. Homeownership: \$24.6 million, estimated 334 households served
2. Economic development to include expanding access to financial resources including but not limited to grants and loans for small businesses and entrepreneurs, financial literacy training and other small business training and support activities. \$24.6 million, estimated 3,000 organizations /businesses served
 - Small business resiliency network program
 - Small business flex fund

- Go Global
 - Scale Up
3. Civil and criminal legal assistance to provide post-conviction relief and case assistance, including the removal of criminal records and convictions: \$24.6 million
 - The funds will pass through to the Office of Civil Legal Aid and the Office of Public Defense via interagency agreements
 4. Community-based violence and intervention services: \$24.6 million, estimated 100 organizations served
 - OFSVP
 5. Reentry services to facilitate successful transitions for persons formerly incarcerated in an adult correctional facility or juvenile detention facility in WA: \$24.6 Million, estimated 3,000 individuals served
 - Reentry Grant Program

FY23: \$123,068,350

FY24: \$123,116,350

Intra-agency Reimbursements:

FY23-FY24: \$436,123 per fiscal year

PHASE II

The department assumes the same level of staffing will be needed during Phase II of implementation however it is unknown what programs or networks this funding will go towards until the community reinvestment plan is developed.

To accomplish this work the department estimates the following will be needed during phase two of implementation :

Program/grants staff:

1.0 FTE Budget Analyst 4 (2,088 hours) in FY25-FY27 to support all areas eligible for funding from the Community Reinvestment Account. Responsibilities of the position include building conceptual financial analytics to support the five categories, provide or develop the capacity to eventually monitor budget and expenditures, conduct detailed analysis, and provide consultative planning for all activities established in this bill.

1.5 FTE Commerce Specialist 5 (3,132 hours) in FY25-FY27 to hire, supervise 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.

5.0 FTE's Commerce Specialist 3 (10,440 hours) in FY25-FY27 for grant administration, monitoring and management for one of the five areas of grants. Responsibilities of these positions include 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 programs.

5.0 Commerce Specialist 1 (10,440 hours) in FY25-FY27 to provide support for one of the five areas of programming. Responsibilities of these positions include providing program data analysis, review and work towards processing payments to vendors. Work will include preparing proposals, and developing monthly summary reports on the programs. Provide technical support (reviewing plans, RCWs, policies, statements of work, review criteria) to Commerce Specialist 3s and other senior-level staff or managers.

Salaries and Benefits:

FY25-FY27: \$1,254,884 per fiscal year

Goods and Other Services:

In addition to standard goods and services the department also assumes stipends and childcare costs for 3 individuals with lived experience to supplement the work of existing relevant taskforces and workgroups. \$350 per person, per meeting x five meetings = \$5,250 total.

FY25-FY27: \$161,676 per fiscal year

Equipment and Capital Outlays:

FY26: \$15,792

Grants, Benefits, and Client Services :

Indeterminate due to it is unknown what programs or networks this funding will go towards until the community reinvestment plan is developed.

FY25: \$123,156,779

FY26: \$123,140,987

FY27: \$123,156,779

Intra-agency Reimbursements:

FY25-FY27: \$426,661 per fiscal year

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

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Total Costs:

FY23-FY27: \$125,000,000 per fiscal year

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

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

Bill Number: 1827 2S HB	Title: Community reinvestment	Agency: 107-Washington State Health Care Authority
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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: Jessica Van Horne	Phone: 360-786-7288	Date: 02/09/2022
Agency Preparation: Cari Tikka	Phone: 360-725-1181	Date: 02/11/2022
Agency Approval: Michael Paquette	Phone: 360-725-0875	Date: 02/11/2022
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 02/17/2022

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 .

See attached narrative.

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 .

See attached narrative.

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.

See attached narrative.

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

None

Part V: New Rule Making Required

HCA Fiscal Note

Bill Number: 1827 2SHB

HCA Request #: 22-133

Part II: Narrative Explanation

Establishes the Community Reinvestment Account (Account) and allows the Department of Commerce (COM) to make expenditures from the Account for economic development, civil and criminal legal assistance, community-based violence intervention and prevention, and reentry services.

The second substitute bill makes the following changes to the substitute bill:

- Sets requirements for how COM shall distribute funds provided in the Account.
- During Phase 1 of implementation, which lasts until June 30, 2024, COM shall distribute funds through existing programs and networks.
- During Phase 2 of implementation, which begins after June 30, 2024, COM must distribute funds in accordance with a Community Reinvestment Plan (Plan).
- Removes support for 911 services as an eligible use of funds in the Account

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

New Section 1 – Declares the legislature’s intent to address racial, economic, and social disparities in communities across the state and provides aggressive approaches and targeted resources to support local design and control of community-based responses. The legislature intends to transfer an amount no lower than \$125,000,000 per year into the community reinvestment account. The legislature finds that to distribute money as quickly as possible it is necessary to use existing programs and networks until June 30, 2024, for phase one of implementation. The legislature intends for phase two of implementation, beginning July 1, 2024, to shift away from existing programs and networks once the community reinvestment plan is developed, unless the plan directs the use of existing programs or networks.

New Section 2 – A new chapter is added to RCW 43.79. The Account is created in the state treasury. Expenditures from the Account may only be made by the COM for:

- Economic development, which includes addressing wealth disparities to promote asset building such as home ownership and expanding access to financial resources including, but not limited to, grants and loans for small businesses and entrepreneurs, financial literacy training, and other small business training and support activities;
- Civil and criminal legal assistance to provide post-conviction relief and case assistance, including the expungement of criminal records and vacation of criminal convictions;
- Community-based violence intervention and prevention services;
- Reentry services to facilitate successful transitions for persons formerly incarcerated in an adult correctional facility or juvenile residential facility in Washington.

(2) Until June 30, 2024, for phase one of implementation, COM is required to distribute money using existing programs and networks.

(3) After June 30, 2024, for phase two of implementation, COM is required to distribute funds according to the recommendations of the Plan.

New Section 3 – Requires COM to develop a community reinvestment plan for distribution of the funds in the Account.

Section 4 – Amends RCW 43.84.092. Requires all earnings of investments of surplus balances in the state treasury to be deposited to the Treasury Income Account, which account is hereby established in the state treasury. The Account is added to the statutory list of accounts that receive their proportionate share of earnings based on average daily balance.

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Section 5 – Amends RCW 43.84.092. Section 4(a) added the Account.

New Section 6 – Section 4 of this act expires July 1, 2024.

New Section 7 – Section 5 of this act expires July 1, 2024.

II. B - Cash Receipts Impact

None

II. C – Expenditures

None

The proposed second substitute bill does not impact the Health Care Authority's funding sources, and therefore, this bill has no fiscal impact.

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

None