

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5224 SB	<b>Title:</b> Homelessness services/perf.
-----------------------------	---

## Estimated Cash Receipts

NONE

## Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	.6	146,447	146,447	146,447	.5	115,206	115,206	115,206	.5	115,206	115,206	115,206
<b>Total \$</b>	<b>0.6</b>	<b>146,447</b>	<b>146,447</b>	<b>146,447</b>	<b>0.5</b>	<b>115,206</b>	<b>115,206</b>	<b>115,206</b>	<b>0.5</b>	<b>115,206</b>	<b>115,206</b>	<b>115,206</b>

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

## Estimated Capital Budget Breakout

NONE

**Prepared by:** Gwen Stamey, OFM

**Phone:**  
(360) 790-1166

**Date Published:**  
Final

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5224 SB	<b>Title:</b> Homelessness services/perf.	<b>Agency:</b> 103-Department of Commerce
-----------------------------	---	---

## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.7	0.5	0.6	0.5	0.5
<b>Account</b>					
General Fund-State      001-1	88,844	57,603	146,447	115,206	115,206
<b>Total \$</b>	88,844	57,603	146,447	115,206	115,206

### 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: Melissa Van Gorkom	Phone: 360-786-7491	Date: 01/10/2023
Agency Preparation: Tedd Kelleher	Phone: 360-725-2930	Date: 01/12/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 01/12/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 01/13/2023

## Part II: Narrative Explanation

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

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

Section 3(1)(j) amends RCW 43.185C.045 requiring the Department of Commerce (department) to include a county-level report on the performance of contracted providers based on established benchmarks including any corrective actions taken in the state's annual update of the homeless housing strategic plan.

Section 5(2)(a) amends RCW 43.185C.080, requiring new performance benchmarks to be incorporated into an action plan develop by service providers. It states the action plan may also include, "(i) A schedule of remedial actions with deadlines and milestones necessary to make improvements; (ii) A management plan that assigns responsibilities for carrying out remedial actions; and (iii) Escalating options including revising programs, reallocating funds, suspending payments, cutting funding, and terminating contracts". While these additional reporting requirements will be completed by the grantees themselves, Commerce will need to provide technical assistance to the grantees to ensure successful completion.

### II. B - Cash receipts Impact

*Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.*

### II. C - Expenditures

*Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.*

The department assumes the work outlined in Section 3 and Section 5 will require the following:

0.2 FTE Commerce Specialist 3 (418 hours) in FY24 to develop a survey tool to collect data on performance and corrective actions from counties and/or grantees. One-time with annual updates.

0.1 FTE Commerce Specialist 2 (209 hours) in FY24-FY29 for survey distribution, analysis of responses, and report writing. This position will provide ongoing maintenance of survey and process including survey distribution and report writing.

0.25 FTE Commerce Specialist 3 (522 hours) in FY24-FY29 to set up guidance standards for reporting requirements outlined in section 5(2)(a), monitor the requirement, and provide technical assistance to grantees that turnover frequently.

#### Salaries and Wages:

FY24: \$44,005

FY25-FY29: \$28,421 per fiscal year

#### Employee Benefits:

FY24: \$15,743

FY25-FY29: \$10,402 per fiscal year

#### Goods and Other Services:

FY24: \$9,439

FY25-FY29: \$6,007 per fiscal year

#### Intra-agency Reimbursements:

FY24: \$19,657

FY25-FY29: \$12,773 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).

Total Costs:

FY24: \$88,844

FY25-FY29: \$57,603 per fiscal year

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	88,844	57,603	146,447	115,206	115,206
<b>Total \$</b>			88,844	57,603	146,447	115,206	115,206

**III. B - Expenditures by Object Or Purpose**

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.7	0.5	0.6	0.5	0.5
A-Salaries and Wages	44,005	28,421	72,426	56,842	56,842
B-Employee Benefits	15,743	10,402	26,145	20,804	20,804
C-Professional Service Contracts					
E-Goods and Other Services	9,439	6,007	15,446	12,014	12,014
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	19,657	12,773	32,430	25,546	25,546
9-					
<b>Total \$</b>	88,844	57,603	146,447	115,206	115,206

**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 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Services - Indirect	111,168	0.1	0.1	0.1	0.1	0.1
Commerce Specialist 2	70,799	0.1	0.1	0.1	0.1	0.1
Commerce Specialist 3	82,056	0.5	0.3	0.4	0.3	0.3
<b>Total FTEs</b>		0.7	0.5	0.6	0.5	0.5

**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**

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

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

NONE

**Part V: New Rule Making Required**

*Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.*

# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5224 SB

Title: Homelessness services/perf.

## Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

### Legislation Impacts:

- Cities:
- Counties: Increased administrative workload for each contract executed with a subcontract for homeless housing services.
- Special Districts:
- Specific jurisdictions only:
- Variance occurs due to: The number of contracts executed would vary by county housing coordinator.

## Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option: Incorporating benchmarks and remedial actions for poor performance into both local homeless housing plans and the guidelines for such plans would be done by counties as a local option.
- Key variables cannot be estimated with certainty at this time: Additional county workload to incorporate performance benchmarks in each contract for services from a subcontractor.

### Estimated revenue impacts to:

None

### Estimated expenditure impacts to:

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

## Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 01/17/2023
Leg. Committee Contact: Melissa Van Gorkom	Phone: 360-786-7491	Date: 01/10/2023
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 01/17/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 01/17/2023

## **Part IV: Analysis**

### **A. SUMMARY OF BILL**

*Description of the bill with an emphasis on how it impacts local government.*

This legislation would require local government subcontractors who perform homeless housing services for county housing coordinators to incorporate performance benchmarks into action plans before a service contract could be finalized. The act would also authorize homeless housing task forces to incorporate performance measures, benchmarks, and procedures to remedy poor performance into homeless housing action plans and guidelines.

Sec. 2 amends RCW 43.185C.040 to establish that Commerce must develop performance benchmarks in the State's five-year homeless housing strategic plan that local government service providers would use to reduce homelessness. Providing performance benchmarks would be a requirement for cities and counties applying for homeless housing grants.

Sec. 4(1) amends RCW 43.185C.040 to establish that local homeless housing task forces may include performance measures, benchmarks, procedures for establishing poor performance, and the schedule of actions to be taken to remedy poor performance in their required five-year homeless housing plans.

Sec. 5 amends RCW 43.185C.080 to establish that sub-contractors who perform homeless housing services for a local government must incorporate performance benchmarks into an action plan before a contract for service can be finalized. Local governments may subcontract program work to other local governments, community action agencies, public housing authorities, and other non-profit organizations.

Sec. 6 amends RCW 43.185C.160 such that each county homeless housing task force can set guidelines of their five-year homeless housing plans, which may include the performance measures, benchmarks, and procedures for remediation of poor performance with the same language as Sec. 4(1)

This legislation would take effect 90 days after adjournment of the session in which the bill is passed.

### **B. SUMMARY OF EXPENDITURE IMPACTS**

*Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.*

This legislation would cause indeterminate expense increases for county housing coordinators. The bill would result in additional reporting and administrative requirements for counties that would have an increased level of administrative burden.

#### **INCORPORATING PERFORMANCE BENCHMARKS INTO HOMELESS HOUSING ACTION PLANS:**

Indeterminate – According to the Washington State Association of Counties, the contract procurement process is one of the most time intensive components of local housing crisis response systems for staff, and increasing the workload for each contract a county executes with a subcontractor may carry significant expenditure increases to county housing coordinators.

There are 34 county governments that solely or jointly administrate homeless housing plans. An unknown number of local governments, community action agencies, and public housing authorities may subcontract with a county grantee to provide homeless housing services each year. The costs to incorporate performance benchmarks into an action plan may depend on the complexity of the performance measures and goals for service providers. These guidelines would be set by the Department of Commerce in the State's Consolidated Homeless Grant Guidelines.

#### **LOCAL OPTIONS FOR HOMELESS HOUSING TASK FORCES:**

Local Option - Incorporating benchmarks and remedial actions for poor performance into both local homeless housing plans and the guidelines for such plans would be done by counties as a local option. The costs for such work may range from de minimis to more substantive depending on county task force workload to align plans and guidelines with state



policy.

## **C. SUMMARY OF REVENUE IMPACTS**

*Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.*

This legislation would have no direct impact on local government revenue.

### **SOURCES:**

Department of Commerce

Local Government Fiscal Note Program, FN HB 2649 (2020)

Washington State Association of Counties