

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1014 HB	<b>Title:</b> Fire protection projects
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## Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	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 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	1.6	492,367	492,367	492,367	1.6	487,568	487,568	487,568	1.6	489,968	489,968	489,968
<b>Total \$</b>	<b>1.6</b>	<b>492,367</b>	<b>492,367</b>	<b>492,367</b>	<b>1.6</b>	<b>487,568</b>	<b>487,568</b>	<b>487,568</b>	<b>1.6</b>	<b>489,968</b>	<b>489,968</b>	<b>489,968</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	Non-zero but indeterminate cost and/or savings. Please see discussion.								
<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

Department of Commerce	Non-zero but indeterminate cost and/or savings. Please see discussion.
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<b>Prepared by:</b> Myra Baldini, OFM	<b>Phone:</b> (360) 688-8208	<b>Date Published:</b> Final
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1014 HB	<b>Title:</b> Fire protection projects	<b>Agency:</b> 103-Department of Commerce
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## 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	1.6	1.6	1.6	1.6	1.6
<b>Account</b>					
General Fund-State      001-1	248,583	243,784	492,367	487,568	489,968
<b>Total \$</b>	248,583	243,784	492,367	487,568	489,968

### Estimated Capital Budget Impact:

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

*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: Kelci Karl-Robinson	Phone: 360-786-7116	Date: 01/17/2023
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 01/18/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 01/18/2023
OFM Review: Myra Baldini	Phone: (360) 688-8208	Date: 01/18/2023

## 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.*

The proposed legislation would create the fire protection services capital projects grant program in the Department of Commerce (department).

Section 2 adds a new section to RCW 43 to create the fire protection services capital grant program. The competitive grant program would award local governments in rural counties grants for the planning, acquisition, construction, repair, reconstruction, replacement, rehabilitation, or improvement of a facility providing fire protection services. Local government applicants would include cities, towns, counties, special purpose districts, including ports districts, and any other municipal corporation or quasi-municipal corporation that provides fire protection services.

Section 2 (2)(a) requires the department to establish a committee to develop the grant program criteria and an application prioritization process. Members of the committee must include the department, a fire protection district, a city, and a county.

Section 2 (3)(a) requires that funding award under this act may only be given after public or private match funds are committed with a maximum \$2 million per jurisdiction per biennium.

Section 3 adds a new chapter in RCW 43 and requires the department to provide an annual legislative report to the Office of Financial Management and the legislature by November 1, 2024.

### 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.*

Agency assumptions:

- The department assumes the resources required to stand up and operate the program would be made available in the operating budget, rather than through an administrative deduction per project. It is unknown how many projects would be funded through the proposed program.
- The department assumes that the committee required to develop the grant program criteria and an application prioritization process would convene virtually for approximately four meetings with material preparation and facilitation by program staff.
- The timeline to form and develop the program would take approximately six months, with hiring for the program manager to occur in alignment with budget authority on July 1, 2023. The department assumes the program would be operational by January 1, 2024 and would begin its first grant cycle thereafter, pending legislative appropriation.

1.0 FTE Commerce Specialist 3 (2,088 hours), in FY24-FY29, to provide program technical assistance, program development, program operations, and contract management: providing or building capacity around solicitation, origination, management, and the monitoring of project contracts.

0.20 FTE Commerce Specialist 5 (418 hours), in FY24-FY29, 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, as required. Staff will present advanced technical business information to local governments that provide fire protection services.

0.10 FTE WMS Band 2 (209 hours), in FY24-FY29, to provide leadership, oversight, supervision, rules coordination and decision-making over all elements of the program. Will also provide expert policy advice and consultation on issues specific to the program and to areas that have agency wide implications.

0.10 FTE Administrative Assistant 3 (209 hours), in FY24-FY29, to review documents, records, or applications for completeness, accuracy, and compliance with rules. Composes office correspondence such as requests for documentation and responses to requests for information.

Salary and Benefits:

FY24: \$159,930

FY25-FY29: \$165,370 per fiscal year

Goods and Services:

Goods and services estimates include Assistant Attorney General (AAG) costs. The department will consult with the AAG for an estimated 50 hours at \$210 per hour the first year (\$10,500 for FY24, 50 hours at \$210 per hour), which may include rulemaking to clarify the authority given under this act. The department will consult with the AAG for an estimated 20 hours at \$210 per hour (\$4,200) to assist with annual contracting revisions and programmatic inquiries for legal compliance for FY25-FY29. An annual ZoomGrants license for grant applications will be required at \$2,458 per fiscal year.

FY24: \$27,733

FY25-FY29: \$20,704 per fiscal year

Travel:

Travel includes outreach to communities across the state to provide information about the availability of this new capital program directly to eligible local governments. Travel will consist of 13 total days of outreach and engagement, with five requiring lodging due to outreach and engagement to Eastern Washington communities. Travel also includes attendance at the Infrastructure Assistance Coordinating Conference (IACC) and three overnight stays for that event.

FY24-FY29: \$3,303 per fiscal year

Equipment:

Standard workstations in FY24 then a replacement computer in FY29 based on the department's five-year replacement cycle.

FY24: \$5,000

FY29: \$2,400

Intra-agency Reimbursements:

FY24: \$52,617

FY25-FY29: \$54,407 per fiscal year

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

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Total Cost:

FY24: \$248,583

FY25-FY28: \$243,784 per fiscal year

FY29: \$246,184

## 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	248,583	243,784	492,367	487,568	489,968
<b>Total \$</b>			248,583	243,784	492,367	487,568	489,968

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.6	1.6	1.6	1.6	1.6
A-Salaries and Wages	118,639	122,198	240,837	244,396	244,396
B-Employee Benefits	41,291	43,172	84,463	86,344	86,344
C-Professional Service Contracts					
E-Goods and Other Services	27,733	20,704	48,437	41,408	41,408
G-Travel	3,303	3,303	6,606	6,606	6,606
J-Capital Outlays	5,000		5,000		2,400
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	52,617	54,407	107,024	108,814	108,814
9-					
<b>Total \$</b>	248,583	243,784	492,367	487,568	489,968

### 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 Assistant 3	52,616	0.1	0.1	0.1	0.1	0.1
Administrative Services - Indirect	111,168	0.2	0.2	0.2	0.2	0.2
Commerce Specialist 3	82,056	1.0	1.0	1.0	1.0	1.0
Commerce Specialist 5	95,185	0.2	0.2	0.2	0.2	0.2
WMS Band 2	122,841	0.1	0.1	0.1	0.1	0.1
<b>Total FTEs</b>		1.6	1.6	1.6	1.6	1.6

### III. D - Expenditures By Program (optional)

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

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

### IV. B - Expenditures by Object Or Purpose

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

### IV. C - Capital Budget Breakout

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

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

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

NONE

Operation of the program proposed under this act will be contingent on a legislative appropriation in the capital budget. That appropriation is indeterminate, and based on the authority provided in Section 2, maximum award to a local government cannot exceed \$2 million per biennium. The number of awards will vary based on the appropriation and capital requests received.

## **Part V: New Rule Making Required**

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

Rulemaking may be required to clarify program criteria and the application prioritization process developed in collaboration with the committee required in Section 2(2)(a).

# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

**Bill Number:** 1014 HB

**Title:** Fire protection projects

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

### Legislation Impacts:

- Cities: potential grant funding for fire protection capital projects, potential costs related to participating on the committee
- Counties: same as above
- Special Districts: same as above
- Specific jurisdictions only: jurisdictions in rural counties providing fire protection services
- Variance occurs due to:

## Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option: jurisdictions in rural counties providing fire protection services could apply for grant funding for fire protection capital projects
- Key variables cannot be estimated with certainty at this time: which jurisdictions would be awarded grant funding or the amount of awards, which jurisdictions would participate on the committee

### Estimated revenue impacts to:

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

### Estimated expenditure impacts to:

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

## Part III: Preparation and Approval

Fiscal Note Analyst: Tammi Alexander	Phone: 360-725-5038	Date: 01/18/2023
Leg. Committee Contact: Kelci Karl-Robinson	Phone: 360-786-7116	Date: 01/17/2023
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/18/2023
OFM Review: Myra Baldini	Phone: (360) 688-8208	Date: 01/18/2023



## **Part IV: Analysis**

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

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

Under this bill, the Department of Commerce must establish a competitive grant program to award funding to local governments in rural counties for fire protection services capital project. The Department of Commerce must also establish a committee to develop the grant program criteria and process for prioritization of applications. The committee must be composed of no less than one representative each from the department, a fire protection district, a county, and a city.

Considerations for the grant and factors in prioritizing projects by the Department of Commerce must include:

- The insurance services office fire rating for the jurisdiction providing the fire protection services in the facility;
- The extent to which the project leverages other funds;
- The ability of the local government providing the fire protection services to levy local resources;
- Whether the project is critical in nature and would affect the health and safety of the people in the community of service;
- The extent to which the project is ready to proceed to construction;
- Whether the project is located in a distressed area as defined in RCW 43 .168.020; and
- Whether the project consolidates or regionalizes services.

The maximum amount of total funding that the department may provide for any jurisdiction is \$2 ,000,000 per biennium. Funds awarded under this section may be given only after private or public match funds are committed . Private or public match funds may consist of cash, equipment, land, buildings, or like-kind. In determining the level of match required, the department shall take into consideration the financial need of the applicant and the economic conditions of the location of the proposed facility .

Contracts for grants must include provisions that the capital improvements be held by the grantee for a specified period of time . If the grantee is found to be out of compliance with provisions of the contract , the grantee shall repay to the state general fund the principal amount of the grant plus interest calculated at the rate of interest on state of Washington general obligation bonds issued most closely to the date of authorization of the grant.

### **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 result in an indeterminate impact for local governments' expenditure . According to the legislation, local governments in rural communities would be eligible to apply for a grant for a fire protection services capital project and may be awarded up to \$2,000,000 per biennium. This amount is based on the criteria listed in Section 2 , by the Department of Commerce and the established committee. This grant includes the requirement of committed private or public match funds . This amount is determined by the department and shall take into consideration the financial need of the applicant and the economic conditions of the location of the proposed facility. These match funds are indeterminate and not assumed to be equal to the amount of the grant . Since applying for such a grant is up to the discretion of each municipality, and is therefore a local option, the LGFN program assumes no impact to expenditures due to the application process.

The establishment of a committee to develop the grant program criteria and process for prioritization of applications must be established and must be composed of no less than one representative each from the department, a fire protection district, a county, and a city. This would result in indeterminate expenditures for local governments participating on the committee. The legislation does not state how often meetings would take place, where these meetings would take place and it is unknown which local jurisdictions would be selected to participate.

## **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.*

The legislation would result in indeterminate revenue for local governments. Eligible local governments could apply for a grant through the fire protection services capital project. There is no information available to predict whether local governments would receive the grant, nor which jurisdictions. If the grant award went to local governments, revenue would increase by an indeterminate amount based on the criteria listed in Section 2, by the Department of Commerce and the established committee.

### **SOURCE:**

Local Government fiscal note HB 1929 (2022)