

Individual State Agency Fiscal Note

Bill Number: 5379 SB	Title: Associate development orgs.	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 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.2	1.2	1.2	1.2	1.2
Account					
General Fund-State 001-1	312,173	312,218	624,391	624,436	627,336
Total \$	312,173	312,218	624,391	624,436	627,336

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

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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 2 a new section is added to chapter 43.330 RCW that directs the Department of Commerce (department) to develop a competitive grant program for associate development organization (ADOs) to support and catalyze initiatives to foster innovation, sustainability, partnerships, and equity.

Section 3 a new section is added to chapter 43.330 RCW that creates the associate development organization innovation, sustainability, partnerships, and equity account in custody of the state treasurer. The director the department or the director's designee may authorize expenditures of the account.

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 working outlined in Section 2 will require the following:

1.0 FTE Commerce Specialist 3 (2,088 hours) to create competitive program guidance, provide expertise, technical assistance, and best practices to support ADO projects.

Salaries and Benefits:

FY24: \$111,056

FY25-FY29: \$114,847 per fiscal year

Professional Service Contracts

Contract with Community Attributes Inc. for on-going support and maintenance for ADO performance metrics on-line reporting tool. Created in FY21-FY22.

FY24-FY29 \$150,000 per fiscal year

Goods and Services:

FY24: \$9,580

FY25-FY29: \$9,586 per fiscal year

Equipment:

In addition to the standard goods and services estimates, the department assumes the purchase of standard workstations for the new staff in FY24 and the purchase of replacement laptops /tablets in FY28 based on the department's replacement cycle.

FY24: \$5,000

FY28: \$2,900

Grants are indeterminate.

For illustrative purposes:

These grants will support multiple initiatives that ADOs work on across the state in partnership with the department to foster innovation, equity, sustainability and regional partnerships. There are currently 34 ADOs representing the 39 Washington counties. An appropriation of \$5 million per fiscal year in grant funding would enable each ADO to qualify for an average of \$147,000 annually.

FY24-FY29: \$5,000,000 per fiscal year

Intra-Agency Reimbursements:

FY24: \$36,537

FY25-29: \$37,785 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. Agency administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

Total Costs:

FY24: \$312,173

FY25-27: \$312,218 per fiscal year

FY28: \$315,118

FY29: \$312,218

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	312,173	312,218	624,391	624,436	627,336
Total \$			312,173	312,218	624,391	624,436	627,336

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.2	1.2	1.2	1.2	1.2
A-Salaries and Wages	82,056	84,518	166,574	169,036	169,036
B-Employee Benefits	29,000	30,329	59,329	60,658	60,658
C-Professional Service Contracts	150,000	150,000	300,000	300,000	300,000
E-Goods and Other Services	9,580	9,586	19,166	19,172	19,172
G-Travel					
J-Capital Outlays	5,000		5,000		2,900
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	36,537	37,785	74,322	75,570	75,570
9-					
Total \$	312,173	312,218	624,391	624,436	627,336

In addition to the estimates above, there are additional indeterminate costs 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*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
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
Total FTEs		1.2	1.2	1.2	1.2	1.2

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

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.