

Multiple Agency Fiscal Note Summary

Bill Number: 1094 HB	Title: Future fund program
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of State Treasurer	(305,600,000)	(305,600,000)	0	(305,600,000)	(305,600,000)	0	(305,600,000)	(305,600,000)	0
Office of State Treasurer	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
State Investment Board	0	0	860,000	0	0	840,000	0	0	840,000
Total \$	(305,600,000)	(305,600,000)	860,000	(305,600,000)	(305,600,000)	840,000	(305,600,000)	(305,600,000)	840,000

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
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Caseload Forecast Council	1.0	392,000	392,000	392,000	1.0	392,000	392,000	392,000	1.0	392,000	392,000	392,000
Department of Commerce	.0	0	0	0	.0	0	0	0	.0	0	0	0
Washington State Health Care Authority	1.3	404,000	404,000	404,000	1.3	404,000	404,000	404,000	1.3	404,000	404,000	404,000
State Investment Board	1.6	0	0	860,000	1.6	0	0	840,000	1.6	0	0	840,000
Housing Finance Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	3.9	796,000	796,000	1,656,000	3.9	796,000	796,000	1,636,000	3.9	796,000	796,000	1,636,000

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Caseload Forecast Council	.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
State Investment Board	.0	0	0	.0	0	0	.0	0	0
Housing Finance Commission	.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: Amy Hatfield, OFM	Phone: (360) 280-7584	Date Published: Final
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Individual State Agency Fiscal Note

Bill Number: 1094 HB	Title: Future fund program	Agency: 090-Office of State Treasurer
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
General Fund-State 001-1	(152,800,000)	(152,800,000)	(305,600,000)	(305,600,000)	(305,600,000)
Washington Future Fund Account-Non-Appropriated New-6	152,800,000	152,800,000	305,600,000	305,600,000	305,600,000
Total \$					

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

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.
- 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: Omeara Harrington	Phone: 360-786-7136	Date: 01/12/2023
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 01/18/2023
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 01/18/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	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.

HB 1094 establishes the Washington future fund program and committee. This bill creates the Washington future fund account and allows the account to retain its earnings from investments. The state investment board is given full power to manage and invest the money.

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.

Under section 6, the legislature shall appropriate funds from the general fund into the Washington future fund account.

Assumption: Cohorts = 38,200 children per year. We expect updated numbers in the coming weeks.

Annual estimated transfer = \$152,800,000 = 38,200 children times \$4,000 per child.

Biennial estimate = \$305,600,000

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.

During the first eighteen years expenditures are minimal. We will reprioritize our workload to accommodate any additional task associated with the program. Eighteen years from now costs include, but not limited to, technology costs, processing claims, issuing payments, etc. Currently these costs are indeterminate, however, anticipated to be low. As the financial institution for state agencies, we have the infrastructure necessary to issue payments.

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: *FTEs listed by classification and corresponding annual compensation. Totals 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

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.

Individual State Agency Fiscal Note

Bill Number: 1094 HB	Title: Future fund program	Agency: 101-Caseload Forecast Council
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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	1.0	1.0	1.0	1.0	1.0
Account					
General Fund-State 001-1	196,000	196,000	392,000	392,000	392,000
Total \$	196,000	196,000	392,000	392,000	392,000

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: Omeara Harrington	Phone: 360-786-7136	Date: 01/12/2023
Agency Preparation: Elaine Deschamps	Phone: 360-664-9371	Date: 01/13/2023
Agency Approval: Erik Cornellier	Phone: 360-664-9375	Date: 01/13/2023
OFM Review: Cynthia Hollimon	Phone: (360) 810-1979	Date: 01/16/2023

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 8 amends RCW 43.88C.010 by requiring the Caseload Forecast Council (CFC) to forecast the total number of people in the next two cohorts for the purposes of the Washington Future Fund. The definitions for "cohort" and "next two cohorts" are provided in Section 2 of the bill.

"Cohort" means all people born in Washington in a calendar year who received medical services under the Maternity Care Access program, established under RCW 74.09.800, before their first birthday.

"Next two cohorts" means the cohorts that begin the January 1st of the two calendar years immediately following the current calendar year.

The CFC interprets the bill as follows:

For the purposes of the Washington Future Fund, the CFC would be required to produce forecasts of the number of people born in Washington, up to age one, who received medical services under the Maternity Care Access program for two calendar years following each current calendar year.

To satisfy the requirements of this bill, the CFC would need to:

1. Forecast the above-listed caseloads;
2. Expand and maintain the appropriate technological interface to access the data necessary to complete the forecasts;
3. Establish, maintain, and expand the processes/systems necessary to organize/manipulate the data into a format that is usable for forecasting purposes;
4. Expand the duties of the existing Health Care Authority (HCA) Medicaid Assistance forecast technical workgroup.

The CFC estimates that these new duties will require 1.0 FTE and related ongoing expenditures to perform approximately 0.3 FTE of work, as current staff have no additional capacity to assume additional workload.

The workload associated with this bill will involve the following:

- Identifying data available to inform the most accurate forecasts, which may range from raw data requiring significant manipulation to well-established data, and likely a combination of both;
- Gaining and maintaining the necessary programmatic expertise for these new caseloads;
- Exploring independent variables to improve explanatory power and accuracy of the forecasts;
- Producing forecasts three times a year and monthly tracking reports of the forecasts;
- Producing any sub-forecasts that are necessary to complete the forecasts;
- Expanding the duties of an existing forecast technical workgroup;
- Providing forecast summary materials, tracking updates, and briefings to stakeholders, including the technical workgroup, formal workgroup, and Council;
- Maintaining the forecast updates on the CFC website to ensure timely and public access to forecast data and tracking;
- Evaluating the accuracy of the forecasts over time using established performance measures;
- Expanding the information systems interface to ensure timely, accurate, and confidential receipt of data utilized in forecast production; and
- Expanding the data infrastructure necessary to organize and manipulate the data into a format suitable for forecasting purposes.

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.

There is no additional capacity among current staff to assume the additional workload associated with this bill. The CFC estimates that it will need one full FTE to perform approximately 0.3 FTE of work, for a cost of \$196,000 per year, and \$392,000 for the 2023-25 Biennium and subsequent biennia.

While the analysis indicates a need for 0.3 FTE, the CFC would need one full FTE to complete the work. The CFC is a small agency with 11 employees. There are four forecasters, and the Director and Deputy Director have part-time forecasting duties. Unlike larger agencies, the CFC does not have the economies of scale required to spread the workload of a partial FTE across employees. We are rounding up to one FTE to account for that challenge because we are evaluating this proposal in isolation. The CFC’s actual need should be evaluated in the context of any other legislation impacting the CFC that passes during this session.

The annual cost for 0.3 FTE is \$58,800 per year or \$117,600 for the 2023-25 Biennium, and the breakout by object is provided in the attached document.

Salary, benefits, goods and services, and travel are based on per FTE FY2022 expenditures and FY2023 allotments.

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	196,000	196,000	392,000	392,000	392,000
Total \$			196,000	196,000	392,000	392,000	392,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
A-Salaries and Wages	122,000	122,000	244,000	244,000	244,000
B-Employee Benefits	36,000	36,000	72,000	72,000	72,000
C-Professional Service Contracts					
E-Goods and Other Services	36,000	36,000	72,000	72,000	72,000
G-Travel	2,000	2,000	4,000	4,000	4,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	196,000	196,000	392,000	392,000	392,000

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
Senior Forecaster	122,000	1.0	1.0	1.0	1.0	1.0
Total FTEs		1.0	1.0	1.0	1.0	1.0

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

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.

Caseload Forecast Council Costs for 0.3 FTE By Object

	FY 24	FY 25	FY 23-25	FY 25-27	FY 27-29
FTEs	0.3	0.3	0.3	0.3	0.3
Salary (A)	\$36,600	\$36,600	\$73,200	\$73,200	\$73,200
Benefits (B)	\$10,800	\$10,800	\$21,600	\$21,600	\$21,600
Goods and Services (E)	\$10,800	\$10,800	\$21,600	\$21,600	\$21,600
Travel (G)	\$600	\$600	\$1,200	\$1,200	\$1,200
Total	\$58,800	\$58,800	\$117,600	\$117,600	\$117,600

Individual State Agency Fiscal Note

Bill Number: 1094 HB	Title: Future fund program	Agency: 103-Department of Commerce
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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: Omeara Harrington	Phone: 360-786-7136	Date: 01/12/2023
Agency Preparation: Cecil Daniels	Phone: 360-725-2862	Date: 01/13/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 01/13/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 01/16/2023

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 legislature finds that reducing barriers to wealth building activities is a vital strategy in combating persistent poverty and promoting economic resilience for Washingtonians.

Section 4 states the required members of the Washington Future Fund Committee, which includes the Director of the Department of Commerce.

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.

None.

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.

Section 4 requires the Director of Commerce, or designate, as a committee member. The department estimates this legislation would require approximately 72 hours a year of the Director of Commerce, or designate, to attend committee meetings.

The department estimates this as no fiscal impact and the activities stated in SB 5125 would be incorporated as part of the normal operating procedures within the department.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

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

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.

Individual State Agency Fiscal Note

Revised

Bill Number: 1094 HB	Title: Future fund program	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:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.3	1.3	1.3	1.3	1.3
Account					
General Fund-State 001-1	202,000	202,000	404,000	404,000	404,000
Total \$	202,000	202,000	404,000	404,000	404,000

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: Omeara Harrington	Phone: 360-786-7136	Date: 01/12/2023
Agency Preparation: Alexa Price	Phone: 360-725-0000	Date: 01/18/2023
Agency Approval: Madina Cavendish	Phone: 360-725-0902	Date: 01/18/2023
OFM Review: Jason Brown	Phone: (360) 742-7277	Date: 01/23/2023

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.

Please see attached narrative.

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.

Please see attached narrative.

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.

Please see attached narrative.

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	202,000	202,000	404,000	404,000	404,000
Total \$			202,000	202,000	404,000	404,000	404,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.3	1.3	1.3	1.3	1.3
A-Salaries and Wages	102,000	102,000	204,000	204,000	204,000
B-Employee Benefits	34,000	34,000	68,000	68,000	68,000
C-Professional Service Contracts	25,000	25,000	50,000	50,000	50,000
E-Goods and Other Services	2,000	2,000	4,000	4,000	4,000
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	39,000	39,000	78,000	78,000	78,000
9-					
Total \$	202,000	202,000	404,000	404,000	404,000

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
Fiscal Analyst 3	65,000	0.3	0.3	0.3	0.3	0.3
Operations Research Specialist	102,000	1.0	1.0	1.0	1.0	1.0
Total FTEs		1.3	1.3	1.3	1.3	1.3

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.

HCA Fiscal Note

Bill Number: 1094 HB

HCA Request #: 23-033

Part II: Narrative Explanation

This bill creates the Washington Future Fund in the custody of the Office of State Treasurer (OST).

II. A - Brief Description of What the Measure Does That Has Fiscal Impact

The Health Care Authority (HCA) is impacted by: Sections 3, 4, 6, and 10 directly.

Section 3: Establishes a Washington Future Fund Program.

- Sec 3(5) (b) States HCA and any successor agency responsible for implementing the maternity care access program, shall assist OST to verify a claimant is a member of a funded cohort.

Section 4: Establishes a Washington Future Fund Committee

- Section 4(1)(a)(II)(v)(A) states the Director of HCA or their designee will sit on this committee.

Section 10: HCA—Information Sharing. Subject to federal and state laws governing the disclosure of confidential information, the OST and HCA shall enter into a memorandum of understanding to establish information sharing practices necessary to carry out the purposes of chapter 43.--- RCW (the new chapter created in section 11 of this act) by September 30, 2036.

II. B - Cash Receipts Impact

None - State Funds Only.

II. C – Expenditures

The fiscal impact is greater than \$50,000 but indeterminate to actual cost.

Sections 3 & 4 – Washington Future Fund Program / Committee

HCA requests ongoing funds of \$177,000 (GF-State) and 1.3 Full Time Equivalent (FTE) staff per year starting in State Fiscal Year 2024 to meet the bill requirements.

- 1.0 FTE Operations Research Specialist (ORS), as Data staff are required to validate the information, perform quality control, or review exceptions or appeals. The FTE workload based on the number of cohorts as this will require FTEs to accommodate increased workload to meet bill requirements. FTE will Performs scientific research, design, statistical or data analysis or analytical projects in a specialty field, and attend meetings possible for the committee. Develop and designs complex original operations research using scientific, statistical, data mining, or mathematical analytical methods to investigate complicated issues and identify and solve problems. Annual fiscal impact is \$138,000 for salary and benefits.
- Administrative costs are calculated at \$39,000 per 1.0 FTE. This cost is included in Object T based on HCA's federally approved cost allocation plan and are captured and/or included as a Fiscal Analyst 3 classification.

HCA Fiscal Note

Bill Number: 1094 HB

HCA Request #: 23-033

Section 10 – HCA Information Sharing.

HCA requests ongoing funding of \$25,000 per year (GF-State) for computer system updates and data sharing starting in State Fiscal Year 2024 to meet the bill requirements.

- The bill requires HCA to determine what data must be kept satisfying the eligibility verification requirements, to create a database to store this data, and to create or update policies and procedures regarding the archiving of this data.
- Depending on the volume of cohorts for this program and specific IT-related work involved in processing and reviewing data, additional resources may be required in the forms of data connections/application(s).
- HCA must create a data-sharing agreement with the Office of the State Treasurer (OST) to manage responding to applications. Given the section outlining new data sharing between the OST and HCA, additional IT costs to set up those connections may be necessary.
- HCA will need to design a system to verify application data against stored data to determine eligibility or hire staff to review the data manually.

Unknown Costs Section 3, Section 4, and Section 6.

- Depending on the volume of cohorts for this program and specific IT-related work involved in processing and reviewing data, additional resources may be required in the form of FTEs. This proposed legislation would have fiscal impact based on current HCA practices on the extension of the program and the FTE’s assigned to it.
- Meetings and travel costs are unknown for the Section 4 of this bill. HCA assumes that a majority of the meetings will be held in the Olympia area and/or virtually via Teams or Zoom. If meetings move beyond this assumption, then the costs at this time are unknown.

Account	Account Title	Type	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
001-1	General Fund	State	202,000	202,000	202,000	202,000	202,000	202,000	404,000	404,000	404,000
Totals			\$ 202,000	\$ 202,000	\$ 202,000	\$ 202,000	\$ 202,000	\$ 202,000	\$ 404,000	\$ 404,000	\$ 404,000

II. C - Expenditures by Object Or Purpose

	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
FTE	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3
A Salaries and Wages	102,000	102,000	102,000	102,000	102,000	102,000	204,000	204,000	204,000
B Employee Benefits	34,000	34,000	34,000	34,000	34,000	34,000	68,000	68,000	68,000
C Professional Service Contracts	25,000	25,000	25,000	25,000	25,000	25,000	50,000	50,000	50,000
E Goods and Other Services	2,000	2,000	2,000	2,000	2,000	2,000	4,000	4,000	4,000
T Intra-Agency Reimbursements	39,000	39,000	39,000	39,000	39,000	39,000	78,000	78,000	78,000
Totals			\$ 202,000	\$ 202,000	\$ 202,000	\$ 202,000	\$ 404,000	\$ 404,000	\$ 404,000

II. C - Operating FTE Detail: List FTEs by classification and corresponding annual compensation.

Job title	Salary	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
FISCAL ANALYST 3	65,000	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3	0.3
OPERATIONS RESEARCH SPECIALIST	102,000	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Totals		1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3	1.3

II. C - Expenditures By Program (optional)

Program	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
200 200 - HCA - Other	202,000	202,000	202,000	202,000	202,000	202,000	404,000	404,000	404,000
Totals		\$ 202,000	\$ 202,000	\$ 202,000	\$ 202,000	\$ 202,000	\$ 404,000	\$ 404,000	\$ 404,000

Part IV: Capital Budget Impact

None.

HCA Fiscal Note

Bill Number: 1094 HB

HCA Request #: 23-033

Part V: New Rule Making Require

None.

Individual State Agency Fiscal Note

Bill Number: 1094 HB	Title: Future fund program	Agency: 126-State Investment Board
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
State Investment Board Expense Account-State 031-1	440,000	420,000	860,000	840,000	840,000
Total \$	440,000	420,000	860,000	840,000	840,000

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
Account					
State Investment Board Expense Account-State 031-1	440,000	420,000	860,000	840,000	840,000
Total \$	440,000	420,000	860,000	840,000	840,000

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: Omeara Harrington	Phone: 360-786-7136	Date: 01/12/2023
Agency Preparation: Celina Verme	Phone: (360) 956-4740	Date: 01/17/2023
Agency Approval: Allyson Tucker	Phone: 360-956-4710	Date: 01/17/2023
OFM Review: Marcus Ehrlander	Phone: (360) 489-4327	Date: 01/17/2023

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 Washington Future Fund Program is established to be implemented and administered by the office of the State Treasurer.

Section 5 – Creates the Washington Future Fund Account in the custody of the State Treasurer.

Section 6 – Beginning in 2024 and biennially thereafter, directs the Legislature to appropriate specified funds from the State General Fund into the Washington Future Fund Account.

Section 7 – Gives the State Investment Board (SIB) the full power to invest, reinvest, manage, contract, sell, or exchange investment money in the Washington Future Fund Account (Account). All of the earnings from the investment of money shall be paid in accordance with state law. All investments made by the SIB are to be made with the exercise of judgment and care required by statute and consistent with the investment policy established by the SIB. As deemed appropriate by the SIB, money in the Account may be commingled for investment with other funds subject to investment by the SIB. Members of the SIB may not be considered an insurer of the Account or assets and are not liable for any action or inaction. Members of the SIB are not liable to the state, Account, or any other person as a result of their activities as members, except for willful dishonesty or intentional violation of law. The authority to establish all policies relating to the Account, other than the investment policies, resides with the State Treasurer. The SIB is to routinely consult and communicate with the State Treasurer on the investment policy, earnings of the Account, and related needs of the program.

FISCAL IMPACT ASSUMPTIONS

The SIB expects the scope of the proposed Washington Future Program Account will require a diversified investment fund with broad public markets exposure (stocks, bonds, cash) utilizing existing SIB investment vehicles, where permitted and deemed appropriate. A strategic asset allocation study would be required to determine the appropriate investment vehicles and asset mix. Expected return for the portfolio would be determined from the strategic asset allocation study. For a fund of this nature, the WSIB would likely obtain fixed income exposure through a fund such as the SIB Bond Market Fund and equity exposure through one of the Board's passive global equity managers.

For purposes of setting preliminary expectations based on SIB's current Capital Market Assumptions, the SIB is able to reasonably estimate 15-year median returns of 5.8 percent for a 60 percent equity / 40 percent fixed income portfolio and can estimate 15-year median returns of 3.3 percent for a 100 percent fixed income portfolio. Estimated returns for a cash portfolio would be significantly lower if investment in equities is constitutionally prohibited. Actual returns are not guaranteed and the range of actual performance for any portfolio can vary substantially from these estimates. Capital Market Assumptions are adopted by the SIB every two years and are subject to change. Return estimates provided in this fiscal note are for informational purposes only and not intended for any other use.

The SIB expects that returns for this fund will be lower than the returns of the SIB Commingled Trust Fund, which is limited to qualified retirement assets and includes significant long-standing investments in private market asset classes.

For purposes of determining expenditures necessary to implement the bill, the SIB assumes, consistent with its statutory authority, that the Treasurer's Office will handle participant recordkeeping and accounting including claims processing, individual interest calculations, and claims settlement and payments.

The assumed fiscal impact is detailed in the expenditure impact section.

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.

SIB’s operating expenses are funded based on a formula established by statute. Accordingly, each investment fund managed by the WSIB pays a proportional share of the SIB’s operating costs based on the value of the assets in the fund.

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 SIB anticipates the following costs:

Staffing:

- 0.60 Investment Officer FTE will be necessary for initial stakeholder/onboarding work; initial and periodic strategic asset allocation studies and investment policy development/updates; daily strategic asset allocation monitoring; ongoing oversight of managers/programs (public equity manager, cash manager, securities lending); risk monitoring; fixed income portfolio management; and periodic meetings and discussions with the governing board.
- 0.20 Investment Officer FTE will be necessary to complete quarterly performance reports and periodic presentations of results to the State Treasurer and/or the governing body of the fund.
- 0.25 Investment Officer FTE will be necessary to work on bidder solicitation, review, negotiation of terms, draft amendments, incorporation of updated contract changes, contract review, international market openings, internal policy compliance, U.S. and international regulatory compliance, reclaims, alert reporting, treaty benefit compliance, internal reporting, legal advice on tax efficiencies, and state law issues.
- 0.50 Assistant Investment Officer FTE will be necessary to support the increase in the investment balances and transactions. A new fund adds additional investment accounting responsibility for investments and related accrual. Additional custodial accounts are required to be maintained and reconciled. An additional set of financial statements will be required along with periodic stakeholder reporting. The transaction volumes for investment trades, income collection on securities and increased expense payment volume will also increase with the addition of the new fund.

Professional Services Contracts:

WSIB will utilize a consultant to audit an additional set of annual financial statements with a cost of \$12,000 (estimating it would take 65-70 hours).

Goods and Services, Travel, and Equipment:

Associated costs for goods and services, travel, and equipment are included based on the addition of FTEs noted above.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
031-1	State Investment Board Expense Account	State	440,000	420,000	860,000	840,000	840,000
Total \$			440,000	420,000	860,000	840,000	840,000

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	276,000	276,000	552,000	552,000	552,000
B-Employee Benefits	70,000	70,000	140,000	140,000	140,000
C-Professional Service Contracts	12,000	12,000	24,000	24,000	24,000
E-Goods and Other Services	46,000	46,000	92,000	92,000	92,000
G-Travel	12,000	12,000	24,000	24,000	24,000
J-Capital Outlays	24,000	4,000	28,000	8,000	8,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	440,000	420,000	860,000	840,000	840,000

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
Assistant Investment Officer	134,868	0.5	0.5	0.5	0.5	0.5
Investment Officer	199,000	1.1	1.1	1.1	1.1	1.1
Total FTEs		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

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.

Individual State Agency Fiscal Note

Bill Number: 1094 HB	Title: Future fund program	Agency: 148-Housing Finance Commission
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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: Omeara Harrington	Phone: 360-786-7136	Date: 01/12/2023
Agency Preparation: Fenice Taylor	Phone: 206-287-4432	Date: 01/13/2023
Agency Approval: Lucas Loranger	Phone: 206-254-5368	Date: 01/13/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 01/16/2023

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.

No Fiscal Impact: Because the Commission is a non-appropriated, non-allocated agency, all the costs associated with the contemplated legislation connected to the Commission will flow through the Commission's operating funds, therefore the Commission believes it has no fiscal impact on the state's budget.

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.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

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.