

Individual State Agency Fiscal Note

Bill Number: 1603 HB	Title: Agricultural products promo.	Agency: 495-Department of Agriculture
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Part I: Estimates

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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	179,000	179,000	358,000	358,000	358,000
Total \$	179,000	179,000	358,000	358,000	358,000

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:

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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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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).

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Capital budget impact, complete Part IV.

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Requires new rule making, complete Part V.

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Agency Approval: Nicholas Johnson	Phone: (360) 902-2055	Date: 02/02/2023
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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.

House Bill 1603 creates a new location-based branding and promotion program for Washington food and agricultural products, adds a new chapter to and repeals others from Title 15 RCW.

The legislature recognizes that recent food policy forum reports to the legislature recommend creation of a program to promote Washington food and agricultural products, and that such a location based brand recognition program would help identify Washington products for procurement by schools and other public institutions and would provide strong marketing tools to help differentiate Washington products, making them more visible to consumers and more competitive in the local, state, regional, national, and international marketplace.

In Section 3 of the bill WSDA is required to establish an advisory committee for the purpose of identifying the appropriate scope and nature of the location based program to brand and promote local food and agricultural products. The section requires the agency to submit a report with recommendations for the program development and implementation to the appropriate committees of the legislature by June 30, 2024. The bill establishes an ongoing framework that includes program eligibility criteria, application and approval of program-sanctioned promotional activities, fees and fee waiver rules, logo and trademark ownership and licensing rights, cooperative agreements to carry out program activities, and other actions.

WSDA will need 1 FTE Commerce Specialist 4, to carry out the work required in the bill; organize and work with the advisory group to develop proposed program guidelines and complete the report in year one and ongoing to support the program once launched for years thereafter.

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.

The work required in this bill represents a new body of work for WSDA. The agency will need to hire 1 full time Commerce Specialist 4 to organize and work with the advisory committee and complete the report in year one and, beginning in the second year, to implement and manage the program. FTE expenses include salary, benefits and associated costs (computer, office supplies, facility space, travel, and administrative overhead, etc.). Estimated costs for the position are \$169,000 per year.

Other costs anticipated with this bill include professional research and consulting services on design and labeling development as well as for culturally and linguistically appropriate outreach and engagement as needed. Estimated cost for these services is \$10,000 per year.

Total cost to the agency is \$179,000 per year ongoing.

WSDA acknowledges there may be additional costs associated with RCW 43.03.220 Compensation of members of part-time boards and commissions—Class one groups, for full compensation for the non-state employee members, however,

those costs are indeterminate at this time so not included in this fiscal note.

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	179,000	179,000	358,000	358,000	358,000
Total \$			179,000	179,000	358,000	358,000	358,000

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	83,000	83,000	166,000	166,000	166,000
B-Employee Benefits	33,000	33,000	66,000	66,000	66,000
C-Professional Service Contracts	10,000	10,000	20,000	20,000	20,000
E-Goods and Other Services	13,000	13,000	26,000	26,000	26,000
G-Travel	10,000	10,000	20,000	20,000	20,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service	1,000	1,000	2,000	2,000	2,000
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Agency Admin Overhead	29,000	29,000	58,000	58,000	58,000
Total \$	179,000	179,000	358,000	358,000	358,000

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
Commerce Specialist 4	82,900	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

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.