

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1256 HB	<b>Title:</b> Higher ed. matching grants
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## 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	.0	0	0	0	.0	0	0	0	.0	0	0	0
Community and Technical College System	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

## 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.								
Community and Technical College System	.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

Department of Commerce	Non-zero but indeterminate cost and/or savings. Please see discussion.
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# Individual State Agency Fiscal Note

Revised

<b>Bill Number:</b> 1256 HB	<b>Title:</b> Higher ed. matching grants	<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:

NONE

### 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: John Wilson-Tepeli	Phone: 360-786-7115	Date: 01/31/2023
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 02/08/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 02/08/2023
OFM Review: Myra Baldini	Phone: (360) 688-8208	Date: 02/08/2023

## 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 bill would create a program at the Department of Commerce (department) that provides matching capital grants to higher education institutions. The funds are for 'major capital construction projects' and each project must cost at least \$2 million. Key provisions that provide information about the costs of operating the program include:

Section 1(1) states that the department is authorized to administer a capital budget matching grants program for higher education institutions as provided in this section.

Section 1(4) requires the department to develop a grant application process and assist higher education institutions in matters related to applying for grants under this section. The department may use up to four percent of amounts appropriated for the grant program under this section for costs that result from the administration of the program.

Section 1(6) the department shall consult with the state board for community and technical colleges, the Washington higher education facilities authority created under RCW 28B.07.030, and appropriate stakeholders to create a competitive grant application evaluation and ranking process pursuant to this section. This consultative process must create an application evaluation and ranking system that results in a single prioritized list of proposed grants from the pool of applications submitted by eligible institutions in each application cycle.

Section 1(7) requires the department to propose a list of prioritized grants pursuant to this section for higher education institutions meeting the eligibility requirements established in subsection (3) of this section to the governor by September 1st of even-numbered years. This list must include: (i) a description of the proposed project; (ii) the proposed construction grant amount; (iii) higher education institutions' share of project cost; and (iv) the estimated total project cost.

### 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

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

Cost associated with this legislation are indeterminate and contingent on a legislative appropriation in the capital budget. The number of awards and total amount will vary based on the capital requests received and sent to the Legislature, and the Legislature's subsequent appropriation decision. Per Section 1(4), the costs to stand up the program are an allowable expenditure up to 4% of the appropriation.

For illustrative purposes the agency assumes the following:

- The department assumes that the consultative process required to develop the grant program criteria and an application prioritization process would convene virtually for between four and six half-day meetings between July 1, 2023 and December 31, 2023.
- The department assumes a minor contract to facilitate coordination at \$5,000 per meeting across at least four meetings.
- The timeline to form and develop the program would take approximately six months, with hiring to occur in alignment with budget authority on July 1, 2023. The department assumes the program would be operational by January 1, 2023 and would begin its first grant cycle thereafter to generate a prioritized project list by September 1, 2024.
- Based on interpretation of the title of the bill, the department assumes the proposed program is only available to the 14 private non-profit higher education institutions in the state.
- The department assumes that one-third of eligible institutions of higher education, approximately 4, would submit funding applications. Based on the experience of all higher education capital funding in the 2021-23 capital budget, each project would request between \$2 million and \$8 million each.
- The department assumes approximately \$315,000 in FY24 to form and operate the proposed legislation.

1.0 FTE Commerce Specialist 3 (2,088 Hours) in FY 24-FY29, to develop program, provide technical assistance, manage grant funding rounds, scoring applications, compiling ranked list of projects in coordination with stakeholders, manage subsequent capital contracts, monitor contract implementation and commitment period, developing communications and outreach to eligible entities.

0.2 FTE Commerce Specialist 5 (418 Hours) in FY24-FY29, to provide day-to-day direction of staff. 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 also support application development, outreach, and application scoring and prioritization. Staff will present advanced technical business information to higher education institutions and coordinate with key stakeholders.

0.1 FTE WMS Band 2 (209 Hours) in FY 24-29, to provide leadership, oversight, supervision, rules coordination and decision making over all elements of the program. Staff will also support facilitation of stakeholder meetings and secure a contracted facilitator for this purpose, application development, outreach, technical assistance, and application scoring and prioritization.

0.1 FTE WMS Band 3 (209 Hours) in FY24-FY29, to provide expert policy and program advisement, consultation on program issues that have a large impact on agency-wide activities or policies.

0.3 FTE Administrative Assistant 3 (626 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. Facilitates planning for facilitated stakeholder group meetings.

Salaries and Benefits:

FY24: \$192,943

FY25-FY29: \$199,511 per fiscal year

Professional Service Contracts:

Contract to facilitate coordination at \$5,000 per meeting across at least four meetings.

FY24: \$20,000

Goods and Services:

The department assumes the following Assistant Attorney General costs, an estimated 50 hours at \$210 per hour the first year (\$10,500 for FY24). Then for FY24-FY29, the department will consult with the AAG for an estimated 10 hours at \$210 per hour (\$2,100 per year FY24-FY29) to assist with annual contracting revisions and programmatic inquiries for legal compliance. Other annual goods and services is a ZoomGrants application Fee of \$2,458 per year to complete online application, review and reporting for each annual competitive funding cycle.

FY24: \$30,094

FY25-FY29: \$21,705 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 colleges and universities, including to attend in-person stakeholder meetings, perform outreach, and visit independent higher education grantee sites across the state. Annual travel will consist of 20 days of outreach and engagement, with half of them requiring lodging due to outreach and engagement to Eastern Washington colleges.

FY24-FY29: \$4,220 per fiscal year

Equipment:

Standard workstations for new team members and a replacement computer on the agency's five-year lifecycle replacement schedule.

FY24: \$5,000

FY28: \$2,400

Intra-agency Reimbursements:

FY24: \$63,478

FY25-FY29: \$65,639 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.

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Total Cost:

FY24: \$315,735

FY25-FY27: \$291,075 per fiscal year

FY28: \$293,475

FY29: \$291,075

**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

<b>Bill Number:</b> 1256 HB	<b>Title:</b> Higher ed. matching grants	<b>Agency:</b> 699-Community and Technica College System
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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: John Wilson-Tepeli	Phone: 360-786-7115	Date: 01/31/2023
Agency Preparation: Brian Myhre	Phone: 360-704-4413	Date: 02/03/2023
Agency Approval: Cherie Berthon	Phone: 360-704-1023	Date: 02/03/2023
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 02/03/2023

## 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.*

This bill would add a new section to Chapter 28B.07 and authorize the Department of Commerce to administer a Capital Budget Matching Grants Program.

Only Higher Education Institutions are eligible for the grants. "Higher Education Institutions" are defined in RCW 28B.07.020 as private, nonprofit educational institutions, the main campus of which is permanently situated in the state.

The Department of Commerce is directed to consult with the State Board for Community and Technical Colleges to create a competitive grant application evaluation and ranking process.

### 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.*

No cash receipts impact.

Colleges in the community and technical college system are not "Higher Education Institutions", as defined in RCW 28B.07.020.

### 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.*

No expenditure impact.

The State Board for Community and Technical Colleges is directed to work with the Department of Commerce to create a competitive grant application evaluation and ranking process. This work can be accomplished within existing resources.

Other aspects of the bill do not apply to colleges in the community and technical college system since they are not "Higher Education Institutions", as defined in RCW 28B.07.020.

## 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.*