

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1632 HB	<b>Title:</b> Retirement options study	<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	0.2	0.0	0.1	0.0	0.0
<b>Account</b>					
General Fund-State      001-1	160,573	0	160,573	0	0
<b>Total \$</b>	160,573	0	160,573	0	0

### 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 1 a new section requires the Department of Commerce (department) to study the retirement preparedness of Washington residents and the feasibility of establishing a state-sponsored retirement saving program. The department may convene a group of stakeholders and must report the finding to the Legislature by September 30, 2023.

### 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.*

#### General Assumptions:

0.20 FTE Commerce Specialist 5 (400 hours) to provide expert consultation and stakeholder engagement, procure the professional service contractor and monitor deliverables.

#### Salaries and Benefits:

FY24: \$25,320

#### Professional Services Contracts:

One professional service contract (500 hours) for a contractor to prepare a study on the retirement preparedness of Washington residents and the feasibility of establishing a state-sponsored retirement program. The report must include: an examination of potential retirement savings options for self-employed individuals, part-time employees, and full-time employees whose employers do not offer a retirement savings plan; estimates of the impact on the state budget and on taxpayers from shortfalls in retirement savings or income; the level of interest by Washington employers in participating in a state retirement program; an examination of the impact of retirement savings on income and wealth inequality; likely costs to start up a state-sponsored retirement program, an estimate of the time for the program to reach self-sufficiency, and potential funding options; the experience of other states that have implemented state-sponsored retirement programs for employers and employees, as well as program impacts on the market for retirement plan products and services; an evaluation of the feasibility and benefits of interstate partnerships and cooperative agreements with similar state-sponsored retirement programs established in other jurisdictions; an assessment of potential changes in enrollment in a joint state-sponsored retirement program if potential participants are concurrently enrolled in the federal "saver's credit" program; the appropriate state agency and potential structure for implementing a state-sponsored retirement program; and recommendations for statutory changes or appropriations for establishing a state-sponsored retirement program. The department must report the findings to the Legislature by September 30, 2023. The department assumes a rate of \$250 per hour for the contract.

FY24: \$125,000

#### Goods and Services:

FY24: \$1,923

#### Intra-agency Reimbursements:

FY24: \$8,330

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 Costs:  
 FY24: \$160,573

**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	160,573	0	160,573	0	0
<b>Total \$</b>			160,573	0	160,573	0	0

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2		0.1		
A-Salaries and Wages	19,037		19,037		
B-Employee Benefits	6,283		6,283		
C-Professional Service Contracts	125,000		125,000		
E-Goods and Other Services	1,923		1,923		
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	8,330		8,330		
9-					
<b>Total \$</b>	160,573	0	160,573	0	0

**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	0.0		0.0		
Commerce Specialist 5	95,185	0.2		0.1		
<b>Total FTEs</b>		0.2		0.1		0.0

**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.*