

Multiple Agency Fiscal Note Summary

Bill Number: 5577 SB	Title: Capital broadband 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
Department of Commerce	0	0	200,000,000	0	0	0	0	0	0
Total \$	0	0	200,000,000	0	0	0	0	0	0

Agency Name	2023-25		2025-27		2027-29		
	GF- State	Total	GF- State	Total	GF- State	Total	
Local Gov. Courts							
Loc School dist-SPI							
Local Gov. Other	Fiscal note not available						
Local Gov. Total							

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
Total \$	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.0	200,000,000	200,000,000	.0	0	0	.0	0	0
Total \$	0.0	200,000,000	200,000,000	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

Agency Name	2023-25	2025-27	2027-29
	Total	Total	Total
Grants/Loans	200,000,000	0	0
Total \$	200,000,000	0	0

Prepared by: Myra Baldini, OFM	Phone: (360) 688-8208	Date Published: Preliminary 2/13/2023
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Individual State Agency Fiscal Note

Revised

Bill Number: 5577 SB	Title: Capital broadband program	Agency: 103-Department of Commerce
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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 Building Construction Account-State 057-1	100,000,000	100,000,000	200,000,000		
Total \$	100,000,000	100,000,000	200,000,000		

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

	2023-25		2025-27		2027-29	
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Pre-design/Design	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Grants/Loans	100,000,000	100,000,000	0	0	0	0
Staff	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total \$	100,000,000	100,000,000	0	0	0	0

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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Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 02/12/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 02/12/2023
OFM Review: Myra Baldini	Phone: (360) 688-8208	Date: 02/13/2023

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 1 adds new section to RCW 43.330 establishing the capital broadband investment acceleration program in the Department of Commerce's Statewide Broadband Office (department). Funds will be used as competitive matching grants for federal broadband infrastructure programs to increase broadband access in unserved areas. Priority for state matching grants are given to distressed areas and rural counties as defined by RCW 43.68.020

Section 1(2) eligibility is limited to local governments, tribes, nonprofits, cooperative associations, multiparty entities comprised of public entity members, limited liability corporations organized for the purpose of expanding broadband access and incorporated businesses or partnerships.

Section 1(3) up to 3% of the appropriation may be deducted for administration by the State Broadband Office, Public Works Board, or Community Economic Revitalization Board.

Section 1(4) grant recipients may not deduct more than 3% for grant management or grant administration.

Section 2 proposes a \$200 million appropriation from the state building construction account to implement this act.

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.

Section 2 proposed a \$200 million appropriation from the state building construction account. The exact timing and need for state resources to serve as match of federal funding opportunities is unknown and based on timing of applications for funding and receipt of federal resources during the anticipated four-year implementation period. BEAD projects must be matched by no less than 25% match from state or other resources. It is unknown how many projects would receive state match or what level of state match each project would require. For purposes of this fiscal note, the department assumes an equal commitment of state capital funds based on receipt of federal BEAD resources and applications for funding over the initial two years of this funding opportunity.

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 impact to the department. The department will not deduct administrative expenses from the state match of federal funding proposed by this legislation, and will deduct required administration resources from the state's federal allocation of broadband equity, access and deployment (BEAD) resources.

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

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
057-1	State Building Construction Account	State	100,000,000	100,000,000	200,000,000	0	0
Total \$			100,000,000	100,000,000	200,000,000	0	0

IV. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	100,000,000	100,000,000	200,000,000		
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	100,000,000	100,000,000	200,000,000	0	0

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

Construction Estimate	FY 2024	FY 2025	2023-25	2025-27	2027-29
Pre-design/Design					
Construction					
Grants/Loans	100,000,000	100,000,000	200,000,000		
Staff					
Other					
Total \$	100,000,000	100,000,000	200,000,000		

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Section 2 proposed a \$200 million appropriation from the state building construction account. The exact timing and need for state resources to serve as match of federal funding opportunities is unknown and based on timing of applications for funding and receipt of federal resources during the anticipated four-year implementation period. BEAD projects must be matched by no less than 25% match from state or other resources. It is unknown how many projects would receive state match or what level of state match each project would require. For purposes of this fiscal note, the department assumes an equal commitment of state capital funds based on receipt of federal BEAD resources and applications for funding over the initial two years of this funding opportunity.

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.