

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1737 HB	<b>Title:</b> Reconciliation account
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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
Governor's Office of Indian Affairs	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Commerce	.3	0	0	281,862	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>0.3</b>	<b>0</b>	<b>0</b>	<b>281,862</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Governor's Office of Indian Affairs	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Breakout

NONE

<b>Prepared by:</b> Gwen Stamey, OFM	<b>Phone:</b> (360) 790-1166	<b>Date Published:</b> Final 2/15/2023
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1737 HB	<b>Title:</b> Reconciliation account	<b>Agency:</b> 086-Governor's Office of Indian Affairs
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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:	Phone:	Date: 02/10/2023
Agency Preparation: Seth Flory	Phone: 360-407-8165	Date: 02/14/2023
Agency Approval: Seth Flory	Phone: 360-407-8165	Date: 02/14/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 02/14/2023

## 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.*

House Bill 1737 would amend RCW 43.79.567 changing the name of the Community Reinvestment Account to the Community Reconciliation Account (CRA). Additionally, the bill expands the list of purposes the (CRA) appropriations can be directed towards.

RCW 43.79.567, as it is currently written, requires the Department of Commerce to collaborate with the Governor's Office of Indian Affairs (GOIA) when making distributions from the CRA. GOIA's role in the distribution process is minimal and will not be substantially impacted by the additions proposed in House Bill 1737. No fiscal impact is expected to result from the adoption of this legislation.

### 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.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1737 HB	<b>Title:</b> Reconciliation account	<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	0.6	0.0	0.3	0.0	0.0
<b>Account</b>					
Community Reinvestment Account-State 27C-1	281,862	0	281,862	0	0
<b>Total \$</b>	281,862	0	281,862	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.

Legislative Contact:	Phone:	Date: 02/10/2023
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 02/15/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 02/15/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/15/2023

## 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 amends RCW 43.79.567 which renames the Community Reinvestment Account the Community Reconciliation Account. It directs that expenditures from the account may be used in the following ways in addition to the four current law categories:

- Agricultural and economic support and services available to historically marginalized communities; and
- Programs or services that use a community assessment model that is evidence-based and aimed at addressing root causes of violence in communities and may include programs or services with one or more of the following goals: (i) Increasing high school graduation rates and empowering school and life success for individuals; (ii) Building a culture of empathy, equity, and connection and improving the quality of life of persons in a community through trauma-informed care; (iii) Achieving positive health outcomes or enhancing resiliency such as by promoting nutrition, physical health, or mental health; and (iv) Creating a supportive community environment.

The distribution of the grants under this section must be in collaboration with the Governor's Office of Indian Affairs and "by and for community organizations" as defined by the Department of Commerce (department) and the Office of Equity.

Section 4 the act takes effect July 1, 2024.

### 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.*

Agency assumptions:

- The Department of Commerce (department) is currently undertaking a year-long research project with deep community engagement to create a plan for the distribution of funds among the four current law categories identified in 2022 (SB 5693, Section 134, 2022). The Legislature allocated \$1 million to develop the plan, with a preliminary report due December 1, 2022 and a final report due June 30, 2023.
- To integrate the proposed legislation and the additional two funding categories into the existing planning effort, the department would continue its current contract with a community-based consultant to engage with grassroots organizations, nonprofits, community members, and other key stakeholders. This community participation will ensure the proposed legislation and future investments are aligned with the needs as expressed by those most impacted by racial, economic, and social disparities created by the historical design and enforcement of state and federal criminal laws and penalties for drug possession.
- While the proposed legislation takes effect July 1, 2024, the department estimates that community engagement, research and planning for the proposed legislation would begin July 1, 2023 and be completed by June 30, 2024. This effort will determine the distribution of funding across the new categories, and ensure transparent collaboration and community input into the decision making process regarding the current law categories that should be reduced.

0.50 FTE Management Analyst 4 (1,040 hours) in FY24, for the Community Reconciliation Account Plan Manager to conduct a competitive process for a consultant and collaborate with the Governor's Office of Indian Affairs, by-and-for community organizations, and the Office of Equity to manage a community engagement and research effort to determine the dispersal of funds across six categories.

Salary and Benefits:

FY24: \$57,988

Professional Service Contracts:

Contract to facilitate community engagement and conduct research project:

FY24: \$200,000

Goods and Services:

FY24: \$4,796

Intra-Agency Reimbursements:

FY24: \$19,078

Note: Standard goods and services costs include supplies and materials, employee development and training, central services charges and agency administration. Intra-agency-administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

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Total Cost:

FY24: \$281,862

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
27C-1	Community Reinvestment Account	State	281,862	0	281,862	0	0
<b>Total \$</b>			281,862	0	281,862	0	0

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.6		0.3		
A-Salaries and Wages	43,106		43,106		
B-Employee Benefits	14,882		14,882		
C-Professional Service Contracts	200,000		200,000		
E-Goods and Other Services	4,796		4,796		
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	19,078		19,078		
9-					
<b>Total \$</b>	281,862	0	281,862	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	0.1		0.1		
Management Analyst 4	86,212	0.5		0.3		
<b>Total FTEs</b>		0.6		0.3		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.*