

Multiple Agency Fiscal Note Summary

Bill Number: 5736 S SB	Title: Workforce shortages
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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 Revenue	.0	0	0	0	.0	0	0	0	.0	0	0	0
Student Achievement Council	.4	148,000	148,000	148,000	.3	100,000	100,000	100,000	.3	100,000	100,000	100,000
Student Achievement Council	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Total \$	0.4	148,000	148,000	148,000	0.3	100,000	100,000	100,000	0.3	100,000	100,000	100,000

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Student Achievement Council	.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

Prepared by: Ramona Nabors, OFM	Phone: (360) 742-8948	Date Published: Final 2/20/2023
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Department of Revenue Fiscal Note

Bill Number: 5736 S SB	Title: Workforce shortages	Agency: 140-Department of Revenue
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated 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: Michele Alishahi	Phone: (360) 786-7433	Date: 02/18/2023
Agency Preparation: Valerie Torres	Phone: (360) 534-1521	Date: 02/20/2023
Agency Approval: Valerie Torres	Phone: (360) 534-1521	Date: 02/20/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/20/2023

Request # 5736-1-1

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.

Note: This fiscal note reflects language in SSB 5736, 2023 Legislative Session.

CURRENT LAW:

The workforce education investment account (WEIA) receives:

- All revenues from the 1.22% workforce investment surcharge paid by certain advanced computing businesses.
- 14.3% of the revenue from the 1.75% business and occupation tax rate for service and other activities paid generally by businesses with greater than \$1 million in gross business income in the prior year.

Expenditures from the WEIA may be used only for higher education programs, higher education operations, higher education compensation, state-funded student aid programs, and workforce development.

PROPOSAL:

Beginning in fiscal year 2024, all revenue collected under the workforce investment surcharge must be used for higher education programs leading to a credential in advanced computing fields and related science, technology, engineering, and math computing fields to increase access and equity, especially for low-income students and students of color. This includes the expenditures of the Washington college grant awards for students enrolled in these programs.

EFFECTIVE DATE:

The bill takes effect 90 days after final adjournment of the session.

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.

This legislation results in no revenue impact to taxes administered by the Department of Revenue (department).

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 department will have minimal costs associated with providing the revenue collection amounts meeting the proposed criteria in this legislation to the appropriate agency. Any costs will be absorbed within current funding.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

III. B - Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. C - 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

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 5736 S SB	Title: Workforce shortages	Agency: 340-Student Achievement Council
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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	0.5	0.3	0.4	0.3	0.3
Account					
General Fund-State 001-1	98,000	50,000	148,000	100,000	100,000
Total \$	98,000	50,000	148,000	100,000	100,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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: Michele Alishahi	Phone: (360) 786-7433	Date: 02/18/2023
Agency Preparation: Becky Thompson	Phone: 360-485-1301	Date: 02/20/2023
Agency Approval: Brian Richardson	Phone: 360-485-1124	Date: 02/20/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/20/2023

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.

Substitute SB 5736 is related to allowable expenditures from revenue from the Workforce Investment Surcharge.

A fiscal note was not requested from the Washington Student Achievement Council (WSAC) on the original bill. However this version differs from the original by changing the amount required to be expended and language allowing the use for students receiving the Washington College Grant.

This bill requires that “an amount up to all revenues” collected under the Workforce Education Investment Surcharge (RCW 82.04.299) must be used for higher education programs that lead to credentials in the following fields:

- Advanced computing and related science
- Technology
- Engineering
- Math computing

This revenue can be used to fund students receiving the Washington College Grant (WCG). WSAC administers the WCG and WCG is a caseload forecasted program.

This fiscal note is indeterminate, as the revenue is unknown, the appropriation specifically for the WCG is unknown, as is the number of students currently receiving WCG that are pursuing the allowable fields of study.

This fiscal note provides estimated administrative expenses assuming that some of the revenue under the Workforce Education Investment Surcharge would be appropriated to the WCG.

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.

SSB 5736 would allow funding from the Workforce Education Investment Account that was collected from the Workforce Investment Surcharge to be used for Washington College Grant (WCG) awards beginning in FY24.

This fiscal note is indeterminate, as the revenue is unknown, the appropriation specifically for the WCG is unknown, as is the number of students currently receiving WCG that are pursuing the allowable fields of study.

Assuming some of the revenue was appropriated for WCG, the Washington Student Achievement Council (WSAC) would have administrative expenses related to collecting and accounting for students’ field of study. WSAC assumes colleges would also have additional administrative expenses, as they do not currently report field of study for WCG recipients.

The following describes WSAC’s responsibilities and administrative expenses.

Administrative Functions assumed by WSAC include:

- Update and training on college reporting requirements.
- Update IT infrastructure to receive field of study for students in field of study listed in this bill.

- Update and maintain fund management that includes a subsection of expenditures for students in field of study list in this bill.

FY24: \$98,000 for 0.3 FTE Assistant Director and 0.2 FTE Software Developer.

FY25 and beyond: \$50,000 annually for 0.2 FTE Assistant Director and 0.1 FTE software developer.

Staff time estimates are rounded to the nearest 0.1 FTE and staff-related and other costs are rounded to the nearest \$1,000.

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	98,000	50,000	148,000	100,000	100,000
Total \$			98,000	50,000	148,000	100,000	100,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.5	0.3	0.4	0.3	0.3
A-Salaries and Wages	47,000	28,000	75,000	56,000	56,000
B-Employee Benefits	25,000	6,000	31,000	12,000	12,000
C-Professional Service Contracts					
E-Goods and Other Services	25,000	15,000	40,000	30,000	30,000
G-Travel	1,000	1,000	2,000	2,000	2,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	98,000	50,000	148,000	100,000	100,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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
Assistant Director	87,000	0.3	0.2	0.3	0.2	0.2
IT Software Developer	101,000	0.2	0.1	0.2	0.1	0.1
Total FTEs		0.5	0.3	0.4	0.3	0.3

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Financial Aid & Grant Programs (030)	98,000	50,000	148,000	100,000	100,000
Total \$	98,000	50,000	148,000	100,000	100,000

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.

The Washington Student Achievement Council may need to amend administrative rules related to college reporting requirements for Washington College Grant.