

Individual State Agency Fiscal Note

Bill Number: 5750 SB	Title: Wahkiakum county ferry	Agency: 405-Department of Transportation
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost 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: Jenna Forty	Phone: 360-786-7755	Date: 02/20/2023
Agency Preparation: Eileen Leingang	Phone: 360-705-7374	Date: 02/21/2023
Agency Approval: Kyle McKeon	Phone: 360-705-7458	Date: 02/21/2023
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 02/21/2023

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.

See attached WSDOT fiscal note.

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

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

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

Bill Number: 5750 SB **Title:** Wahkiakum County Ferry **Agency:** 405-Department of Transportation

Part I: Estimates

Check applicable boxes and follow corresponding instructions, use the fiscal template table provided to show fiscal impact by account, object, and program (if necessary), **add rows if needed**. If no fiscal impact, check the box below, skip fiscal template table, and go to Part II to explain briefly, why the program believes there will be no fiscal impact to the department.

- No Fiscal Impact (Explain in section II. A)
If a fiscal note is assigned to our agency, someone believes there might be, and we need to address that, showing why there is no impact to the department.
- Indeterminate Cash Receipts Impact (Explain in section II. B)
- Indeterminate Expenditure Impact (Explain in section II. C)

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- If fiscal impact is less 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 greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, **complete entire fiscal note form Parts I-V**
 - Capital budget impact, **complete Part IV**
 - Requires new rule making, **complete Part V**
 - Revised

The cash receipts and expenditure estimates on this fiscal template represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Agency Assumptions

N/A

Agency Contacts:

Preparer: Eileen Leingang	Phone: 360-705-7373	Date: 2-9-2023
Approval: Kyle McKeon (acting Local Programs Director)	Phone: 360-705-7375	Date: 2-9-2023
Budget Manager: Doug Clouse	Phone: 360-705-7535	Date: 2-9-2023

Individual State Agency Fiscal Note

Part II: Narrative Explanation

II. A - Brief description of what the measure does that has fiscal impact

Briefly describe by section number (sections that will change WSDOT costs or revenue), the significant provisions of the bill, and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency.

This bill amends RCW 47.56.720 (2 & 3) by increasing the percentage paid by the department (state's share) to Wahkiakum County for the annual deficit incurred in the operation and maintenance (O&M) of the Wahkiakum County Ferry from eighty percent (80%) to eighty-five (85%). It also removes language that limits the maximum amount (total of all payments to the county in any biennium) not to exceed the amount appropriated for that biennium.

II. B – Cash Receipts Impact

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.

N/A

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Based on recent and historical data collected by the department on the Wahkiakum County Ferry's operating and maintenance deficit, this change (without increasing appropriation authority) would foreseeably cause the amount currently appropriated (\$1.380 million) to be exceeded, which would require WSDOT to cover this increased state share of the ferry operating deficit from its Local Program operating budget.

The table below uses actual data (ferry fare receipts – O&M expenditures = monthly deficit) from fiscal year 2022 and fiscal year 2023 (through December 2022). The remaining data for January – June 2023 are estimated using fiscal year 2022 calculations for that same period. Please note that the first 6 months of fiscal year 2023 (Jul-Dec 2022) experienced an increase in O&M costs of 5% above the same period in fiscal year 2022 (Jul-Dec 2021). The estimated O&M cost for the last 6 months of fiscal year 2023 (Jan-Jul 2023) also include a 5% assumed increase above fiscal year 2022.

This table illustrates that the total state share payment to Wahkiakum County for the biennial deficit is estimated to be \$1,526,354. This would exceed the current appropriated amount of \$1.4 million by \$146,354. Additionally, the current RCW allows that in the event traffic is closed due to a landslide on State Route 4 between Cathlamet and Longview, the state's share of the ferry operations and maintenance deficit during such period shall be 100%. If this were to happen, without the appropriated level restriction language, the program would also be required to cover these expenditures from their operating budget.

By removing the appropriation limit, the department would be required to pay up to 85% of the operation deficit, which may exceed amounts appropriated and reduce the amount available to maintain federal and state oversight responsibilities and technical services to local agencies.

Individual State Agency Fiscal Note

<i>Fiscal Year 22</i>					
Month	Receipts	Oper & Maint Exp	Deficit	85% of Def.	Payment
July-21	29,036.90	72,449.50	(43,412.60)	(36,900.71)	36,900.71
August-21	37,754.00	78,703.13	(40,949.13)	(34,806.76)	34,806.76
September-21	24,587.00	76,405.97	(51,818.97)	(44,046.12)	44,046.12
October-21	20,012.00	291,456.76	(271,444.76)	(230,728.05)	230,728.05
November-21	3,713.00	74,436.08	(70,723.08)	(60,114.62)	60,114.62
December-21	10,246.00	75,078.65	(64,832.65)	(55,107.75)	55,107.75
January-22	19,566.00	80,421.72	(60,855.72)	(51,727.36)	51,727.36
February-22	16,049.00	61,519.72	(45,470.72)	(38,650.11)	38,650.11
March-22	19,546.00	62,466.13	(42,920.13)	(36,482.11)	36,482.11
April-22	18,585.00	65,504.67	(46,919.67)	(39,881.72)	39,881.72
May-22	18,002.00	68,907.90	(50,905.90)	(43,270.02)	43,270.02
June-22	12,584.00	97,850.18	(85,266.18)	(72,476.25)	72,476.25
FY 22 Total	229,680.90	1,105,200.41	(875,519.51)	(744,191.58)	744,191.58
<i>Fiscal Year 23</i>					
July-22	26,710.10	83,450.56	(56,740.46)	(48,229.39)	48,229.39
August-22	26,797.00	83,958.67	(57,161.67)	(48,587.42)	48,587.42
September-22	23,548.00	229,326.37	(205,778.37)	(174,911.61)	174,911.61
October-22	21,743.00	110,823.34	(89,080.34)	(75,718.29)	75,718.29
November-22	16,529.00	95,210.63	(78,681.63)	(66,879.39)	66,879.39
December-22	19,340.00	97,921.70	(78,581.70)	(66,794.45)	66,794.45
<i>January-23 (est)</i>	17,389.00	76,416.90	(59,027.90)	(50,173.72)	50,173.72
<i>February-23 (est)</i>	17,389.00	76,416.90	(59,027.90)	(50,173.72)	50,173.72
<i>March-23 (est)</i>	17,389.00	76,416.90	(59,027.90)	(50,173.72)	50,173.72
<i>April-23 (est)</i>	17,389.00	76,416.90	(59,027.90)	(50,173.72)	50,173.72
<i>May-23 (est)</i>	17,389.00	76,416.90	(59,027.90)	(50,173.72)	50,173.72
<i>June-23 (est)</i>	17,389.00	76,416.90	(59,027.90)	(50,173.72)	50,173.72
FY 23 Total	239,001.10	1,159,192.67	(920,191.57)	(782,162.87)	782,162.87
Biennium Total	468,682.00	2,264,393.08	(1,795,711.08)	(1,526,354.45)	1,526,354.45
<i>(Jan-June 23 estimates are based on the average amounts from Jan-June 22 with an inflation factor of 5% - see sec II. C)</i>					
Biennial Appropriation:					1,380,000.00
Deficit above biennial appropriation:					\$ 146,354.45

Part III: Expenditure Detail

III. A - Expenditures by Object or Purpose

Part IV: Capital Budget Impact

N/A

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

N/A