

Multiple Agency Fiscal Note Summary

Bill Number: 5734 SB	Title: ABLÉ accounts
-----------------------------	-----------------------------

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
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

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
Office of State Treasurer	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Commerce	1.0	263,382	263,382	6,077,382	.0	0	0	2,081,000	.0	0	0	1,639,000
State Investment Board	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	1.0	263,382	263,382	6,077,382	0.0	0	0	2,081,000	0.0	0	0	1,639,000

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
State Investment Board	.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: Gwen Stamey, OFM	Phone: (360) 790-1166	Date Published: Final 2/23/2023
--------------------------------------	---------------------------------	---

Individual State Agency Fiscal Note

Bill Number: 5734 SB	Title: ABLE accounts	Agency: 090-Office of State Treasurer
-----------------------------	-----------------------------	--

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

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

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: Trevor Press	Phone: 360-786-7446	Date: 02/09/2023
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 02/20/2023
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 02/20/2023
OFM Review: Amy Hatfield	Phone: (360) 280-7584	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.

SB 5734 adds a new section to chapter 43.330 RCW and creates the encouraging achieving a better life experience account, coupled with the general fund as the recipient of the earnings from investments under RCW 43.79A.040(4).

Assumptions:

1. The encouraging achieving a better life experience account will be administered by the department commerce.
2. The section 4 appropriation will be addressed by the department of commerce.

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.

Projected cash flows are currently unavailable; therefore, estimated earnings from investments are indeterminable.

There may be an impact on the debt service limitation calculation. Changes to the earnings credited to the general fund impacts, by an equal amount, general state revenues.

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

Revised

Bill Number: 5734 SB	Title: ABLE accounts	Agency: 103-Department of Commerce
-----------------------------	-----------------------------	---

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	1.0	1.0	1.0	0.0	0.0
Account					
General Fund-State 001-1	119,435	143,947	263,382	0	0
ENABLE Account-State NEW-1	4,614,000	1,200,000	5,814,000	2,081,000	1,639,000
Total \$	4,733,435	1,343,947	6,077,382	2,081,000	1,639,000

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: Trevor Press	Phone: 360-786-7446	Date: 02/09/2023
Agency Preparation: Cecil Daniels	Phone: 360-725-2862	Date: 02/23/2023
Agency Approval: Joyce Miller	Phone: 360-725-2710	Date: 02/23/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/23/2023

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 (2) State that there are 3,569 ABLE accounts.

Section 2 adds a new chapter to RCW 43.330 creating a new account know as Encouraging Achieving a Better Life Experience (ENABLE) account.

Section 2 (1) (a) states up to \$250,000 or 0.25 percent of the balance of the account on July 1st of each fiscal year, whichever is less, may be used for administrative and promotional expenses for that fiscal year.

Section 2 (1) (c) \$1,000 is deposited into each individual Washington achieving a better life experience program account in existence on July 1, 2023.

Section 2 (1) (d) \$1,000 is to be deposited into each new individual Washington achieving a better life experience program account opened in Washington state after July 1, 2023, or an existing account rolled over into an individual Washington achieving a better life experience program account after July 1, 2023.

Section 2 (2) The ENABLE Account is non-appropriated.

Section 4 states the sum of \$10,000,000 is appropriated for fiscal year ending June 30, 2024, to the ENABLE Account from the general fund.

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.

None.

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.

Assumptions are based on administering existing and future ABLE Accounts. Each current and future accounts are to receive \$1,000.

There are currently 3,569 existing ABLE accounts. Based on historical data, the department estimates approximately 34 percent increase in new ABLE accounts associated with this legislation. Based on that assumption, 100 new ABLE accounts will be opened each month for a total of 1,200 per year in fiscal year 2024 and fiscal year 2025. The department assumes the number of new ABLE accounts will decline by approximately 3 percent each year thereafter.

Please see attachment for ENABLE Account Cost Estimates.

Sections 1, 2, and 4 – ENABLE Account, Administrative and Promotional Expenses, ENABLE Account Deposits.

Assumption:

The department assumes General Fund State for the difference in total cost to administer the program and the .25 percent

of the fund balance provided in this legislation.

Program Administrations:

The department estimates the following will be needed to administer the provisions of this legislation:

1.0 FTE Commerce Specialist 2 (2,088 hours) in FY24 and FY25 to administer the funds from the new ENABLE Account. Develop policies and standards for the \$1,000 deposits process for the new and existing ABLÉ accounts and promoting the ENABLE Account opportunity to potential clients. Includes tracking and following up to make certain that all accounts have received the deposit and supporting the contracting of public outreach of the governing board.

Salaries and Benefits:

FY24: \$97,730

FY25: \$101,121

Goods and Services:

FY24: \$9,522

FY25: \$9,557

Equipment:

In addition to the standard goods and services estimates, the department assumes the purchase of a standard workstation for the new staff in FY24.

FY24: \$5,000

Inter-agency Reimbursement:

FY24: \$32,153

FY25: \$33,269

Total Administration Cost by Fiscal Year

FY24: \$144,435

FY25: \$143,947

ENABLE Account Funding:

Section 2 (1) (a) states that up to \$250,000 or 0.25 percent of the balance of the account on July 1st of each fiscal year, whichever is less, may be used for administrative and promotional expenses for that fiscal year. The department assumes the beginning account balance of \$10,000,000 at the 0.25 percent provides \$25,000 ($\$10,000,000 \times .25 = \$25,000$) for administration. Based on the provision of this legislation, the ENABLE Account would provide the following:

0.18 FTE Commerce Specialist 2 (385 hours) FY24 to administer the funds from the new ENABLE Account. Develop policies and standards for the \$1,000 deposits process for the new and existing ABLÉ accounts and promoting the ENABLE Account opportunity to potential clients. Includes tracking and following up to make certain that all accounts have received the deposit and supporting the contracting of public outreach of the governing board.

Salaries and Benefits:

FY24: \$17,592

Goods and Services:

FY24: \$1,721

Grants, Benefits, Client Services:

FY24: \$4,589,000

FY25-FY29: \$1,020,000 each fiscal year

New Accounts

The department assumes 100 new ABLE accounts will be created per month for a total of 1,200 new accounts in YF24 and FY25 per year. \$1,000 would be deposited into these account for an amount of \$1,200,000 per year ($\$1,000 \times 1,200 = \$1,200,000$) in FY24 and FY25. The department assumes the number of new ABLE accounts will decline by approximately 3 percent each year thereafter.

Existing Accounts

The department assumes there are 3,659 existing ABLE accounts per month for a total of 1,020 new accounts per year. This number of accounts is assumed as of 07/01/2023. \$1,000 would be deposited into these accounts as well and would be a one-time expenditure of \$3,659,000 ($\$1,000 \times 3,569 = \$3,659,000$).

Intra-agency Reimbursements:

FY24: \$5,687

Total ENABLE Account:

FY24: \$4,614,000

FY25: \$1,200,000

FY26: \$1,097,000

FY27: \$ 984,000

FY28: \$ 874,000

FY29: \$ 765,000

General Fund State:

0.72 FTE Commerce Specialist 2 (1,703 hours) FY24 and 1.0 FTE Commerce Specialist 2 (2,088 hours) FY25 to administer the funds from the new ENABLE Account. Develop policies and standards for the \$1,000 deposits process for the new and existing ABLE accounts and promoting the ENABLE Account opportunity to potential clients. Includes tracking and following up to make certain that all accounts have received the deposit and supporting the contracting of public outreach of the governing board.

Salaries and Benefits:

FY24: \$80,138

FY25-FY29: \$101,121 each fiscal year

Goods and Services:

FY24: \$7,831

FY25-FY29: \$9,557 each fiscal year

Intra-agency Reimbursement:

FY24: \$26,466

FY25-FY29: \$33,269 each fiscal year

Total General Fund:

FY24: \$119,435

FY25: \$143,947

*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.

Total Costs per Fiscal Year

FY24: \$4,733,435

FY25: \$1,343,947

FY26: \$1,097,000

FY27: \$ 984,000

FY28: \$ 874,000

FY29: \$ 765,000

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	119,435	143,947	263,382	0	0
NEW-1	ENABLE Account	State	4,614,000	1,200,000	5,814,000	2,081,000	1,639,000
Total \$			4,733,435	1,343,947	6,077,382	2,081,000	1,639,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	1.0	1.0		
A-Salaries and Wages	70,799	72,923	143,722		
B-Employee Benefits	26,931	28,198	55,129		
C-Professional Service Contracts					
E-Goods and Other Services	9,552	9,557	19,109		
G-Travel					
J-Capital Outlays	5,000		5,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	4,589,000	1,200,000	5,789,000	2,081,000	1,639,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	32,153	33,269	65,422		
9-					
Total \$	4,733,435	1,343,947	6,077,382	2,081,000	1,639,000

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
Commerce Specialist 2		1.0	1.0	1.0		
Total FTEs		1.0	1.0	1.0		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

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.

Department of Commerce
Fiscal Note: SB 5734-ABLE Accounts

ENABLE Account Cost for \$1,000 Deposits:

FY	# of Accts	Existing Accts	New Accts	Total Cost
2024	3,569	\$3,569,000		\$3,569,000
2024	1,200		\$1,200,000	\$1,200,000
2025	1,200		\$1,200,000	\$1,200,000
2026	1,097		\$1,097,000	\$1,097,000
2027	984		\$ 984,000	\$ 984,000
2028	874		\$ 874,000	\$ 874,000
2029	765		\$ 765,000	\$ 765,000
	Total	\$3,569,000	\$6,120,000	\$9,689,000

Individual State Agency Fiscal Note

Bill Number: 5734 SB	Title: ABLE accounts	Agency: 126-State Investment Board
-----------------------------	-----------------------------	---

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: Trevor Press	Phone: 360-786-7446	Date: 02/09/2023
Agency Preparation: Celina Verme	Phone: (360) 956-4740	Date: 02/17/2023
Agency Approval: Allyson Tucker	Phone: 360-956-4710	Date: 02/17/2023
OFM Review: Marcus Ehrlander	Phone: (360) 489-4327	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.

The bill creates the Encouraging Achieving a Better Life Experience (ENABLE) account in the custody of the State Treasurer. Moneys from legislative appropriations and transfers, federal funds, public or private donations, gifts, and grants, may be deposited into the account.

Current law allows the governing board to elect the State Investment Board (SIB) or an investment manager to invest the money in the Achieving a Better Life (ABLE) program account. The governing board did not elect to have the SIB invest the ABLE account.

The proposed changes relating to the ABLE account in section 3 are not anticipated to create a fiscal impact to the SIB.

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.