

Multiple Agency Fiscal Note Summary

Bill Number: 5202 S SB	Title: Housing/capital expenditures
-------------------------------	--------------------------------------------

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
Bond Retirement and Interest	0	0	115,650,000	0	0	1,173,700,000	0	0	1,383,650,000
Office of State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Commerce	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	115,650,000	0	0	1,173,700,000	0	0	1,383,650,000

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
Bond Retirement and Interest	.0	0	0	693,900	.0	0	0	50,399,890	.0	0	0	216,525,334
Office of the Secretary of State	.0	132,799	132,799	132,799	.0	0	0	0	.0	0	0	0
Office of State Treasurer	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Attorney General	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Commerce	.3	73,448	73,448	73,448	.0	0	0	0	.0	0	0	0
Department of Commerce	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Office of Financial Management	.0	0	0	0	.0	0	0	0	.0	0	0	0
Housing Finance Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.3	206,247	206,247	900,147	0.0	0	0	50,399,890	0.0	0	0	216,525,334

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Bond Retirement and Interest	.0	0	0	.0	0	0	.0	0	0
Office of the Secretary of State	.0	0	0	.0	0	0	.0	0	0
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Office of Financial Management	.0	0	0	.0	0	0	.0	0	0
Housing Finance Commission	.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

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

Prepared by: Myra Baldini, OFM	Phone: (360) 688-8208	Date Published: Final 2/24/2023
---------------------------------------	---------------------------------	-------------------------------------------

Individual State Agency Fiscal Note

Bill Number: 5202 S SB	Title: Housing/capital expenditures	Agency: 010-Bond Retirement and Interest
-------------------------------	--------------------------------------------	-------------------------------------------------

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Washington Housing Crisis Response Account-State NEW-1		115,650,000	115,650,000	1,173,700,000	1,383,650,000
Total \$		115,650,000	115,650,000	1,173,700,000	1,383,650,000

Estimated Operating Expenditures from:

Account	FY 2024	FY 2025	2023-25	2025-27	2027-29
Nondebt-Limit General Fund Bond Retirement Account-State 382-1	0	0	0	43,357,690	208,223,434
Washington Housing Crisis Response Account-State NEW-1	0	693,900	693,900	7,042,200	8,301,900
Total \$	0	693,900	693,900	50,399,890	216,525,334

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: Melissa Van Gorkom	Phone: 360-786-7491	Date: 02/03/2023
Agency Preparation: Leslie Yonkers	Phone: (360) 902-9020	Date: 02/06/2023
Agency Approval: Leslie Yonkers	Phone: (360) 902-9020	Date: 02/06/2023
OFM Review: Myra Baldini	Phone: (360) 688-8208	Date: 02/06/2023

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.

SSB 5202 Compared to SB 5202:

Compared to SB 5202, the proposed substitute SB 5202 adds a paragraph to section 501 that involves the offices of the Attorney General and Secretary of State. These changes would not have any changes related to Bond Retirement and Interest.

Bill Summary:

Section 201 (1) authorizes the State Finance committee to issue general obligation bonds in an amount up to \$4,000,000,000, or so much thereof as may be required, to finance selected programs and projects with the purpose of reducing homelessness. The bonds issued will be known as Washington housing crisis response act bonds. Section 201 (2) requires the State Finance Committee to determine the manner in which the authorized bonds will be sold. Section 201 (3) states that the authorization to issue Washington housing crisis response act bonds does not expire until the full authorization has been issued. Section 201 (4) requires legislative appropriation of net bond proceeds before the Washington housing crisis response act bonds can be offered for sale. Section 202 (1) requires the nondebt-limit general fund bond retirement account (account 382) to be used for the debt service payments on the Washington housing crisis response act bonds.

Section 202 (2) requires the State Finance Committee to certify to the State Treasurer the debt service amount needed in the upcoming twelve months. The certification must be provided by June 30. Section 202 (3) authorizes the State Treasurer to transfer from General State Revenues (using account 001) to the nondebt-limit general fund bond retirement account (account 382), on the debt service payment date, an amount equal to the amount of the debt service payment due on the bonds.

Section 203 (1) authorizes the State Finance Committee to supervise and control the issuance of the Washington housing crisis response act bonds. Section 203 (2) requires the Washington housing crisis response act bonds be general obligation bonds backed by the full faith and credit of the state. Section 203 (3) states that owners and holders of the bonds may, through legal proceedings, require the transfer and payment of funds.

Section 204 (1) requires the proceeds from the sale of Washington housing crisis response act bonds be deposited in the Washington housing crisis response account (created in Section 401).

Section 207 allows the State Finance Committee to issue taxable bonds, if necessary, to stay in compliance with the internal revenue service and other regulatory agencies. The taxable bond proceeds would be deposited into the Washington housing crisis response taxable account (created in Section 402). This section also requires the State Treasurer to submit written notice to the director of financial management if a transfer to the Washington housing crisis response taxable account is deemed necessary.

Section 501 requires the Secretary of State to submit sections 201 through 207 of the act to the people for their adoption and ratification, or rejection, at the next general election.

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 204 (1) requires the proceeds from the sale of Washington housing crisis response act bonds to be deposited in the Washington housing crisis response account.

The bond proceed requirements and related bond issuances are estimated as shown below. The bond proceeds assumptions were provided by the OFM Budget team.

FY 2025: \$115,650,000
 FY 2026: \$460,050,000
 FY 2027: \$713,650,000
 FY 2028: \$749,650,000
 FY 2029: \$634,000,000
 FY 2030: \$547,750,000
 FY 2031: \$432,750,000
 FY 2032: \$242,550,000
 FY 2033: \$103,950,000

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 estimated debt service (principal and interest) to be paid from the nondebt-limit general fund bond retirement account (Section 202(1)) on the bonds issued as provided in Section 201 assumes that all bonds will be issued as tax-exempt bonds. A same day transfer will be made from General State Revenues (account 001) to the nondebt-limit general fund bond retirement account (account 382) in the amount of the debt service payment.

The total cost of issuance is assumed to be 0.60% of gross bond proceeds, which equates to \$24 million for the entire program (between FY 2025 and FY 2033). The first debt service (principal and interest) payment is estimated to be in FY 2026 for \$7.3 million. The estimated aggregate amount of debt service payments (principal and interest) for the entire program (from FY 2025 through FY 2058) totals \$6.330 billion. If the bonds are issued as taxable bonds, then the interest costs will be higher.

The assumed interest rates reflect the Bond Buyer 20-Bond Index from the November 18, 2022, ERFC forecast (FY 2023 through FY 2027) and IHS Markit forecast (FY 2028 through FY 2032), plus a 30 basis point spread through the forecast horizon. In the first year after the forecast horizon (FY 2033) and thereafter, a long-term rate of 4.52% is assumed, representing the 30-year average of the Bond Buyer 20-Bond Index (BBI).

Please note that interest rates are volatile and are subject to change. Interest rates and debt service costs for the program will not be locked in until each series of bonds are sold. If actual interest rates are higher than projected, debt service costs will also be higher than projected. Likewise, if interest rates are lower than projected, debt service costs will be lower than projected.

Please see the attached spreadsheet for detailed cost of issuance and debt service expenditures by fiscal year.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
382-1	Nondebt-Limit General Fund Bond Retirement Account	State	0	0	0	43,357,690	208,223,434
NEW-1	Washington Housing Crisis Response Account	State	0	693,900	693,900	7,042,200	8,301,900
Total \$			0	693,900	693,900	50,399,890	216,525,334

III. 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		115,650	115,650	1,173,700	1,383,650
E-Goods and Other Services		578,250	578,250	5,868,500	6,918,250
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service				43,357,690	208,223,434
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	693,900	693,900	50,399,890	216,525,334

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)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Bond Sale Expenditure (406)		115,650	115,650	1,173,700	1,383,650
Debt Excluded from the Debt Limit (407)		578,250	578,250	49,226,190	215,141,684
Total \$		693,900	693,900	50,399,890	216,525,334

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

N/A

Part V: New Rule Making Required

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

Issuance Worksheet -- Assumptions

List of all Major Assumptions

2/3/2023

Interest Rate Assumptions ⁽¹⁾				
ERFC -- Nov-2022 (BC1122/CTL1122)				
Fiscal Year	Bond Buyer Idx		Adj.	WA Rate 100.0%
2022	2.4805%	ERFC	0.00%	2.48%
2023	4.0255%	ERFC	0.30%	4.33%
2024	4.0166%	ERFC	0.30%	4.32%
2025	3.6220%	ERFC	0.30%	3.92%
2026	3.5345%	ERFC	0.30%	3.83%
2027	3.4952%	ERFC	0.30%	3.80%
2028	3.5946%	IHS Markit	0.30%	3.89%
2029	3.7050%	IHS Markit	0.30%	4.01%
2030	3.7225%	IHS Markit	0.30%	4.02%
2031	3.7425%	IHS Markit	0.30%	4.04%
2032	3.7650%	IHS Markit	0.30%	4.06%
2033	4.5173%	30-year Avg.		4.52%
2034	4.5173%	30-year Avg.		4.52%
2035	4.5173%	30-year Avg.		4.52%
2036	4.5173%	30-year Avg.		4.52%
2037	4.5173%	30-year Avg.		4.52%
2038	4.5173%	30-year Avg.		4.52%
2039	4.5173%	30-year Avg.		4.52%
2040	4.5173%	30-year Avg.		4.52%
2041	4.5173%	30-year Avg.		4.52%
2042	4.5173%	30-year Avg.		4.52%
2043	4.5173%	30-year Avg.		4.52%
2044	4.5173%	30-year Avg.		4.52%
2045	4.5173%	30-year Avg.		4.52%
2046	4.5173%	30-year Avg.		4.52%
2047	4.5173%	30-year Avg.		4.52%
2048	4.5173%	30-year Avg.		4.52%
2049	4.5173%	30-year Avg.		4.52%
2050	4.5173%	30-year Avg.		4.52%
2051	4.5173%	30-year Avg.		4.52%
2052	4.5173%	30-year Avg.		4.52%
2053	4.5173%	30-year Avg.		4.52%
2054	4.5173%	30-year Avg.		4.52%
2055	4.5173%	30-year Avg.		4.52%
2056	4.5173%	30-year Avg.		4.52%
2057	4.5173%	30-year Avg.		4.52%

Bond Issue Assumptions	
Years to maturity:	25
Underwriting Spread:	0.50%
Cost of Issuance (COI):	0.10%
Total Cost of Issuance/Discount:	0.60%

SSB 5202 -- Issuance Summary w/Estimated Debt Service

Estimated -- as of 12/1/2022

2/3/2023

Fiscal Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total
Net Proceeds:	114,956,100	457,289,700	709,368,100	745,152,100	630,196,000	544,463,500	430,153,500	241,094,700	103,326,300	3,976,000,000
Cost of Issuance/Discount: 0.600%	693,900	2,760,300	4,281,900	4,497,900	3,804,000	3,286,500	2,596,500	1,455,300	623,700	24,000,000
Par Value:	115,650,000	460,050,000	713,650,000	749,650,000	634,000,000	547,750,000	432,750,000	242,550,000	103,950,000	4,000,000,000
Dated Date:	1/1/2025	1/1/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030	1/1/2031	1/1/2032	1/1/2033	
First Coupon PMT Date:	7/1/2025	7/1/2026	7/1/2027	7/1/2028	7/1/2029	7/1/2030	7/1/2031	7/1/2032	7/1/2033	
First PMT -- Interest Only:	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
First Principal PMT:	1/1/2026	1/1/2027	1/1/2028	1/1/2029	1/1/2030	1/1/2031	1/1/2032	1/1/2033	1/1/2034	
Average Coupon:	3.92%	3.83%	3.80%	3.89%	4.01%	4.02%	4.04%	4.06%	4.52%	
PMT Calc Periods:	25	25	25	25	25	25	25	25	25	
Total Debt Service:	182,473,775	718,994,700	1,111,792,441	1,179,064,011	1,009,856,361	873,391,310	691,472,854	388,373,867	174,568,954	6,329,988,273

Fiscal Year	2025	2026	2027	2028	2029	2030	2031	2032	2033	Total
2025	0	0	0	0	0	0	0	0	0	0
2026	7,298,951	0	0	0	0	0	0	0	0	7,298,951
2027	7,298,951	28,759,788	0	0	0	0	0	0	0	36,058,739
2028	7,298,951	28,759,788	44,471,698	0	0	0	0	0	0	80,530,437
2029	7,298,951	28,759,788	44,471,698	47,162,560	0	0	0	0	0	127,692,997
2030	7,298,951	28,759,788	44,471,698	47,162,560	40,394,254	0	0	0	0	168,087,252
2031	7,298,951	28,759,788	44,471,698	47,162,560	40,394,254	34,935,652	0	0	0	203,022,904
2032	7,298,951	28,759,788	44,471,698	47,162,560	40,394,254	34,935,652	27,658,914	0	0	230,681,818
2033	7,298,951	28,759,788	44,471,698	47,162,560	40,394,254	34,935,652	27,658,914	15,534,955	0	246,216,773
2034	7,298,951	28,759,788	44,471,698	47,162,560	40,394,254	34,935,652	27,658,914	15,534,955	6,982,758	253,199,531
2035	7,298,951	28,759,788	44,471,698	47,162,560	40,394,254	34,935,652	27,658,914	15,534,955	6,982,758	253,199,531
2036	7,298,951	28,759,788	44,471,698	47,162,560	40,394,254	34,935,652	27,658,914	15,534,955	6,982,758	253,199,531
2037	7,298,951	28,759,788	44,471,698	47,162,560	40,394,254	34,935,652	27,658,914	15,534,955	6,982,758	253,199,531
2038	7,298,951	28,759,788	44,471,698	47,162,560	40,394,254	34,935,652	27,658,914	15,534,955	6,982,758	253,199,531
2039	7,298,951	28,759,788	44,471,698	47,162,560	40,394,254	34,935,652	27,658,914	15,534,955	6,982,758	253,199,531
2040	7,298,951	28,759,788	44,471,698	47,162,560	40,394,254	34,935,652	27,658,914	15,534,955	6,982,758	253,199,531
2041	7,298,951	28,759,788	44,471,698	47,162,560	40,394,254	34,935,652	27,658,914	15,534,955	6,982,758	253,199,531
2042	7,298,951	28,759,788	44,471,698	47,162,560	40,394,254	34,935,652	27,658,914	15,534,955	6,982,758	253,199,531
2043	7,298,951	28,759,788	44,471,698	47,162,560	40,394,254	34,935,652	27,658,914	15,534,955	6,982,758	253,199,531
2044	7,298,951	28,759,788	44,471,698	47,162,560	40,394,254	34,935,652	27,658,914	15,534,955	6,982,758	253,199,531
2045	7,298,951	28,759,788	44,471,698	47,162,560	40,394,254	34,935,652	27,658,914	15,534,955	6,982,758	253,199,531
2046	7,298,951	28,759,788	44,471,698	47,162,560	40,394,254	34,935,652	27,658,914	15,534,955	6,982,758	253,199,531
2047	7,298,951	28,759,788	44,471,698	47,162,560	40,394,254	34,935,652	27,658,914	15,534,955	6,982,758	253,199,531
2048	7,298,951	28,759,788	44,471,698	47,162,560	40,394,254	34,935,652	27,658,914	15,534,955	6,982,758	253,199,531
2049	7,298,951	28,759,788	44,471,698	47,162,560	40,394,254	34,935,652	27,658,914	15,534,955	6,982,758	253,199,531
2050	7,298,951	28,759,788	44,471,698	47,162,560	40,394,254	34,935,652	27,658,914	15,534,955	6,982,758	253,199,531
2051	0	28,759,788	44,471,698	47,162,560	40,394,254	34,935,652	27,658,914	15,534,955	6,982,758	245,900,580
2052	0	0	44,471,698	47,162,560	40,394,254	34,935,652	27,658,914	15,534,955	6,982,758	217,140,792
2053	0	0	0	47,162,560	40,394,254	34,935,652	27,658,914	15,534,955	6,982,758	172,669,094
2054	0	0	0	0	40,394,254	34,935,652	27,658,914	15,534,955	6,982,758	125,506,534
2055	0	0	0	0	0	34,935,652	27,658,914	15,534,955	6,982,758	85,112,279
2056	0	0	0	0	0	0	27,658,914	15,534,955	6,982,758	50,176,627
2057	0	0	0	0	0	0	0	15,534,955	6,982,758	22,517,713
2058	0	0	0	0	0	0	0	0	6,982,758	6,982,758

Individual State Agency Fiscal Note

Bill Number: 5202 S SB	Title: Housing/capital expenditures	Agency: 085-Office of the Secretary of State
-------------------------------	--------------------------------------------	-----------------------------------------------------

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
Account					
General Fund-State 001-1	132,799	0	132,799	0	0
Total \$	132,799	0	132,799	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: Melissa Van Gorkom	Phone: 360-786-7491	Date: 02/03/2023
Agency Preparation: Mike Woods	Phone: (360) 704-5215	Date: 02/07/2023
Agency Approval: Mike Woods	Phone: (360) 704-5215	Date: 02/07/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/07/2023

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.

Changes in SSB 5502 compared to the previous version (SB 5202)

Language was added requiring the Attorney General prepare a public investment impact disclosure to the referendum and the Secretary of State must transmit the disclosure to county auditors for inclusion on the ballot.

Summary of SSB 5502

Section 501 requires the Secretary of State to add a referendum to the 2023 General Election.

The Attorney General must prepare a public investment impact disclosure to the referendum and the Secretary of State must transmit the disclosure to county auditors for inclusion on the ballot.

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.

Voters' pamphlet

This bill requires OSOS to print the referendum in the voters' pamphlet. Printing the referendum, estimated to be 8 pages, has a projected cost of approximately \$59,453 which is comprised of \$49,476 for printing, \$5,040 for composition, and \$4,937 for language translation. Postage costs are not included for odd-year pamphlets because those costs are fixed for voters' pamphlets below 88 pages (less than 4oz, per the USPS). The additional 8 pages are not expected to push an odd-year voters' pamphlet over 88 pages.

Odd-Year election costs

Adding an additional issue for the state results in increased odd-year election costs of \$64,428. This amount was calculated by adding an additional issue the state proration for each of the 39 counties 2019 odd-year election costs; the resulting change between the base and the base + 1 is the cost seen here. All other factors were held constant.

Legal advertisements

The Office of the Secretary of State operating budget includes funding for the publication of notices in every legal newspaper in the state four times prior to the general election. This fiscal note does not assume additional cost to publish this measure because the notices would be customized such that they remain within the authorized budget for legal advertising.

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	132,799	0	132,799	0	0
Total \$			132,799	0	132,799	0	0

III. 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	59,453		59,453		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	64,428		64,428		
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	8,918		8,918		
9-					
Total \$	132,799	0	132,799	0	0

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: 5202 S SB	Title: Housing/capital expenditures	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: Melissa Van Gorkom	Phone: 360-786-7491	Date: 02/03/2023
Agency Preparation: Dan Mason	Phone: (360) 902-8990	Date: 02/03/2023
Agency Approval: Dan Mason	Phone: (360) 902-8990	Date: 02/03/2023
OFM Review: Myra Baldini	Phone: (360) 688-8208	Date: 02/06/2023

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.

SSB 5202 creates the Washington housing crisis response account and the Washington housing crisis response taxable account, coupled with the general fund as the recipient of the earnings from investments under RCW 43.84.092(4).

This bill authorizes the state finance committee to issue general obligation bonds. Please refer to the fiscal note for agency 010 submitted by the Office of the State Treasurer.

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

Bill Number: 5202 S SB	Title: Housing/capital expenditures	Agency: 100-Office of Attorney General
-------------------------------	--------------------------------------------	-----------------------------------------------

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: Melissa Van Gorkom	Phone: 360-786-7491	Date: 02/03/2023
Agency Preparation: Dave Merchant	Phone: 360-753-1620	Date: 02/07/2023
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 02/07/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/07/2023

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 AGO Labor and Personnel Division (LPD) has reviewed this bill and determined there are no labor and employment matters. Therefore, LPD assumes no legal services and costs are not included in this request.

The AGO Revenue and Finance Division (REV) has reviewed this bill and determined it will not significantly increase or decrease the division's workload in representing the Washington State Housing Finance Commission (WSHFC) as it is not expected to generate any requests for legal advice. Therefore, no costs are included in this request.

The AGO Solicitor General's Office (SGO) has reviewed this bill and determined it will not significantly increase or decrease the division's workload. New legal services are nominal, and costs are not included in this request.

The AGO Government Compliance & Enforcement Division (GCE) has reviewed this bill and determined it will not significantly increase or decrease the division's workload in representing the Office of the Secretary of State (SOS). Section 501 of this bill would require the SOS to prepare and submit a referendum to the people relating to sections 201 through 207 of the bill. SGO would handle any election-related advice for SOS. New legal services are nominal, and costs are not included in this request.

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

Bill Number: 5202 S SB	Title: Housing/capital expenditures	Agency: 103-Department of Commerce
-------------------------------	--------------------------------------------	-------------------------------------------

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:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.5	0.3	0.0	0.0
Account					
General Fund-State 001-1	0	73,448	73,448	0	0
Total \$	0	73,448	73,448	0	0

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

Estimated Capital Budget Impact:

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

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: Melissa Van Gorkom	Phone: 360-786-7491	Date: 02/03/2023
Agency Preparation: Oliver Crain	Phone: 206-454-2200	Date: 02/24/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 02/24/2023
OFM Review: Myra Baldini	Phone: (360) 688-8208	Date: 02/24/2023

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.

Differences between SSB 5202 and the original bill:

Sec. 501(4)- Adds language requiring the Office of the Attorney General to prepare a public impact disclosure for the referendum to satisfy requirements in RCW 29A.72.027 (2) through (5).

Adds language requiring the Office of the Secretary of State to certify and transmit the public investment impact disclosure to each county for its inclusion on the ballot.

Summary of SSB 5202:

Section 101- Names the bill the Washington housing crisis response act.

Section 102 - Lists the bill's purpose to support the housing needs of Washington residents by issuing bonds to provide new money for capital programs and projects that are critical to addressing the state's housing crisis.

Section 201- Authorizes the state finance committee to issue \$4 billion in general obligation bonds for the purpose of providing capital funding as identified in this bill or any omnibus capital appropriations act.

Section 202- Subsection 2 Directs the state finance committee to submit a certified amount of funds needed in the ensuing 12 months to meet the bond retirement and interest requirements on the bonds authorized under section 201 by June 30 annually. Directs the state treasurer to deposit general state revenue into the nondebt-limit general fund bond retirement account, an amount equal to the amount certified in subsection 2.

Section 205- Establishes the bonds authorized by Section 201 as a legal investment for all state funds or for funds under state control and all funds of municipal corporations.

Section 206- Authorizes the legislature to provide additional means for raising moneys for the payment of the principal of and the interest on the bonds authorized in Sec. 201 and Sec. 202 is not the exclusive method for payment.

Section 207- Directs the state finance committee to deposit proceeds from the sale of taxable bonds authorized under Section 201 of this act into the Washington housing crisis response taxable account created in Section 402. Directs the state treasurer to notify the director of the office of financial management in writing that such a transfer is necessary. A portion of the appropriation authority granted in any omnibus capital account is transferred to the WA housing crisis response taxable account in the amount equal to the transferred proceeds if such a transfer is required.

Section 302- The bill would create the Workforce Housing Accelerator Revolving Loan Fund program (program) within the department of commerce (department). The department shall contract with the Washington State Housing Finance Commission (commission) to administer the program. The department shall act as a pass-through for funding from Section 201.

Section 401- Creates the Washington housing crisis response account in the state treasury. Proceeds from the referendum bonds authorized by this bill, and all receipts from repayments of loans provided under Section 302 or 303 of 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.

Differences between SSB 5202 and the original bill:

There are no differences that result in an additional cash receipts impact.

Summary of cash receipt impact from original bill:

Sec. 401- Creates the Washington housing crisis response account in the state treasury. Proceeds from the referendum bonds authorized by this bill, and all receipts from repayments of loans provided under Sec. 302 or 303 of this act.

Indeterminate cash receipts impact-Assuming enactment of this bill, passage of the associated referendum by the voters, and further legislative appropriations of bond revenues for the affordable housing program of the department, at some point in the future the department may receive cash receipts for repayment of loans made for the construction of qualifying affordable housing projects. The amount of those cash receipts would depend on the terms and quantities of loans made.

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.

Differences between SSB 5202 and the original bill:

There are no differences that result in an additional operating expenditures impact.

Summary of operating expenditures from original bill:

Section 301- States that the workforce housing accelerator program will reside in the department but be administered by the commission. The department will need to retain sufficient staff to collaborate with the commission as needed. The department assumes a minor fiscal impact related to drafting, implementing and administering an interagency agreement with the commission to pass through funding for the workforce housing accelerator program.

FY25 only

0.2 FTE Commerce Specialist 3 to act as liaison with the commission on program administration, reporting, interagency agreement management, agency-to-agency representation, and alignment between various funding programs.

0.1 FTE AA3 to provide administrative support.

0.1 WMS Band 3 (Managing Director) to provide executive direction, agency-to-agency representation.

Section 201 (1)-The state finance committee is authorized to issue general obligation bonds of the state of Washington for the purpose of reducing homelessness by providing capital funding for selected programs and projects that address housing insecurity, as identified in this act and any omnibus capital appropriations act.

The fiscal impact to the department of this section is indeterminate and cannot be estimated as this bill would require an affirmative referendum vote, and the legislature would need to provide for further appropriations to the department.

FOR ILLUSTRATIVE PURPOSES ONLY

Assume an increase of approximately \$500 million in referendum bond appropriations to the Housing Trust Fund in FY25, as proposed in SSB 5202 currently, and approximately \$380 million each year thereafter until FY34. Following the current statutes, rules, regulations, and guidelines governing the Housing Trust Fund, the increase assumes average contract size of more than \$5 million per project; creating 243 new contracts in FY25, and 183 each year thereafter through FY34. Assume an average three-year delay for new contracts to result in projects placed in service.

Assume the current statutory limit of 0.25% for administrative expenses related to portfolio asset management of the total

value of the portfolio, meaning the impact to the state is capped at \$1.25 million per year. This will incrementally grow over time as contracts are executed and placed into service.

The department estimates an increase in the annual monitoring activities and expenses related to asset and loan management, monitoring and compliance, data management and work out responsibilities. These costs cannot exceed more than \$1,125,000 per year starting in FY 26. The department estimates that this will require 7.0 FTE in the 25-27 biennium totaling \$1,202,344, and an additional 2.0 FTE in the 27-29 biennium totaling \$1,523,778.

Note: Given the current loan policy and prioritization of homeless housing, it is unlikely that in the first 15 years there will be adequate funding in the housing trust fund repayment account to cover additional costs of this incremental portfolio. General state transfers, increases in fees or other sources may need to be identified to cover these incremental cost increases. The department estimates the following staffing and resource needs:

Starting in FY26 and ongoing:

2.0 FTE Commerce Specialist 3 to provide or build capacity asset management, compliance and enforcement which may include site visits and corresponding compliance reports.

1.0 FTE Commerce Specialist 5 to hire staff and provide day-to-day direction of staff upon hire. This includes assigning contracts and program planning elements to staff. Staff will also provide support work to policy and rule development.

0.5 FTE Administrative Assistant 3 to provide administrative support.

0.5 FTE WMS Band 2 to provide leadership, oversight, supervision, rules coordination and decision making over all elements of the program. Staff provide expert policy advice or consultation on a range of issues specific to the program and to areas that have agency wide implications.

FY27 and ongoing:

4.0 FTE Commerce Specialist 3 to provide or build capacity asset management, compliance and enforcement which may include site visits and corresponding compliance reports.

2.0 FTE Commerce Specialist 5 to hire staff and provide day-to-day direction of staff upon hire. This includes assigning contracts and program planning elements to staff. Staff will also provide support work to policy and rule development.

0.5 FTE Administrative Assistant 3 to provide administrative support.

0.5 FTE WMS Band 2 to provide leadership, oversight, supervision, rules coordination and decision making over all elements of the program. Staff provide expert policy advice or consultation on a range of issues specific to the program and to areas that have agency wide implications.

FY28-FY29 and ongoing:

6.0 FTE Commerce Specialist 3 to provide or build capacity asset management, compliance and enforcement which may include site visits and corresponding compliance reports.

2.0 FTE Commerce Specialist 5 to hire staff and provide day-to-day direction of staff upon hire. This includes assigning contracts and program planning elements to staff. Staff will also provide support work to policy and rule development.

0.5 FTE Administrative Assistant 3 to provide administrative support.

0.5 FTE WMS Band 2 to provide leadership, oversight, supervision, rules coordination and decision making over all elements of the program. Staff provide expert policy advice or consultation on a range of issues specific to the program and to areas that have agency wide implications.

Illustrative Cost Narrative

0.2 FTE Commerce Specialist 3 (418 hours) FY25, 2.0 FTE Commerce Specialist 3 (4,176 hours) FY26, 4.0 FTE Commerce Specialist 3 (8,352 hours) FY27 and 6.0 FTE Commerce Specialist 3 (12,528) FY28-FY29 to act as liaison with the commission on program administration, reporting, interagency agreement management, agency-to-agency representation, and alignment between various funding programs. To provide or build capacity asset management,

compliance and enforcement which may include site visits and corresponding compliance reports.

0.1 FTE Administrative Assistant 3 (5,429 hours) in FY25 and 0.5 FTE Administrative Assistant 3 (1,044 hours) in FY26-FY29 to provide administrative support.

0.1 FTE WMS Band 3 (209 hours) in FY 25 to provide executive direction, agency-to-agency representation

1.0 FTE Commerce Specialist 5 (2,088 hours) in FY 25 and 2.0 FTE Commerce Specialist 5 (4,176 hours) in FY26-FY29 to hire staff and provide day-to-day direction of staff upon hire. This includes assigning contracts and program planning elements to staff. Staff will also provide support work to policy and rule development.

0.5 WMS Band 2 (1,044 hours) in FY 26-FY29 to provide leadership, oversight, supervision, rules coordination and decision making over all elements of the program. Staff provide expert policy advice or consultation on a range of issues specific to the program and to areas that have agency wide implications.

Salaries and Benefits:

FY25: \$49,215

FY26: \$482,309

FY27: \$842,856

FY28-FY29: \$1,072,548 per year

Goods and Other Services:

FY25: \$8,041

FY26: \$38,395

FY27: \$67,188

FY28-FY29: \$86,362 per year

20 hours of Assistant Attorney General time assisting with the interagency agreement. The department assumes \$4,200 in FY25, for AG consultation on guidance development and rulemaking. The department assumes 20 hours at \$210 per hour for attorney general costs.

Equipment and Capital Outlays:

FY26: \$20,000

FY27: \$15,000

FY28: \$10,000

FY29: \$12,000

Intra-agency Reimbursements:

FY25: \$16,192

FY26: \$158,680

FY27: \$277,300

FY28-FY29: \$352,868 per year

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

=====
Summary of Total Costs:

FY25: \$73,448

FY26: \$699,384

FY27: \$1,202,344

FY28: \$1,521,778

FY29: \$1,523,778

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	0	73,448	73,448	0	0
Total \$			0	73,448	73,448	0	0

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		
A-Salaries and Wages		36,575	36,575		
B-Employee Benefits		12,640	12,640		
C-Professional Service Contracts					
E-Goods and Other Services		8,041	8,041		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements		16,192	16,192		
T-Intra-Agency Reimbursements					
9-					
Total \$	0	73,448	73,448	0	0

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
Administrative Assistant			0.1	0.1		
Administrative Services-Indirect			0.1	0.1		
Commerce Specialist 3			0.2	0.1		
WMS Band 3			0.1	0.1		
Total FTEs			0.5	0.3		0.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

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

IV. B - Expenditures by Object Or Purpose

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

IV. C - Capital Budget Breakout

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

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

NONE

Differences between SSB 5202 and the original bill:

There are no differences that result in an additional capital budget expenditures impact.

Summary of capital budget expenditures impact from original bill:

The fiscal impact associated with this legislation is indeterminate.

For illustrative purposes assumptions are below.

Sec. 201(1)- Authorizes the state finance commission to issue general obligation bonds, Washington Housing Crisis Response taxable and non-taxable bonds, in an amount totaling \$4 billion for capital investments. Total admin costs are unknown at this time.

The capital budget fiscal impact to the department is indeterminate and cannot be estimated at this time because this bill does not make any capital budget appropriations, and would further require approval of the legislature, an affirmative referendum vote, and additional appropriations by the legislature through the capital budget process.

FOR ILLUSTRATIVE PURPOSES ONLY:

Assume an increase of approximately \$500 million in referendum bond appropriations to the Housing Trust Fund in FY25, as proposed in SSB 5202 currently, and approximately \$380 million each year thereafter until FY34. Assume up to 3 percent of the estimated biennial spending for administrative expenses related to predevelopment and project management. Of the portion of referendum bonds appropriated to the department's affordable housing program in future capital budgets, assume a up to 3 percent will be retained by the department for administrative expenses related to predevelopment and project management. A proportional amount of the 3 percent admin taken from the referendum bond revenue will be given to and used by the Housing Trust Fund (HTF). The proportional amount of admin taken by the HTF will be based on the proportion of funding the referendum bond revenue is in regard to the sum total of all HTF appropriations.

Following the current statues, rules, regulations, and guidelines governing the Housing Trust Fund, the increase assumes average contract size of more than \$5 million per project; creating 243 new contracts in FY25, and 183 each year thereafter through FY34; and have a contract load of 20 per Commerce Specialist 3.

The department estimates that the 3 percent allowance for administrative and project management costs would be sufficient to compensate for the in work related to adding projects to the application, distribution and project development activities for the affordable housing program.

Further assuming a zero-based based capital budget, below is an illustration of staffing expenditures:

Illustrative Cost Narrative

10.1 FTE Commerce Specialist 3 (21,089 hours) FY24, 15.1 FTE Commerce Specialist 3 (31,529 hours) FY25, 18.1 FTE Commerce Specialist 3 (37,793 hours) FY26-FY29 to provide or build capacity around solicitation, origination, management, and the monitoring of project contracts. Compliance may include site visits and corresponding compliance reports. Assist senior management with drafting legislation, representing the agency, developing policy positions, and coordinating the state's role with respect to the implementation of the program.

4.2 FTE Commerce Specialist 2 (8,770 hours) FY24, 5.5 FTE Commerce Specialist 2 (11,484 hours) FY25, 6.3 FTE Commerce Specialist 2 (13,154 hours) FY26-FY29 to provide program data analysis, review and work towards processing payments to vendors. Work will include preparing proposals and developing monthly summary reports on the program. Provide technical support (reviewing plans, RCWs, policies, statements of work, review criteria) to Commerce Specialist 3s and other senior-level staff or managers.

3.0 FTE Commerce Specialist 5 (6,264 hours) FY24, 4.3 FTE Commerce Specialist 5 (8,978 hours) FY25, 5.1 FTE Commerce Specialist 5 (10,649 hours) FY26-FY29 to hire staff and provide day-to-day direction of staff upon hire. This includes assigning contracts and program planning elements to staff. Staff will also provide support work to policy and rule development.

2.0 FTE Management Analyst 5 (4,176 hours) FY24, 2.5 FTE Management Analyst 5 (5,220 hours) FY25, 2.8 FTE Management Analyst 5 (5,846 hours) FY26-FY29 to provide expert level advice and consultation to executive management, internal departments and outside organizations with varying issues, diverse and conflicting interests. Expert level expectations include performing proactive intervention and/or providing solutions having statewide or precedent setting impact; serving as the agency representative for business analysis teams or projects with other public and private entities concerning business operations on behalf of executive management; implementing process improvement solutions. May supervise lower level staff.

0.8 FTE IT Data Management – Journey (1,670 hours) FY24, 1.3 FTE IT Data Management – Journey (2,714 hours) FY25, 1.6 FTE IT Data Management – Journey (3,341 hours) FY26-FY29 to provide IT troubleshooting, support, and software development for HCMS and other project and portfolio management systems.

3.6 FTE WMS Band 2 (7,517 hours) FY24, 4.6 FTE WMS Band 2 (9,605 hours) FY25, 5.2 FTE WMS Band 2 (10,858 hours) FY26-FY29 to provide leadership, oversight, supervision, rules coordination and decision making over all elements of the program. Staff provide expert policy advice or consultation on a range of issues specific to the program and to areas that have agency wide implications.

2.3 FTE Administrative Assistant 3 (4,802 hours) FY24, 2.8 FTE Administrative Assistant 3 (5,846m hours) FY25, 3.1 FTE Administrative Assistant 3 (6,473 hours) FY26-FY29 to provide administrative support.

Salaries and Benefits:

FY24: \$3,028,622

FY25: \$4,350,682

FY26-FY29: \$5,086,894 per year

Goods and Other Services:

FY24: \$249,390

FY25: \$9,099,496

FY26: \$3,910,134

FY27: \$3,372,374

FY28: \$3,096,140

FY29: \$3,101,340

Equipment and Capital Outlays:

FY24: \$135,000

FY25: \$45,000

FY26: \$30,000

FY27: \$64,800

FY28: \$21,600

FY29: \$14,400

Grants, Benefits, Client Services:

FY25: \$485,000,000

FY26-FY29: \$368,600,000 per fiscal year

Intra-agency Reimbursements:

FY24: \$996,417

FY25: \$1,431,374

FY26-FY29: \$1,673,588 per fiscal year

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

=====

Summary of Total Costs:

FY24: \$4,409,429

FY25: \$499,926,552

FY26: \$379,300,616

FY27: \$378,797,656

FY28: \$378,478,222

FY29: \$378,476,222

Part V: New Rule Making Required

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

Sec. 303(11)- The commission is required to establish rules that administer the Washington Housing Accelerator Program established in sections 302 and 303.

Individual State Agency Fiscal Note

Bill Number: 5202 S SB	Title: Housing/capital expenditures	Agency: 105-Office of Financial Management
-------------------------------	--------------------------------------------	---------------------------------------------------

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: Melissa Van Gorkom	Phone: 360-786-7491	Date: 02/03/2023
Agency Preparation: Julie Pettit	Phone: 3608902669	Date: 02/08/2023
Agency Approval: Jamie Langford	Phone: 360-902-0422	Date: 02/08/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/09/2023

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.

Differences from SSB 5202 and the original bill.

It adds responsibilities for the Attorney General to prepare a public investment impact disclosure for the referendum that satisfies the requirements of RCW 29A.72.027 (2) through (5), and the Secretary of State to certify and timely transmit the public investment impact disclosure to each county auditor for its inclusion on the ballot.

Summary of SSB 5202:

This bill authorizes the State Finance Committee to issue up to \$4 billion in general obligation bonds, to be known as Washington housing crisis response act bonds, to finance programs and projects that address housing insecurity. The bonds would require passage by a simple legislative majority and voter-approval at the next general election – a process provided for in the State Constitution as an exception to the state debt limit.

The proceeds of the sale of bonds shall be deposited in the Washington housing crisis response account and the Washington housing crisis response taxable account created in the bill. Expenditures from the account are subject to legislative appropriation.

Transfers of bond proceeds between these accounts are allowed, in which the director of the Office of Financial Management must be notified by the State Finance Committee if the Committee deems it necessary to issue any portion of the bonds authorized as taxable bonds to comply with federal internal revenue service rules and regulations.

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.

The Secretary of State will prepare and distribute voter pamphlets on sections 201 through 207 of this bill to the people, for adoption and ratification, or rejection, at the next general election. The Office of Financial Management will prepare the fiscal impact statement to be included in SOS notifications.

OFM already conducts this work associated with the preparation of a referendum or any other bill. Any cost associated with the referendum preparation or implementation, if it passes, will be incorporated into its routine business practices and costs will be absorbed.

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

Bill Number: 5202 S SB	Title: Housing/capital expenditures	Agency: 148-Housing Finance Commission
-------------------------------	--------------------------------------------	-----------------------------------------------

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: Melissa Van Gorkom	Phone: 360-786-7491	Date: 02/03/2023
Agency Preparation: Lucas Loranger	Phone: 206-254-5368	Date: 02/07/2023
Agency Approval: Fenice Taylor	Phone: 206-287-4432	Date: 02/07/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/07/2023

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.

No Fiscal Impact: Because the Commission is a non-appropriated, non-allocated agency, all the costs associated with the contemplated legislation connected to the Commission will flow through the Commission's operating funds, therefore the Commission believes it has no fiscal impact on the state's budget.

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.