

# Individual State Agency Fiscal Note

Revised

<b>Bill Number:</b> 1778 S HB	<b>Title:</b> Economic resilience planning	<b>Agency:</b> 103-Department of Commerce
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## Part I: Estimates

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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	4.6	4.6	4.6	4.6	4.6
<b>Account</b>					
General Fund-State 001-1	1,848,300	1,847,434	3,695,734	3,694,868	3,704,468
<b>Total \$</b>	1,848,300	1,847,434	3,695,734	3,694,868	3,704,468

### 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:

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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.

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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).

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Capital budget impact, complete Part IV.

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Requires new rule making, complete Part V.

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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 SHB 1778 and the original bill:

Section 2 directs the Department of Commerce (department) to include in existing reports with recommendations to the legislature by July 1, 2024, on the anticipated economic impacts in Washington state in the event of a major disruption to trade.

Section 3 adds the department shall consult with Washington’s international marine cargo ports and establish a minimum of three foreign offices by July 1, 2027.

Summary of SHB 1778:

Section 2 a new section added to 43.330 RCW directs the Department of Commerce (department) to report with recommendations to the legislature by July 1, 2024, on the anticipated economic impacts in Washington state in the event of a major disruption to trade.

Section 3 amends 43.330.060 RCW adds the department shall prioritize diversifying foreign export destinations and eliminate economic dependence on any particular foreign market.

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.

A diversified and expanded global Washington and eliminating economic dependence on any particular foreign market will require the department to set up additional presence in key territories and strengthen its existing offices. A continuous 12-month approach will allow in-country representatives to maintain and reinforce relationships with potential investors who may consider Washington state for their next location. The bill appears to ask the department to add this information to all Commerce reports. For purposes of this fiscal note, the department assumes addition of the information to a report related to a proviso in the department's budget that the agency establish representation in key international markets.

To complete this work the department estimates the following will be needed.

1.0 FTE Commerce Specialist 4 (2,088 hours) to provide business outreach, site selection support, and state promotion to businesses, site selection consultants, and foreign representatives to increase or preserve business investments.

1.0 FTE Commerce Specialist 3 (2,088 hours) to provide technical assistance and advisory, including export readiness assessment, outreach to rural and underserved communities, 1:1 counseling sessions and management of Commerce’s foreign representatives (contracts and scope of work).

1.0 FTE Commerce Specialist 2 (2,088 hours) to coordinate marketing and promotion of program and services, collect data for legislative report, assist with lead follow-up, and trade show logistics.

1.0 FTE Administrative Assistant 3 (2,088 hours) to provide administrative support and procedural guidance to the unit including scheduling, editing documents, travel arrangements, responding to clients, and expenditure tracking.

Salaries and Benefits:

FY24: \$418,234

FY25-FY29: \$432,614 each fiscal year

Professional Service Contracts

New or enhanced foreign contracts in Japan, Taiwan, South Korea, Europe (UK, France, Germany, Eastern and Nordic countries), Canada, Mexico, Spain as well as such emerging markets as Southeast Asia, Latin America, India, Australia/New Zealand and Middle East. These contracts would cover both trade and business development activities on a yearly basis.

FY24-FY29 \$1,150,000 per fiscal year

Goods and Services:

FY24: \$22,467

FY25-FY29: \$82,490 each fiscal year

Travel:

Travel includes five international trips for two FTEs per fiscal year for stakeholder outreach and collaboration.

FY24-FY29: \$40,000 per fiscal year

Equipment:

In addition to the standard goods and services estimates, the department assumes the purchase of standard workstations for the new staff in FY24 and the purchase of replacement laptops/tablets in FY28 based on the department's replacement cycle.

FY24: \$20,000

FY28: \$9,600

Intra-Agency Reimbursements:

FY24: \$137,599

FY25-FY29: \$143,330 each fiscal year

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:

FY24: \$1,848,300

FY25-27: \$1,847,434 each fiscal year

FY28: \$1,857,034

FY29: \$1,847,434

## 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	1,848,300	1,847,434	3,695,734	3,694,868	3,704,468
Total \$			1,848,300	1,847,434	3,695,734	3,694,868	3,704,468

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	4.6	4.6	4.6	4.6	4.6
A-Salaries and Wages	306,268	315,456	621,724	630,912	630,912
B-Employee Benefits	111,966	117,158	229,124	234,316	234,316
C-Professional Service Contracts	1,150,000	1,150,000	2,300,000	2,300,000	2,300,000
E-Goods and Other Services	82,467	82,490	164,957	164,980	164,980
G-Travel	40,000	40,000	80,000	80,000	80,000
J-Capital Outlays	20,000		20,000		9,600
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	137,599	142,330	279,929	284,660	284,660
9-					
<b>Total \$</b>	1,848,300	1,847,434	3,695,734	3,694,868	3,704,468

### 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 3	55,247	1.0	1.0	1.0	1.0	1.0
Administrative Services - Indirect	111,168	0.6	0.6	0.6	0.6	0.6
Commerce Specialist 2	74,339	1.0	1.0	1.0	1.0	1.0
Commerce Specialist 3	86,159	1.0	1.0	1.0	1.0	1.0
Commerce Specialist 4	90,523	1.0	1.0	1.0	1.0	1.0
<b>Total FTEs</b>		4.6	4.6	4.6	4.6	4.6

### 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.*