

Multiple Agency Fiscal Note Summary

Bill Number: 5015 E SB	Title: Productivity board
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Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of Lieutenant Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of the Secretary of State	1.5	0	0	600,424	.0	0	0	0	.0	0	0	0
Office of Financial Management	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Enterprise Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	1.5	0	0	600,424	0.0	0	0	0	0.0	0	0	0

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Lieutenant Governor	.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 Financial Management	.0	0	0	.0	0	0	.0	0	0
Department of Enterprise Services	.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

NONE

Prepared by: Gwen Stamey, OFM	Phone: (360) 790-1166	Date Published: Final 3/29/2023
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Individual State Agency Fiscal Note

Bill Number: 5015 E SB	Title: Productivity board	Agency: 080-Office of Lieutenant Governor
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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: Desiree Omli	Phone: 360-786-7105	Date: 03/17/2023
Agency Preparation: Paul Bitar	Phone: 360-407-8129	Date: 03/20/2023
Agency Approval: Paul Bitar	Phone: 360-407-8129	Date: 03/20/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 03/29/2023

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.

This bill is not expected to have a fiscal impact on the Office of the Lieutenant Governor (LTG) because the agency's responsibilities under this bill are limited to the appointment of a person to serve on the productivity board. LTG must appoint someone to the productivity board by January 1, 2025.

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: 5015 E SB	Title: Productivity board	Agency: 085-Office of the Secretary of State
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	3.0	0.0	1.5	0.0	0.0
Account					
Personnel Service Account-State 415-1	600,424	0	600,424	0	0
Total \$	600,424	0	600,424	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: Desiree Omli	Phone: 360-786-7105	Date: 03/17/2023
Agency Preparation: Mike Woods	Phone: (360) 704-5215	Date: 03/20/2023
Agency Approval: Mike Woods	Phone: (360) 704-5215	Date: 03/20/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 03/29/2023

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.

Current Status of the Productivity Board

The operations of Productivity Board were suspended starting in the 2011-2013 biennium. During the 2022 legislative session, Section 950 of the supplemental budget (ESSB 5693) struck language suspending funding for the board in Fiscal Year 2023. In addition, Section 120 of ESSB 5693 appropriated to the Office of the Secretary of State (OSOS) \$1,276,000 of the Personnel Service Account to resume operations of the Board for Fiscal Year 2023. The appropriation was based on fiscal notes on bills that proposed to re-authorize the Board and included one-time funding to build a database to process submissions to the Board (see the fiscal note on ESSB 5082). As of the date of this fiscal note, labor market challenges have precluded OSOS from hiring any staff or commencing work on the database. Although attempts are being made to hire staff, OSOS believes the 21-23 biennium appropriation will be significantly underspent.

The 23-25 Carry-Forward-Level (CFL) for the OSOS biennial appropriation of funds from the Personnel Service Account is \$1,586,00. Therefore this fiscal note assumes that as the base. The impacts shown are incremental changes from the base.

Changes in ESB 5015 compared to the previous version (SB 5015):

Productivity Board members must be appointed by January 1, 2025 (SFY25) or as soon as practicable. In the previous version members were to be appointed by July 31, 2024 (SFY25).

Summary of SB 5015:

Section 1 makes funding for the Board subject to appropriations specific to this purpose and requires Board members be appointed by January 1, 2025 (7th month of SFY25) or as soon as practicable.

Section 2 requires the Board to prepare a topical list of all the productivity awards granted and disseminate the information to the legislature and all state government agencies that may be able to adapt them to their procedures.

Section 3 caps awards at \$10,000 or 10% of the actual net savings and/or revenue generated, whichever is less.

Section 4 strikes current law language prohibiting appropriations from the Personnel Service Fund.

Section 5 caps team awards at 25% of the actual net savings or \$10,000 per team member.

Section 6 is a technical cleanup that strikes the current prohibition on providing cash awards between February 15, 2010 and June 30, 2013.

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.

This bill codifies actions taken in the 2022 supplemental budget (which lapse June 30, 2023), making the operations of the Board ongoing. The Carry-Forward-Level appropriation assumed in the 23-25 budget would be sufficient for the ongoing operations of the Board except for the development of the database which has been delayed due to hiring challenges.

Consistent with the OSOS fiscal note on ESSB 5082 (2022 Session), OSOS projects the one-time cost of database development will be \$600,000 in SFY24.

To develop the tool, OSOS would have a one-time FY24 need of 2 FTE IT APP DEVELOPMENT – SENIOR/SPECIALIST (Range 08IT Step L, annual salary of \$115,824 each), and 1 FTE IT BUSINESS ANALYST – SENIOR/SPECIALIST (Range 07IT, Step L, annual salary of \$110,292). In addition to this staffing, OSOS would incur \$50,000 in cloudhosting fees annually.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
415-1	Personnel Service Account	State	600,424	0	600,424	0	0
Total \$			600,424	0	600,424	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	3.0		1.5		
A-Salaries and Wages	341,940		341,940		
B-Employee Benefits	105,802		105,802		
C-Professional Service Contracts					
E-Goods and Other Services	67,500		67,500		
G-Travel	7,500		7,500		
J-Capital Outlays	27,500		27,500		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	50,182		50,182		
9-					
Total \$	600,424	0	600,424	0	0

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
IT App Development - Senior/Specialist	115,824	2.0		1.0		
IT Business Analyst	110,292	1.0		0.5		
Total FTEs		3.0		1.5		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

Part V: New Rule Making Required

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

ESB 5015 Attachment Summary of Impacts

	FY24	FY25	23-25	FY26	FY27	25-27	FY28	FY29	27-29
CFL	\$793,000	\$793,000	\$1,586,000	\$793,000	\$793,000	\$1,586,000	\$793,000	\$793,000	\$1,586,000

Database Costs	\$600,000
(Incremental Change Needed To Implement The Bill)	

One-time costs that would have been incurred in SFY23 if staff were available.

New Approp

CFL As Base	\$1,393,000	\$793,000	\$2,186,000	\$793,000	\$793,000	\$1,586,000	\$793,000	\$793,000	\$1,586,000
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Database Development Costs (Based on Staffing From Fiscal Note on ESSB 5082, 2022 Session)

Obj A Sal	\$341,940	2 IT App Dev Senior, 1 IT Business Analyst Senior
Obj B Ben	\$105,802	
Obj E Goods & Services	\$67,500	Standard Goods and Services + \$50K cloudhosting fees
Obj G Travel	\$7,500	
Obj J Equipment	\$27,500	
Obj T	\$50,182	
Total (Rounded)	\$600,000	

Individual State Agency Fiscal Note

Bill Number: 5015 E SB	Title: Productivity board	Agency: 105-Office of Financial Management
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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:

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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).
- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7105	Date: 03/17/2023
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Agency Approval: Kathy Cody	Phone: (360) 480-7237	Date: 03/20/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 03/20/2023

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.

There were no changes in this engrossed version that effected OFM's fiscal impact assumptions from the previous version.

Engrossed version:

This bill reestablishes the productivity board which includes the Director of the Office of Financial Management (OFM) or the director's designee.

Section 2 of this bill requires the board to prepare a list of all the productivity awards granted and disseminate this information to the legislature and all state government agencies that may be able to adapt them to their procedures.

Section 3 defines the award limit to be ten thousand dollars or 10 percent of the actual net savings and/or revenue generated, whichever amount is less.

Section 5 grants awards for suggestion teams to be allowed up to 25 percent of the actual net savings and/or revenue generated to be shared by the team in a manner approved by the agency head, not to exceed \$10,000 per team.

The work required of the OFM representative can be accomplished within current resources by temporarily reprioritizing workload.

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: 5015 E SB	Title: Productivity board	Agency: 179-Department of Enterprise Services
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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:

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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Desiree Omli	Phone: 360-786-7105	Date: 03/17/2023
Agency Preparation: Michael Diaz	Phone: (360) 407-8131	Date: 03/22/2023
Agency Approval: Hayley Tresenriter	Phone: (360) 407 9294	Date: 03/22/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 03/22/2023

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 amends RCW 41.60.015 to clarify that the implementation of the productivity board is subject to the availability of amounts appropriated for this specific purpose. Section 1(2) identifies who shall serve on the board, which includes the Department of Enterprise Services (DES) Director or designee. DES's participation on this board should be no more than 2 hours per month. DES participation on this board can be completed within routine business processes. Therefore, no fiscal impact.

Section 2 amends RCW 41.60.020 that requires the Productivity Board to prepare a topical list of all productivity awards granted and disseminate this information to the legislature and all state government agencies that may be able to adapt them to their procedures.

Section 3 amends RCW 41.60.041 to limit cash awards to ten thousand dollars or ten percent of the actual net savings and/or revenue generated, whichever amount is less.

Section 4 amends RCW 41.60.050 to remove the suspension of the Productivity Board.

Section 5 amends RCW 41.60.120 to allow a cash award be given to a team. The team award must not exceed 25 percent of the actual net savings and/or revenue generated and is to be shared by the team in a manner approved by the agency head. Each team members share of the award cannot exceed \$10,000.

DES assumes increased efficiencies, expenditure reductions or new revenue sources will offset any cash awards provided. Therefore, this has no fiscal impact.

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.