

Individual State Agency Fiscal Note

Bill Number: 1885 HB	Title: Campaign finance/foreign	Agency: 082-Public Disclosure Commission
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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	0.0	2.0	1.0	1.3	1.0
Account					
General Fund-State 001-1	0	231,531	231,531	261,686	189,162
Total \$	0	231,531	231,531	261,686	189,162

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.

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Agency Approval: Seth Flory	Phone: 3604078165	Date: 01/09/2024
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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.

Section 6: The bill prohibits foreign-influenced corporations from making any expenditure, including independent expenditure, or contribution to a political committee or party.

Section 7: The bill requires any for-profit corporation subject to the Business Corporations Act (Title 23B RCW), and any limited liability company formed or required to register under Ch 25.15 RCW, that makes an expenditure or contribution to submit a certification to the Public Disclosure Commission that the entity was not a foreign-influenced corporation as of the date the expenditure or contribution was made. The certification must be submitted within 7 days that the expenditure or contribution was made. The certification must be signed by the corporation's chief executive officer. The corporation or LLC must provide a copy of the certification within the 7-day period to the receiving PAC, and any other person upon request of the recipient.

Section 8: The bill repeals the law prohibiting contributions and expenditures made or financed by foreign nationals and requiring all non-individuals making contributions or expenditures to certify the contribution or expenditure is not from a foreign national.

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.

The bill requires certain for-profit corporations and certain limited liability companies to file certifications to the PDC for contributions and expenditures made. PDC has received reports of contributions identifying 100,000 unique entities that were identified by the campaign as likely falling under the requirements of HB 1885. (In the contribution dataset, code is "Business" or "Other" and contributor category is not "Individual"). There were 14,000 and 8,000 unique entities in 2022 and 2023, respectively.

It is anticipated that this provision will require the PDC to develop and produce a new electronic filing system for a class of filers currently are not required to file reports to the PDC for the type of transactions in this bill. The new filing system will be incorporated into the PDC website-based filing system. Based on the requirements of the bill and assumptions from the function of the PDC's existing filing systems, the new filing system must include key requirements, such as: Registration and access through a unique Secure Access Washington (SAW) account; date-specific certification, which will remain valid for a period of time or until the entity changes its status; and review of each new profile created to identify and manage with existing records. The new system will be accessible and searchable by the public on the PDC website and through the open data portal.

The work of developing and producing the new reporting system with the requisite features would be provided internally (without outside procurement), and strategically phased in order to meet the effective date. Additional project staff will be necessary to hire to work along existing staff to complete the implementation. The agency estimates the work, including production and post-launch implementation and maintenance, is estimated to be fully completed within 18 months. This timeframe assumes the PDC will have to adjust current project schedules and priorities, which may be delayed in order to complete this project.

For detailed cost calculations reference the attached PDF titled: PDC - FTE Cost Calculator

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	231,531	231,531	261,686	189,162
Total \$			0	231,531	231,531	261,686	189,162

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		2.0	1.0	1.3	1.0
A-Salaries and Wages		157,479	157,479	154,234	100,660
B-Employee Benefits		56,455	56,455	62,438	46,694
C-Professional Service Contracts					
E-Goods and Other Services		12,531	12,531	45,014	41,808
G-Travel					
J-Capital Outlays		5,066	5,066		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	231,531	231,531	261,686	189,162

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
Customer Service Specialist 2	48,864		1.0	0.5	1.0	1.0
IT Application Development (Journey)	104,028		1.0	0.5	0.3	
Total FTEs			2.0	1.0	1.3	1.0

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.

Section 2: The bill includes new definitions for "foreign-influenced corporation" and "foreign investor" which may require additional clarification for application to the new law.

Section 6: The section creates a new prohibition on foreign-influenced corporation activity that may require additional explanation in order to fully implement the law.

Section 7: The section requires a certification system that may require additional detail and scope regarding how the certification process is administered.

Section 8: The section repeals the current law prohibiting financing of campaigns by foreign nationals and the corresponding rules for that law must be repealed.

Estimated New Employee Costs

Summary	FY24	FY25	FY26	FY27	FY28	FY29
Salary	\$0	\$157,479	\$103,904	\$50,330	\$50,330	\$50,330
Benefits	\$0	\$56,455	\$39,091	\$23,347	\$23,347	\$23,347
Goods & Services	\$0	\$12,531	\$9,164	\$5,958	\$5,958	\$5,958
Equipment	\$0	\$5,066	\$0	\$0	\$0	\$0
Central Services	\$0	\$0	\$14,946	\$14,946	\$14,946	\$14,946
TOTALS	\$0	\$231,530	\$167,106	\$94,581	\$94,581	\$94,581

Salaries: (A)	Range	Salary/mo	# Needed	FY 2024	# Needed	FY 2025	# Needed	FY 2026	# Needed	FY 2027
Customer Service Specialist 2	37L	\$4,072	0.0	\$0	1.0	\$50,330	1.0	\$50,330	1.0	\$50,330
IT Application Development (Journey)	05ITL	\$8,669	0.0	\$0	1.0	\$107,149	0.5	\$53,574	0.0	\$0
Total Salary			0	0	2	\$157,479	1.5	\$103,904	1	\$50,330

Benefits: (B)	Rate	# Needed	FY 2024	# Needed	FY 2025	# Needed	FY 2026	# Needed	FY 2027
OASI	6.20%		\$0		\$9,764		\$6,442		\$3,120
Retirement (PERS employer rate 9/1/22)	9.53%		\$0		\$15,008		\$9,902		\$4,796
Industrial Insurance									
Class 4902 - Office Workers	\$420	0.0	\$0	2.0	\$840	1.5	\$630	1.0	\$420
Health Insurance (FY24 \$1,145/mo, FY25 \$1,190/mo.)	\$1145/\$1190	0.0	\$0	2.0	\$28,560	1.5	\$20,610	1.0	\$14,280
Medicare	1.45%		\$0		\$2,283		\$1,507		\$730
Total Benefits			\$0		\$56,455		\$39,091		\$23,347

Goods & Services:	Rate	# Needed	FY 2024	# Needed	FY 2025	# Needed	FY 2026	# Needed	FY 2027
Supplies (EA)	\$400	0.0	\$0	2.0	\$800	1.5	\$1,200	1.0	\$800
Communications (EB)									
Phone Line	\$540	0.0	\$0	2.0	\$1,080	1.5	\$810	1.0	\$540
Switched Long Distance Service	\$125	0.0	\$0	2.0	\$250	1.5	\$188	1.0	\$125
Voice Mail	\$54	0.0	\$0	2.0	\$108	1.5	\$81	1.0	\$54
Other (cell phone, pager, etc.)	\$1,080	0.0	\$0	2.0	\$2,160	1.5	\$1,620	1.0	\$1,080
Printing (Business Cards) (EF)	\$25	0.0	\$0	0.0	\$0	0.0	\$0	0.0	\$0
Training (EG)	\$1,000	0.0	\$0	2.0	\$2,000	1.5	\$1,500	1.0	\$1,000
Data Processing (EL)									
Internet - VPN Soft/Cert	\$108	0.0	\$0	2.0	\$216	1.5	\$162	1.0	\$108

Network/Desktop/Phone Support	\$0	0.0	\$0	2.0	\$0	1.5	\$0	1.0	\$0
Email,Vault license & Filtering	\$78	0.0	\$0	2.0	\$156	1.5	\$117	1.0	\$78
Vault Storage - 2GB per person	\$30	0.0	\$0	2.0	\$61	1.5	\$46	1.0	\$30
Payroll Processing	\$240	0.0	\$0	2.0	\$480	1.5	\$360	1.0	\$240
Personnel Service Fee (EN-0001)	0.8%		\$0		\$1,260		\$831		\$403
Software Licenses (EY)	\$1,500	0.0	\$0	2.0	\$3,000	1.5	\$2,250	1.0	\$1,500
One-time Costs:									
Internet - VPN - One time set up fee (EL)	\$180	0.0	\$0	2.0	\$360	0.0	\$0	0.0	\$0
Phone Line/Data Cable Installation (ER)	\$300	0.0	\$0	2.0	\$600	0.0	\$0	0.0	\$0
Total Goods & Services			\$0		\$12,531		\$9,164		\$5,958

Central Services	Rate	# Needed	FY 2024	# Needed	FY 2025	# Needed	FY 2026	# Needed	FY 2027
Small Agency Human Resources (EN)	\$1,670	0.0	\$0	0.0	\$0	1.0	\$1,670	1.0	\$1,670
Small Agency Financial Services (EK)	\$2,435	0.0	\$0	0.0	\$0	1.0	\$2,435	1.0	\$2,435
Public & Historic Facilities (EK) (if new FTE)	\$94	0.0	\$0	0.0	\$0	1.0	\$94	1.0	\$94
Office of Chief Information Officer (EL)	\$75	0.0	\$0	0.0	\$0	1.0	\$75	1.0	\$75
State Data Network (EL)	\$132	0.0	\$0	0.0	\$0	1.0	\$132	1.0	\$132
State Data Center (EL)	\$183	0.0	\$0	0.0	\$0	1.0	\$183	1.0	\$183
Enterprise Systems Rates (EL)	\$377	0.0	\$0	0.0	\$0	1.0	\$377	1.0	\$377
Enterprise Security (EL)	\$44	0.0	\$0	0.0	\$0	1.0	\$44	1.0	\$44
WaTech Network/Desktop/Phone Support (EL)	\$9,661	0.0	\$0	0.0	\$0	1.0	\$9,661	1.0	\$9,661
Real Estate Services (EK)	\$86	0.0	\$0	0.0	\$0	1.0	\$86	1.0	\$86
DES Risk Management Fee (EP)	\$45	0.0	\$0	0.0	\$0	1.0	\$45	1.0	\$45
OFM Central Services (ER)	\$144	0.0	\$0	0.0	\$0	1.0	\$144	1.0	\$144
Total Central Services			\$0		\$0		\$14,946		\$14,946

Equipment: (J)	Rate	# Needed	FY 2024	# Needed	FY 2025	# Needed	FY 2026	# Needed	FY 2027
Desk System	\$1,938	0.0	\$0	2.0	\$3,876	0.0	\$0	0.0	\$0
Desk Chair	\$545	0.0	\$0	2.0	\$1,090	0.0	\$0	0.0	\$0
Side Chair	\$235	0.0	\$0	0.0	\$0	0.0	\$0	0.0	\$0
File Cabinet	\$332	0.0	\$0	0.0	\$0	0.0	\$0	0.0	\$0
Bookcase	\$300	0.0	\$0	0.0	\$0	0.0	\$0	0.0	\$0
Laptop w/Dock, Cable, Mouse, Keyboard	\$2,000	0.0	\$0	0.0	\$0	0.0	\$0	0.0	\$0
Keyboard	\$50	0.0	\$0	2.0	\$100	0.0	\$0	0.0	\$0
Security Lock	\$30	0.0	\$0	0.0	\$0	0.0	\$0	0.0	\$0
Phone	\$155	0.0	\$0	0.0	\$0	0.0	\$0	0.0	\$0
Total Equipment			\$0		\$5,066		\$0		\$0