

Individual State Agency Fiscal Note

Bill Number: 5803 SB	Title: National guard recruitment	Agency: 245-Military Department
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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	0.3	0.1	0.3	0.3
Account					
General Fund-State 001-1	0	23,000	23,000	46,000	46,000
Total \$	0	23,000	23,000	46,000	46,000

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

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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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 adds two new sections to Chapter 38.24 RCW.

Section 1 authorizes the Military Department to establish a referral incentive program, maximizing peer-to-peer recruiting, to increase enlistments in the Washington National Guard. Section 1 also provides the bill's intent to establish the program, provides eligibility criteria for a servicemember to receive the bonus, and defines key terms and parameters of the program.

Section 2 authorizes the creation of a Washington National Guard re-enlistment bonus program. Section 2 requires the adjutant general to establish a program to provide a re-enlistment bonus to eligible members of the Washington National Guard who extend their term of service. Section 2 also defines eligibility criteria to receive the bonus and requires the Military Department to publish the bonus criteria and payment schedule.

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 Military Department projects the National Guard Referral Bonus and Re-enlistment Bonus incentive programs to cost a combined \$973,000 per fiscal year. This expenditure projection is based on the following assumptions:

National Guard Referral Bonus Program

The Washington National Guard projects the annual need to replace 700 Army and Air National Guard servicemembers through new enlistments. Based on the size of each service, it is anticipated that 600 referral bonuses will benefit the Army Guard and 100 referral bonuses will benefit the Air Guard. An incentive payment of \$500 per qualified enlistment for approximately 700 new servicemembers per year equates to \$350,000 per year (700 referrals x \$500 = \$350,000).

National Guard Re-enlistment Bonus Program

The re-enlistment bonus only applies to those servicemembers who are not eligible for a federal re-enlistment bonus. While the Department of Defense's re-enlistment bonus structure changes from year to year, we anticipate 250 servicemembers each year will not be eligible for a federal bonus, and approximately 125 servicemembers will seek the state re-enlistment bonus. The program funding request would be \$600,000 per fiscal year. A projected re-enlistment bonus structure is listed below:

75 servicemembers will re-enlist for two additional years at \$1,000 per year for a \$2,000 incentive
(75 x \$2,000 = \$150,000)

25 servicemembers will re-enlist for four additional years at \$1,500 per year for a \$6,000 incentive
(25 x \$6,000 = \$150,000)

25 servicemembers will re-enlist for six additional years at \$2,000 per year for a \$12,000 incentive
(25 x \$12,000 = \$300,000)

Bonus payments will be issued by the Military Department state finance division. Funding is requested for .25 FTE of a Fiscal Analyst 2 to issue approximately 825 payments per fiscal year for the referral program and the re-enlistment program. The salary, benefits, and goods and services cost projection for fiscal staff to administer the payments is \$23,000

per fiscal year and shown in the expenditure details.

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	23,000	23,000	46,000	46,000
Total \$			0	23,000	23,000	46,000	46,000

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		0.3	0.1	0.3	0.3
A-Salaries and Wages		15,000	15,000	30,000	30,000
B-Employee Benefits		7,000	7,000	14,000	14,000
C-Professional Service Contracts					
E-Goods and Other Services		1,000	1,000	2,000	2,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	23,000	23,000	46,000	46,000

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
Fiscal Analyst 2	58,104		0.3	0.1	0.3	0.3
Total FTEs			0.3	0.1	0.3	0.3

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.