

Multiple Agency Fiscal Note Summary

Bill Number: 2497 HB	Title: Washington State Ferries 75 Work Group
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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	
Joint Transportation Committee	.0	0	0	350,000	.0	0	0	100,000	.0	0	0	0	
Office of the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0	
The Evergreen State College	1.1	0	0	509,159	.0	0	0	0	.0	0	0	0	
Department of Transportation	Non-zero but indeterminate cost and/or savings. Please see discussion.												
Total \$	1.1	0	0	859,159	0.0	0	0	100,000	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
Joint Transportation Committee	.0	0	0	.0	0	0	.0	0	0
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
The Evergreen State College	.0	0	0	.0	0	0	.0	0	0
Department of Transportation	.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: Kyle Siefering, OFM	Phone: (360) 995-3825	Date Published: Final 2/22/2024
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Individual State Agency Fiscal Note

Bill Number: 2497 HB	Title: Washington State Ferries 75 Work Group	Agency: 013-Joint Transportation Committee
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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
Account					
Motor Vehicle Account-State 108 -1	50,000	300,000	350,000	100,000	0
Total \$	50,000	300,000	350,000	100,000	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: Michael Hirsch	Phone: 360-786-7195	Date: 02/09/2024
Agency Preparation: Dave Catterson	Phone: 360-786-7398	Date: 02/13/2024
Agency Approval: Alyson Cummings	Phone: 360-786-7327	Date: 02/13/2024
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 02/13/2024

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 bill requires the JTC to convene the "Washington state ferries 75 work group" consisting of two appointees each from the house and senate transportation committees, a representative of Washington state ferries, a representative of the governor's office, a representative of labor, and four representatives of ferry dependent communities. The work group is tasked with:

- 1) evaluating the funding requirements for the Washington state ferries to reliably operate service;
- 2) exploring options to increase dedicated funding sources for the ferry system; and
- 3) identifying federal funding opportunities and methods to optimize the Washington state ferries for eligibility, competitive positioning, and receipt.

The work group must report to the governor and appropriate committees of the legislature as follows:

- (a) Preliminary findings by January 13, 2025; and
- (b) Final findings and recommendations by June 1, 2026.

The JTC would need to contract with consultant(s) to: (1) assist with convening of the work group and facilitating work group meetings, and (2) provide subject matter expertise to support the work group.

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 expenditure impacts estimate is based upon roughly equivalent tasks from prior JTC studies and includes consultant hours (including project management and coordination), overhead, and direct expenses such as travel and meeting facility rental costs. The consultant team required to effectively facilitate and support this work group would need to have expertise in ferry operations, and public financing and budgeting. They would also need to have experienced facilitators on their team

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
108-1	Motor Vehicle Account	State	50,000	300,000	350,000	100,000	0
Total \$			50,000	300,000	350,000	100,000	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	50,000	300,000	350,000	100,000	
E-Goods and Other Services					
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 \$	50,000	300,000	350,000	100,000	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: 2497 HB	Title: Washington State Ferries 75 Work Group	Agency: 075-Office of the 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: Michael Hirsch	Phone: 360-786-7195	Date: 02/09/2024
Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 02/12/2024
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 02/12/2024
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 02/13/2024

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.

HB 2497 established the "Washington State Ferries 75" work group to evaluate changes to the financing of the state ferry system by June 1, 2026.

Per Section 2 the work group must include a representative of the Governor's Office. The work group must:

- (a) Evaluate the funding requirements for the Washington state ferries to reliably operate service;
- (b) Explore options to increase dedicated funding sources for the ferry system; and
- (c) Identify federal funding opportunities and methods to optimize the Washington state ferries for eligibility, competitive positioning, and receipt.

The Governor’s Office assumes existing staff can participate in the work group and associated travel expenses will be minimal and can be absorbed within existing resources.

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: 2497 HB	Title: Washington State Ferries 75 Work Group	Agency: 376-The Evergreen State College
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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	2.2	1.1	0.0	0.0
Account					
Motor Vehicle Account-State 108 -1	0	509,159	509,159	0	0
Total \$	0	509,159	509,159	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: Michael Hirsch	Phone: 360-786-7195	Date: 02/09/2024
Agency Preparation: Catherine Nicolai	Phone: (360) 664-9087	Date: 02/14/2024
Agency Approval: Lisa Dawn-Fisher	Phone: 564-233-1577	Date: 02/14/2024
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/15/2024

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.

Sec. 3. of HB 2497 requires that the Washington State Institute for Public Policy (WSIPP) "conduct an economic impact study of ferry service disruptions. The study must examine the impacts on a statewide and systemwide basis, on all 10 routes of service provided by the Washington state ferries. The study must include a review of key factors that impact the overall economy of both ferry-served communities and the state economy. The study must address economic impacts on employment, housing, health care costs and access, emergency response, climate resilience, tourism, and small business. The data must be used to demonstrate the magnitude of hardships. The institute must submit a preliminary report to the office of the governor and the Washington state ferries 75 work group by December 13, 2024. A final report must be submitted to the office of the governor and the Washington state ferries 75 work group by June 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.

WSIPP assumes that the data necessary to complete this study are available and free of cost.
In order to complete the assignment outlined in Sec. 3 of HB 2497, WSIPP would assign the following resources:

- FY25:
- 1.91 FTE Researcher to scope the studies, conduct outreach, collect and process the data, analyze the data, and write the preliminary and final reports.
 - 0.18 FTE Methods Review for development of a study plan and methodological review.
 - 0.12 Editing/Publication for publication of the preliminary and final reports.
 - Assumes \$125,000 to purchase a license for the necessary economic modeling software.

*Goods and other services include a 12% indirect rate for The Evergreen State College.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
108-1	Motor Vehicle Account	State	0	509,159	509,159	0	0
Total \$			0	509,159	509,159	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		2.2	1.1		
A-Salaries and Wages		259,891	259,891		
B-Employee Benefits		69,715	69,715		
C-Professional Service Contracts					
E-Goods and Other Services		54,553	54,553		
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-Licensing		125,000	125,000		
Total \$	0	509,159	509,159	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
Editing/Publication	112,596		0.1	0.1		
Methods Review	123,660		0.2	0.1		
Researcher	112,596		1.9	1.0		
Total FTEs			2.2	1.1		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.

Individual State Agency Fiscal Note

Bill Number: 2497 HB	Title: Washington State Ferries 75 Work Group	Agency: 405-Department of Transportation
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost 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.

Legislative Contact: Michael Hirsch	Phone: 360-786-7195	Date: 02/09/2024
Agency Preparation: Matt Hanbey	Phone: 206-515-3763	Date: 02/22/2024
Agency Approval: Todd Lamphere	Phone: 206-743-1503	Date: 02/22/2024
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 02/22/2024

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.

See attached WSDOT fiscal note.

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.

See discussion in attached WSDOT fiscal note.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

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

III. B - Expenditures by Object Or Purpose

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

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: HB2497	Title: Washington State Ferries 75 Work Group	Agency: 405-Department of Transportation
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Part I: Estimates

- ☐ No Fiscal Impact (Explain required in section II. A)
- ☐ Indeterminate Cash Receipts Impact (Explain in section II. B)
- ☐ Partially Indeterminate Cash Receipts Impact (Explain in section II. B)
- ☒ Indeterminate Expenditure Impact (Explain in section II. C)
- ☐ Partially Indeterminate Expenditure Impact (Explain in section II. C)

-
- ☒ If fiscal impact is less 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 greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, **complete entire fiscal note form Parts I-V**
 - ☐ Capital budget impact, **complete Part IV**
 - ☐ Requires new rule making, **complete Part V**
 - ☐ Revised

Agency Assumptions

N/A

Agency Contacts:

Preparer: Matt Hanbey	Phone: 206/515-3763	Date: 2/12/2024
Approval: Todd Lamphere	Phone: 206/743-1503	Date: 2/20/2024
Budget Manager: My-Trang Le	Phone 360/705-7517	Date: 2/21/2024

Part II: Narrative Explanation

II. A - Brief description of what the measure does that has fiscal impact.

The bill requires the Joint Legislative Committee to form a work group to examine ferry financing, including increased dedicated funding and federal funding opportunities. A representative of Washington State Ferries is to be on the work group (Section 2).

An economic impact study of ferry service disruptions is to be conducted by the institute for public policy at the Evergreen State College (Section 3).

The requirements above have completion dates of June 1, 2026 (Section 2) and June 1, 2025 (Section 3). A set of preliminary findings is due on January 13, 2025 (Section 2).

Individual State Agency Fiscal Note

II. B – Cash Receipts Impact

N/A

II. C - Expenditures

Costs to the Washington State Department of Transportation are indeterminate, as the level of involvement needed by WSF staff is unclear. However, it is possible WSF would need added resources to conduct work related to the deliverables from the work group (Section 2) and from the economic impact study (Section 3). This work may include coordinating/responding to requests for information, easing communications, and reporting on activities to WSF management.

For reference, unit costs are supplied below:

A consultant, used as a project manager, may be needed. A consultant may be necessary as there will be a need for professional experience with federal funds (federal sources, grants, requirements, etc.).

- Based on a fully burdened rate of \$250 per hour, a full-time consultant (1,700 hours) would cost \$425,000 per year.
- It is possible the hours paid could be scalable, with peak work periods and non-peak work period. This would lower the cost for the consultant, within a given fiscal year, based on fewer hours paid.
- The first final deliverable for the work group is June 2025 (economic impact study). Other deadlines are January 2025 (first findings on financing), with final set of findings and recommendations in June 2026.
- Based on these timelines it is likely the consultant would be needed more in fiscal year 2025 than in fiscal year 2026.

Part III: Expenditure Detail

III. A - Expenditures by Object or Purpose

N/A

Part IV: Capital Budget Impact

N/A

Part V: New Rule Making Required

N/A