

# Multiple Agency Fiscal Note Summary

|   |   |
|---|---|
| <b>Bill Number:</b> 2195 2S HB 2195-S AMS<br>WM S5427.1 | <b>Title:</b> Early learning facilities |
|---|---|

## 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 State Treasurer                   | Fiscal note not available |          |             |       |         |          |             |       |         |          |             |       |
| Department of Commerce                      | .0                        | 0        | 0           | 0     | .0      | 0        | 0           | 0     | .0      | 0        | 0           | 0     |
| Department of Revenue                       | .0                        | 0        | 0           | 0     | .0      | 0        | 0           | 0     | .0      | 0        | 0           | 0     |
| Department of Children, Youth, and Families | Fiscal note not available |          |             |       |         |          |             |       |         |          |             |       |
| Superintendent of Public Instruction        | Fiscal note not available |          |             |       |         |          |             |       |         |          |             |       |
| Total \$                                    | 0.0                       | 0        | 0           | 0     | 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 State Treasurer                   | Fiscal note not available |       |       |         |       |       |         |       |       |
| Department of Commerce                      | .0                        | 0     | 0     | .0      | 0     | 0     | .0      | 0     | 0     |
| Department of Revenue                       | .0                        | 0     | 0     | .0      | 0     | 0     | .0      | 0     | 0     |
| Department of Children, Youth, and Families | Fiscal note not available |       |       |         |       |       |         |       |       |
| Superintendent of Public Instruction        | Fiscal note not available |       |       |         |       |       |         |       |       |
| Total \$                                    | 0.0                       | 0     | 0     | 0.0     | 0     | 0     | 0.0     | 0     | 0     |

## Estimated Capital Budget Breakout

|                                       |                                 |   |
|---------------------------------------|---------------------------------|---|
| <b>Prepared by:</b> Myra Baldini, OFM | <b>Phone:</b><br>(360) 688-8208 | <b>Date Published:</b><br>Preliminary 2/27/2024 |
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# Individual State Agency Fiscal Note

|  |   |   |
|--|---|---|
| <b>Bill Number:</b> 2195 2S HB<br>2195-S AMS WM<br>S5427.1 | <b>Title:</b> Early learning facilities | <b>Agency:</b> 103-Department of Commerce |
|--|---|---|

## 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: Wendy Brown | Phone: 3607867359     | Date: 02/26/2024 |
| Agency Preparation: Buck Lucas   | Phone: 360-725-3180   | Date: 02/27/2024 |
| Agency Approval: Pouth Ing       | Phone: 360-725-2715   | Date: 02/27/2024 |
| OFM Review: Myra Baldini         | Phone: (360) 688-8208 | Date: 02/27/2024 |

## 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.*

Differences between the second substitute bill and the first substitute bill:

- Removes the expansion of the Department of Commerce's (department) existing Early Learning Facilities (ELF) school district grant program for early learning programs and services in school districts.
- Removes authority to transfer funds from the common school construction fund to the early learning facility development account, which would have expanded the ELF school district grant program.

The second substitute removes all fiscal impact to the department.

Bill Summary:

Section 1 amends RCW 43.31.577 removing grant funding caps, clarifies grant categories, adds a category for existing facilities, provides the authority for purchasing translation services, and requires prioritizing projects that are ready for construction.

Section 2 adds a new section to RCW 43.31 allowing affordable housing projects that receive ELF grant funding to include an on-site early learning facility to request reimbursement of grant funds at 90%, regardless of their match percentage for the project.

Section 4 adds a severability clause.

Section 5 provides that Section 1 takes effect July 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.*

There is no fiscal impact to the department. The updates needed to program guidelines in collaboration with the Office of Superintendent of Public Instruction (OSPI) and the Early Learning Facilities (ELF) Advisory Group can be accomplished with minimal additional staff time as part of regularly occurring collaboration. This may include, but is not limited to updates for program guidance and community outreach and engagement.

## 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

The proposed legislation would not impact the capital budget. The department assumes any additional staff costs that result from increased funding caps for project support services and to coordinate project delivery would be funded within the allowable administrative deduction from an ELF capital appropriation.

**Part V: New Rule Making Required**

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

# Department of Revenue Fiscal Note

|  |   |  |
|--|---|--|
| <b>Bill Number:</b> 2195 2S HB<br>2195-S AMS WM<br>S5427.1 | <b>Title:</b> Early learning facilities | <b>Agency:</b> 140-Department of Revenue |
|--|---|--|

## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated 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: Wendy Brown   | Phone: 607-867-359    | Date: 02/26/2024 |
| Agency Preparation: Sara del Moral | Phone: 60-534-1525    | Date: 02/27/2024 |
| Agency Approval: Marianne McIntosh | Phone: 60-534-1505    | Date: 02/27/2024 |
| OFM Review: Amy Hatfield           | Phone: (360) 280-7584 | Date: 02/27/2024 |

Request # 2195-3-1

## 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.*

Note: This fiscal note reflects Senate amendment AMS WM S5427.1 to 2SHB 2195, 2024 Legislative Session.

#### COMPARISON OF STRIKING AMENDMENT WITH SUBSTITUTE BILL:

The changes in the striking amendment do not impact the department.

#### CURRENT LAW:

Washington's capital gains tax became effective January 1, 2022. The tax is imposed on the sale or exchange of long-term capital assets. Only individuals are subject to payment of the tax. However, individuals can be liable for the tax because of their ownership interest in a pass-through or disregarded entity that sells or exchanges long-term capital assets. The tax equals 7% multiplied by an individual's Washington capital gains.

All revenues collected during fiscal year 2024 are distributed as follows:

- The first \$524 million is deposited in the Education Legacy Trust Account.
- Any remaining amounts are deposited into the Common School Construction Account.

The Department of Revenue (department) adjusts amounts deposited into the Education Legacy Trust Account for inflation each year.

#### PROPOSAL:

The proposal does not impact the department.

#### EFFECTIVE DATE:

This bill takes effect on July 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.*

This legislation results in no revenue impact on taxes administered by the department.

### 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 department will not incur any costs with the implementation of this legislation.

## Part III: Expenditure Detail

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

NONE

**III. B - Detail:** *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

Request # 2195-3-1

**III. C - 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

**Part V: New Rule Making Required**