

Multiple Agency Fiscal Note Summary

Bill Number: 1441 HB	Title: Broadband/repair and replace
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Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	1.2	0	0	449,383	1.1	0	0	397,256	1.1	0	0	397,256
Total \$	1.2	0	0	449,383	1.1	0	0	397,256	1.1	0	0	397,256

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.5	167,365	167,365	1.0	334,730	334,730	1.0	334,730	334,730
Department of Commerce	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Total \$	0.5	167,365	167,365	1.0	334,730	334,730	1.0	334,730	334,730

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

Agency Name	2025-27	2027-29	2029-31
	Total	Total	Total
Department of Commerce			
Staff	167,365	334,730	334,730
	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.		
Total \$	167,365	334,730	334,730

Prepared by: Myra Baldini, OFM	Phone: (360) 688-8208	Date Published: Final 1/28/2025
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Individual State Agency Fiscal Note

Bill Number: 1441 HB	Title: Broadband/repair and replace	Agency: 103-Department of Commerce
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Part I: Estimates



No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.4	1.1	1.2	1.1	1.1
Account					
Public Works Assistance Account-State 058-1	250,755	198,628	449,383	397,256	397,256
Total \$	250,755	198,628	449,383	397,256	397,256

Estimated Capital Budget Impact:

	2025-27		2027-29		2029-31	
	FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
Predesign/Design	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Grants/Loans	0	0	0	0	0	0
Staff	0	167,365	167,365	167,365	167,365	167,365
Other	0	0	0	0	0	0
Total \$	0	167,365	167,365	167,365	167,365	167,365

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

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: Emily Poole	Phone: 360-786-7106	Date: 01/21/2025
Agency Preparation: Jodi Barnes	Phone: (564) 669-0071	Date: 01/28/2025
Agency Approval: Jodi Barnes	Phone: (564) 669-0071	Date: 01/28/2025
OFM Review: Myra Baldini	Phone: (360) 688-8208	Date: 01/28/2025

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 of HB 1441 amends RCW 43.155.160 to modify the Public Works Board's (PWB) broadband program by adding maintenance and repair of broadband infrastructure in lieu of emergency broadband projects to its eligible grant and loan activities. Preapplications, advanced notice requirements, and challenges would not apply to replacement and repair projects.

A new definition applies to proposed broadband project throughout the proposed legislation, which would mean all funding applications, except those for repair or replacement.

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.

HB 1441 will require the Public Works Board (PWB) to modify an existing capital program. Reformation of the modified program proposed under this act will be contingent on a legislative appropriation in the operating budget.

The PWB assumes that an application cycle to “expand” broadband to unserved areas would be administered differently than an application cycle to “repair” or “replace” an existing system. The addition of a repair and replacement program would require updated program guidance, technical assistance, marketing, and likely rulemaking to update WAC 399-080.

The PWB also assumes its broadband awards would need to be offered through two different application cycles, leading to additional staff FTE and costs to run two programs within the PWB Broadband office. This includes the need to issue separate notices of funding opportunities, host separate educational sessions and workshops, answer questions for expansion concepts and repair/maintenance projects, review applications through separate processes, prepare materials for PWB review and award approval, conduct separate underwriting sessions for expansion projects and repair projects, and additional contract workloads.

The PWB assumes program reformation activities would begin July 1, 2025, and conclude by July 1, 2026.

0.50 FTE Commerce Specialist 4 (1,044 hours) FY26 and 0.35 FTE (731 hours) FY27-FY31 to direct the policy development needed to define activities eligible for repair or replacement. This includes undertaking necessary program application development, outreach, and education through webinars and information sessions with eligible applicants.

0.50 FTE Commerce Specialist 5 (1,044 hours) FY26 and 0.25 FTE (522 hours) FY27 -FY31 to oversee, direct, and strategically align the new policy and rulemaking for PWB approval and staff implementation. Staff will also support policy and program development and continuous improvement. Staff will present advanced technical business information to local governments, tribes, and other eligible applicants.

0.15 FTE Commerce Specialist 3 (313 hours) FY26 and 0.25 FTE (522 hours) FY27-FY31 to support program development activities, including rulemaking, outreach, and program marketing. Activities include program and project technical assistance in support of all eligible applicants.

0.10 FTE WMS 2 (209 hours) FY26-FY31 to provide leadership, oversight, supervision, and decision-making over all

program elements. Staff provide expert policy advice or consultation on various issues specific to the program and areas with agency-wide implications.

0.10 FTE Management Analyst 5 (209 hours) to ensure the program is in alignment with PWB policy and strategic direction and provide data input and analysis to support implementation, build in input to the state broadband account predictive model, and leverage any collaboration across state financing agencies through the infrastructure system improvement team called (Sync).

Salaries and Benefits:

FY26: \$170,193

FY27-FY31: \$131,421 each fiscal year

Goods and Services: In addition to the standard Goods and Services associated with additional FTEs, the PWB assumes that an Assistant Attorney General review of the guidance will be required. This includes assuming 20 hours at \$165/hour annually. The PWB also assumes that one Zoomgrants license will be needed for the repair and replacement program.

FY26: \$23,219

FY27-FY31: 22,919 each fiscal year

Travel:

FY26: \$1,350

FY27-FY31: \$1,050 each fiscal year

Intra-agency reimbursement:

FY26 - \$55,993

FY27-31: \$43,238 each fiscal year

Total Costs:

FY26: \$250,755

FY27-31: \$198,628 each fiscal year

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
058-1	Public Works Assistance Account	State	250,755	198,628	449,383	397,256	397,256
Total \$			250,755	198,628	449,383	397,256	397,256

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.4	1.1	1.2	1.1	1.1
A-Salaries and Wages	128,552	99,174	227,726	198,348	198,348
B-Employee Benefits	41,641	32,247	73,888	64,494	64,494
C-Professional Service Contracts					
E-Goods and Other Services	23,219	22,919	46,138	45,838	45,838
G-Travel	1,350	1,050	2,400	2,100	2,100
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	55,993	43,238	99,231	86,476	86,476
9-					
Total \$	250,755	198,628	449,383	397,256	397,256

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 2026	FY 2027	2025-27	2027-29	2029-31
Commerce Specialist 3	84,518	0.2	0.3	0.2	0.3	0.3
Commerce Specialist 4	88,794	0.5	0.4	0.4	0.4	0.4
Commerce Specialist 5	98,040	0.5	0.3	0.4	0.3	0.3
Management Analyst 5	98,040	0.1	0.1	0.1	0.1	0.1
WMS Band 2	126,529	0.1	0.1	0.1	0.1	0.1
Total FTEs		1.4	1.1	1.2	1.1	1.1

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Local Government Division (600)	250,755	198,628	449,383	397,256	397,256
Total \$	250,755	198,628	449,383	397,256	397,256

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
057-1	State Building Construction Account	State	0	167,365	167,365	334,730	334,730
Total \$			0	167,365	167,365	334,730	334,730

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

IV. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years		1.0	0.5	1.0	1.0
A-Salaries and Wages		89,370	89,370	178,740	178,740
B-Employee Benefits		29,114	29,114	58,228	58,228
C-Professional Service Contracts					
E-Goods and Other Services		8,950	8,950	17,900	17,900
G-Travel		950	950	1,900	1,900
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		38,981	38,981	77,962	77,962
9-					
Total \$	0	167,365	167,365	334,730	334,730

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

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

Construction Estimate	FY 2026	FY 2027	2025-27	2027-29	2029-31
Predesign/Design					
Construction					
Grants/Loans					
Staff		167,365	167,365	334,730	334,730
Other					
Total \$		167,365	167,365	334,730	334,730

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

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
Commerce Specialist 3	84,518		0.3	0.1	0.3	0.3
Commerce Specialist 4	88,794		0.4	0.2	0.4	0.4
Commerce Specialist 5	98,040		0.3	0.1	0.3	0.3
WMS Band 2	126,529		0.1	0.1	0.1	0.1
Total FTEs			1.0	0.5	1.0	1.0

The PWB assumes the capital budget impact is indeterminate and will vary based on the magnitude of an appropriation for its broadband repair and replacement program. That appropriation is indeterminate, and the PWB assumes it would deduct 3% for capital administrative costs. The number of awards will vary based on the appropriation and capital requests received. The following costs and assumptions are for illustrative purposes only.

0.35 FTE Commerce Specialist 4 (731 hours) FY27-FY31 to manage capital grants and compliance with contract requirements and to conduct site monitoring and site visits.

0.25 FTE Commerce Specialist 5 (522 hours) FY27 -FY31 to assign contracts and provide contract negotiation and execution support, lead project site monitoring and site visits, and provide oversight of contract management activities.

0.25 FTE Commerce Specialist 3 (522 hours) FY27-FY31 to provide contract management and program technical assistance in support of capital contracts and invoice verification, provide or build capacity around solicitation, origination, management, and the monitoring of project contracts.

0.10 FTE WMS 2 (209 hours) FY26-FY31 to provide leadership, oversight, supervision, and expertise of financed projects and consultation on issues specific to contract execution and project delivery, including portfolio management.

Salaries and benefits:

FY27-FY31: \$118,484 each fiscal year

Goods and services:

FY27-FY31: \$8,950 each fiscal year

Travel:

FY27-FY31: \$950 each fiscal year

Intra-agency reimbursements:

FY27-FY31: \$38,981 each fiscal year

Total Costs:

FY27-FY31: \$167,365 each fiscal year

Part V: New Rule Making Required

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

The PWB assumes that rulemaking would be required to update WAC 399-080 to integrate the updates under the proposed legislation. There are distinct differences between a repair and replacement program that maintains existing connectivity and a program that creates new broadband service connections. In addition, the definition of “unforeseen events” in a repair and replacement program would differ from the definition of unforeseen circumstances in an emergency program.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1441 HB	Title: Broadband/repair and replace
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

☒ Cities: Cities that choose to apply for a broadband grant or loan.

☒ Counties: Counties. Same as above.

☒ Special Districts: Special districts. Same as above.

☐ Specific jurisdictions only:

☐ Variance occurs due to:

Part II: Estimates

☐ No fiscal impacts.

☐ Expenditures represent one-time costs:

☐ Legislation provides local option:

☒ Key variables cannot be estimated with certainty at this time: The number of applications. The administrative and professional costs necessary to prepare and submit an application.

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

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

Part III: Preparation and Approval

Fiscal Note Analyst: Kristine Williams	Phone: (564) 669-3002	Date: 01/23/2025
Leg. Committee Contact: Emily Poole	Phone: 360-786-7106	Date: 01/21/2025
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 01/23/2025
OFM Review: Myra Baldini	Phone: (360) 688-8208	Date: 01/24/2025

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

Sec. 1 amends RCW 43.155.160 to clarify the administrative procedures governing the preapplication and award process used for broadband project applications funded by the Public Works Board. Proposed projects may include infrastructure repairs. Subsection 14 amends the definition of “proposed broadband project” to remove repair and replace public works broadband projects made necessary by unforeseen events. The preapplication, application and award processes described in subsections 5 through 9 apply to the "proposed broadband projects" and do not apply to repair and replace public works broadband projects described in subsection 14.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

This legislation would have an indeterminate expenditure impact on local governments.

It is assumed that the costs to prepare and submit state grant or loan applications for public works projects defined in subsection 14 would be reduced as these applications would not include requirements listed in subsections 5 through 9. However, the administrative costs for local governments to apply for the grants or loans would vary by project and jurisdiction and cannot be estimated. These costs are indeterminate.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

This legislation would have no revenue impact on local governments.