

Multiple Agency Fiscal Note Summary

Bill Number: 1314 HB	Title: Early learning facilities
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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	.6	277,917	277,917	277,917	.4	156,478	156,478	156,478	.4	152,478	152,478	152,478
Department of Children, Youth, and Families	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	0.6	277,917	277,917	277,917	0.4	156,478	156,478	156,478	0.4	152,478	152,478	152,478

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.3	117,871	117,871	.2	87,500	87,500	.2	87,500	87,500
Department of Commerce	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Department of Children, Youth, and Families	.0	0	0	.0	0	0	.0	0	0
Total \$	0.3	117,871	117,871	0.2	87,500	87,500	0.2	87,500	87,500

Estimated Capital Budget Breakout

Agency Name	2025-27	2027-29	2029-31
	Total	Total	Total
Department of Commerce			
Staff	117,871	87,500	87,500
	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.		
Total \$	117,871	87,500	87,500

Commerce fiscal notes is revised.

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

Bill Number: 1314 HB	Title: Early learning facilities	Agency: 103-Department of Commerce
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Part I: Estimates

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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	0.9	0.4	0.6	0.4	0.4
Account					
General Fund-State 001-1	201,678	76,239	277,917	156,478	152,478
Total \$	201,678	76,239	277,917	156,478	152,478

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	75,771	42,100	45,400	42,100	45,400	42,100
Other	0	0	0	0	0	0
Total \$	75,771	42,100	45,400	42,100	45,400	42,100

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:

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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).

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Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Dawn Eychaner	Phone: 360-786-7135	Date: 01/20/2025
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.

HB 1314 adds an emergency grant program for eligible organizations to the Department of Commerce's (Department) Early Learning Facilities (ELF) grant program. It clarifies ELF accounts and match requirements, allows tribal compact schools to receive school district funds and clarifies the Early Child Education Assistance Program (ECEAP) part-time to full-time slot conversion.

Section 1 amends RCW 43.31.565 to add a definition for tribal compact schools.

Section 2 amends RCW 43.31.569 to clarify expenditures and matching requirements from two capital ELF accounts. Emergency ELF grants are added as eligible activities for eligible organizations from the Ruth LeCocq Kagi Early Learning Facilities Revolving Account, which may be used as state matching funds for qualifying early learning investments, and the primary funding source associated with the Washington Early Learning Loan (WELL) Fund. Matching requirements are removed from the Ruth LeCocq Kagi Early Learning Facilities Development, which is the primary fund source associated with the Department's ELF capital investments for eligible organizations and school districts.

Section 3 amends RCW 43.31.571 to encourage leveraging non-state sources without a required match, and without considering the availability of non-state funding in the project selection of competitive grants.

Section 4 amends RCW 43.31.573 to provide authority for emergency ELF grants for the eligible organizations components to the program. Subject to appropriation for this specific purpose, Commerce has the authority to contract with one or more nongovernmental private-public partnerships certified by Community Development Financial Institutions to award and administer emergency project grants on an ongoing basis to eligible organizations.

Section 5 amends RCW 43.31.575 to add compact schools to eligible organizations grants and to remove the rulemaking authority option.

Section 6 amends RCW 43.31.577 to clarify ECEAP part-time to full-time slot conversion as eligible projects and provide authority for emergency ELF grants.

Section 7 amends RCW 43.31.579 and adds compact schools as eligible for ELF school district grant funding.

Section 9 adds a new section to chapter 43.31 RCW to allow the Department to adopt rules to implement ELF capital programs.

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 Department assumes fiscal impact under Section 4 of the proposed legislation and the creation of an emergency ELF program. The formation of the new capital program proposed under this act will be contingent on legislative appropriations in the operating budget.

The Department assumes that it would lead program development activities to form the new emergency ELF grant program, and the Early Learning Facilities Committee of Experts would be consulted in that process, such as criteria development and application prioritization. The Department assumes we would convene virtually for approximately two meetings, assuming three hours per meeting, with material preparation and facilitation provided by department staff.

The Department assumes a competitive request for proposal process would be required to select the grant administrator.

The Department assumes this new grant program would be a significant agency action and require an environmental justice assessment. This will require community outreach, engagement, and accessible communications with overburdened communities.

The timeline to inform program development would take between six and eight months, and hiring would occur on July 1, 2025, in alignment with budget authority.

The Department assumes minor updates to current program guidance to reflect new tribal compact school eligibility and to clarify modifications to match funding for school districts and eligible organizations funding, which is not a requirement, but evaluation criteria.

The Department does not assume rulemaking under the proposed legislation, as it provides the option but is not required.

0.70 FTE Commerce Specialist 3 (1,461 hours) in FY26 and 0.30 FTE (626 hours) in FY27-FY31 to manage program development, community outreach and consultation, procurement contracts, coordination with the Early Learning Facilities Committee of Experts, program marketing, data gathering to inform reporting requirements, to assist senior management with drafting legislation, representing the Department, developing policy positions, and coordinating the state's role concerning the implementation of the program.

0.10 FTE Commerce Specialist 5 (209 hours) in FY26 and 0.05 FTE (104 hours) in FY27-FY29 to hire staff and provide day-to-day direction of staff upon hire. Staff will also support and program development and continuous improvement. Staff will present advanced technical business information to early learning and associated organizations.

0.05 FTE WMS Band 2 (104 hours) in FY26-FY31 to provide leadership, oversight, supervision, and decision-making of the overall program elements. Staff provide expert policy advice or consultation on various issues specific to the program and areas with agency-wide implications.

Salaries and Benefits:

FY26: \$100,534

FY27-FY31: \$48,661 each fiscal year

Professional Service Contracts: The Department assumes two program documents would be translated into the nine most common English alternative languages in the state (\$1725 x 2 x 9), and that interpretive services will be required for two community events (\$3,500 x 3 x 2) to assist completion of the required environmental justice assessment.

FY26: \$52,050

Goods and services:

FY26: \$8,543

FY27-FY31: \$8,093 each fiscal year

Travel:

FY26-FY31: \$3,475 each fiscal year

Equipment:

FY26: \$4,000
 FY29: \$4,000

Intra-agency reimbursements:
 FY26: \$33,076
 FY27-FY31: \$16,010 each fiscal year

Total costs:
 FY26: \$201,678
 FY27-FY28: \$76,239 each fiscal year
 FY29: \$80,239
 FY30-FY31: \$76,239 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
001-1	General Fund	State	201,678	76,239	277,917	156,478	152,478
Total \$			201,678	76,239	277,917	156,478	152,478

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.9	0.4	0.6	0.4	0.4
A-Salaries and Wages	75,293	36,584	111,877	73,168	73,168
B-Employee Benefits	25,241	12,077	37,318	24,154	24,154
C-Professional Service Contracts	52,050		52,050		
E-Goods and Other Services	8,543	8,093	16,636	16,186	16,186
G-Travel	3,475	3,475	6,950	6,950	6,950
J-Capital Outlays	4,000		4,000	4,000	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	33,076	16,010	49,086	32,020	32,020
9-					
Total \$	201,678	76,239	277,917	156,478	152,478

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	0.7	0.3	0.5	0.3	0.3
Commerce Specialist 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		0.9	0.4	0.6	0.4	0.4

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Local Government Division (600)	201,678	76,239	277,917	156,478	152,478
Total \$	201,678	76,239	277,917	156,478	152,478

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	75,771	42,100	117,871	87,500	87,500
Total \$			75,771	42,100	117,871	87,500	87,500

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	0.4	0.2	0.3	0.2	0.2
A-Salaries and Wages	36,584	19,680	56,264	39,360	39,360
B-Employee Benefits	12,077	6,279	18,356	12,558	12,558
C-Professional Service Contracts					
E-Goods and Other Services	9,700	6,200	15,900	15,700	15,700
G-Travel	1,400	1,400	2,800	2,800	2,800
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	16,010	8,541	24,551	17,082	17,082
9-					
Total \$	75,771	42,100	117,871	87,500	87,500

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	75,771	42,100	117,871	87,500	87,500
Other					
Total \$	75,771	42,100	117,871	87,500	87,500

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	0.2	0.1	0.1
Commerce Specialist 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		0.4	0.2	0.3	0.2	0.2

Administration of the new emergency early learning program proposed under section 4 of this act is subject to legislative appropriation in the capital budget. That appropriation is indeterminate and depending on the appropriation level, program administration may be up to 4% for administrative costs. The number of emergency grants under the proposed legislation and additional program administration costs required by the selected grant administrator will vary based on the appropriation level. The Department would run a competitive request for proposals process to select a third-party grants administrator to

operate the emergency program established under this act, and may also deduct up to 4% for administrative expenses. The following expenses and assumptions are for illustrative purposes only.

0.30 FTE Commerce Specialist 3 (626 hours), in FY26 and 0.10 FTE (209 hours) FY27-FY31 to develop and administer the request for proposals to select the grants administrator; provide contract management for the selected grant administrator contract; and to provide program technical assistance of capital contract requirements to the selected grants administrator.

0.05 FTE Commerce Specialist 5 (104 hours) FY26-FY31 to provide contract negotiation and execution support of the selected grants administrator, lead project site monitoring and site visits, as needed, for the selected grantees, and to provide contracts expertise in support of the selected grants administrator's awards and processes

0.05 FTE WMS Band 2 (104 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:

FY26: \$48,661

FY27-FY31: \$25,959 each fiscal year

Goods and services: The Department estimates it will consult with the Assistant Attorney General (AAG) for an estimated 20 hours at \$165 per hour the first year (FY26) and every two years thereafter, depending on appropriation.

FY26: \$9,700

FY27: \$6,200

FY28: \$9,500

FY29: \$6,200

FY30: \$9,500

FY31: \$6,200

Travel:

FY26-FY31: \$1,400 each fiscal year

Intra-agency reimbursements:

FY26: \$16,010

FY27-FY31: \$8,541 each fiscal year

Total costs:

FY26: \$75,771

FY27: \$42,100

FY28: \$45,400

FY29: \$42,100

FY30: \$45,400

FY31: \$42,100

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: 1314 HB	Title: Early learning facilities	Agency: 307-Department of Children, Youth, and Families
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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: Dawn Eychaner	Phone: 360-786-7135	Date: 01/20/2025
Agency Preparation: Wendy Polzin	Phone: 2066702667	Date: 01/23/2025
Agency Approval: Crystal Lester	Phone: 360-628-3960	Date: 01/23/2025
OFM Review: Carly Kujath	Phone: (360) 790-7909	Date: 01/23/2025

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.

The proposed legislation makes changes to the implementation of the Early Learning Facilities grant and loan program.

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.

NONE

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 proposed legislation makes changes to the implementation of the Early Learning Facilities grant and loan program, operated by the Department of Commerce. The changes in this legislation do not create a fiscal impact on the Department of Children, Youth, and Families.

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.