

Multiple Agency Fiscal Note Summary

| | |
|-----------------------------|-----------------------------------|
| Bill Number: 1938 HB | Title: State flag redesign |
|-----------------------------|-----------------------------------|

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 |
| Office of the Secretary of State | .1 | 36,000 | 36,000 | 36,000 | .0 | 2,226,000 | 2,226,000 | 2,226,000 | .0 | 0 | 0 | 0 |
| Washington State Arts Commission | .2 | 73,368 | 73,368 | 73,368 | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 |
| Washington State Historical Society | Fiscal note not available | | | | | | | | | | | |
| Total \$ | 0.3 | 109,368 | 109,368 | 109,368 | 0.0 | 2,226,000 | 2,226,000 | 2,226,000 | 0.0 | 0 | 0 | 0 |

Estimated Capital Budget Expenditures

| Agency Name | 2025-27 | | | 2027-29 | | | 2029-31 | | |
|-------------------------------------|---------------------------|----------|----------|------------|----------|----------|------------|----------|----------|
| | FTEs | Bonds | Total | FTEs | Bonds | Total | FTEs | Bonds | Total |
| Office of the Secretary of State | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Washington State Arts Commission | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Washington State Historical Society | Fiscal note not available | | | | | | | | |
| Total \$ | 0.0 | 0 | 0 | 0.0 | 0 | 0 | 0.0 | 0 | 0 |

Estimated Capital Budget Breakout

NONE

| | | |
|--------------------------------------|---------------------------------|---|
| Prepared by: Megan Tudor, OFM | Phone: (360) 890-1722 | Date Published: Preliminary 2/17/2025 |
|--------------------------------------|---------------------------------|---|

Individual State Agency Fiscal Note

| | | |
|-----------------------------|-----------------------------------|---|
| Bill Number: 1938 HB | Title: State flag redesign | Agency: 085-Office of the Secretary of State |
|-----------------------------|-----------------------------------|---|

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 | 0.1 | 0.1 | 0.1 | 0.0 | 0.0 |
| Account | | | | | |
| General Fund-State 001-1 | 18,000 | 18,000 | 36,000 | 2,226,000 | 0 |
| Total \$ | 18,000 | 18,000 | 36,000 | 2,226,000 | 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: Desiree Omli | Phone: 360-786-7105 | Date: 02/10/2025 |
| Agency Preparation: Bonnie Luntzel | Phone: 360-704-5262 | Date: 02/13/2025 |
| Agency Approval: Tim Gallivan | Phone: (360) 763-2044 | Date: 02/13/2025 |
| OFM Review: Marie Davis | Phone: (360) 890-1163 | Date: 02/16/2025 |

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 2 establishes a 15-member committee responsible for designing and adopting a new state flag. The committee members include state officials, legislators, historians, designers, cultural leaders, tribal representatives, and citizen appointees. The Washington State Arts Commission provides administrative support.

Committee responsibilities include:

1. Conduct public engagement efforts, including design submissions, outreach to schools, and forums.
2. Review submissions and selects up to five final designs.
3. Approve one final flag design by unanimous vote.
4. Submit a final report to the Legislature and Governor by August 1, 2028, outlining:
 - o The new flag design and its symbolic meaning.
 - o A revised state law (RCW 1.20.010) to describe the new flag.
 - o Legislative steps required for public approval.
5. The committee may contract with Flag design experts (vexillologists) or other technical professionals.
6. Expiration date: January 1, 2029 (committee disbands after this date).

Section 3 updates RCW 1.20.010 to require a public referendum before adopting any new state flag design.

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.

No Impact.

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.

Section 2: 0.1 WMS III will be required to prepare and attend quarterly meetings throughout the 2025-27 biennium. The cost is \$18,000 per fiscal year for compensation and standard costs.

Section 3: OSOS assumes once the report is submitted to the legislature on August 1, 2028, a public referendum will be put on the November ballot in the same year. Implementation costs for the Office of the Secretary of State (OSOS) in FY 2029 include:

- Voter's Pamphlet: The constitutional amendment (estimated 8 pages) will cost approximately \$418,000. This estimate is based on historical costs of similar efforts (\$405,582) adjusted for inflation (3%), calculated as $\$405,582 \times 1.03 = \$417,749$ (rounded to \$418,000 for reporting purposes). Costs cover printing, composition, and translation.
- Election Costs: Adding a statewide measure will increase election costs by \$1,808,000. This is calculated using the average per-voter cost in odd years (2021: \$0.70; 2023: \$0.65; average: \$0.68). The additional voters are estimated as 5,011,000 total registered voters – 2,352,647 voters in current elections = 2,658,353. The cost is $2,658,353 \times \$0.68 = \$1,807,680$ (rounded to \$1,808,000 for reporting purposes).

Standard cost applicable to this bill:

- Goods & Services (Object E): \$29,000 per FTE annually for supplies, communications, training, and subscriptions.
- Administrative Allocation (Object T): 15%, based on OSOS cost allocation processes.

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 | 18,000 | 18,000 | 36,000 | 2,226,000 | 0 |
| Total \$ | | | 18,000 | 18,000 | 36,000 | 2,226,000 | 0 |

III. B - Expenditures by Object Or Purpose

| | FY 2026 | FY 2027 | 2025-27 | 2027-29 | 2029-31 |
|--------------------------------------|---------|---------|---------|-----------|---------|
| FTE Staff Years | 0.1 | 0.1 | 0.1 | | |
| A-Salaries and Wages | 10,000 | 10,000 | 20,000 | | |
| B-Employee Benefits | 3,000 | 3,000 | 6,000 | | |
| C-Professional Service Contracts | | | | | |
| E-Goods and Other Services | 3,000 | 3,000 | 6,000 | 2,226,000 | |
| 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 | 2,000 | 2,000 | 4,000 | | |
| 9- | | | | | |
| Total \$ | 18,000 | 18,000 | 36,000 | 2,226,000 | 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 2026 | FY 2027 | 2025-27 | 2027-29 | 2029-31 |
|-------------------------------|--------|---------|---------|---------|---------|---------|
| WMS 3 - OSOS Committee Member | 99,758 | 0.1 | 0.1 | 0.1 | | |
| Total FTEs | | 0.1 | 0.1 | 0.1 | | 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: 1938 HB | Title: State flag redesign | Agency: 387-Washington State Arts Commission |
|-----------------------------|-----------------------------------|---|

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 | 0.2 | 0.2 | 0.2 | 0.0 | 0.0 |
| Account | | | | | |
| General Fund-State 001-1 | 38,040 | 35,328 | 73,368 | 0 | 0 |
| Total \$ | 38,040 | 35,328 | 73,368 | 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: Desiree Omli | Phone: 360-786-7105 | Date: 02/10/2025 |
| Agency Preparation: Korja Giles | Phone: (360) 485-1106 | Date: 02/13/2025 |
| Agency Approval: Deane Shellman | Phone: 3606221743 | Date: 02/13/2025 |
| OFM Review: Megan Tudor | Phone: (360) 890-1722 | Date: 02/17/2025 |

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 1938 relates to the redesign of the Washington state flag.

Section 1 addresses criticism of the current flag design and justification to pursue a redesign.
Section 2 establishes the Washington state flag redesign committee and tasks the committee to approve and adopt a design by July 1, 2028, to be submitted to vote by ballot.
Section 3 establishes that the official flag of the state of Washington may not be redesigned without a referendum to adopt the proposed new design.

As the lead agency, the Arts Commission (ARTS) anticipates some fiscal impact, as the agency director or a designee would be tasked to serve as the chair of the Washington state flag redesign committee, and the Commission would provide administrative support, including facilitating public outreach, forums, virtual discussions and online surveys. Staff time to complete this work is estimated to be less than \$50,000 a year.

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.

Expenses include salary/benefits for staff time estimated at 0.20 FTE to chair the design committee and provide associated administrative support, including facilitating public outreach, forums, virtual discussions and online surveys.

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 | 38,040 | 35,328 | 73,368 | 0 | 0 |
| Total \$ | | | 38,040 | 35,328 | 73,368 | 0 | 0 |

III. B - Expenditures by Object Or Purpose

| | FY 2026 | FY 2027 | 2025-27 | 2027-29 | 2029-31 |
|--------------------------------------|---------|---------|---------|---------|---------|
| FTE Staff Years | 0.2 | 0.2 | 0.2 | | |
| A-Salaries and Wages | 17,884 | 18,420 | 36,304 | | |
| B-Employee Benefits | 6,045 | 6,226 | 12,271 | | |
| C-Professional Service Contracts | 5,000 | 8,000 | 13,000 | | |
| E-Goods and Other Services | 5,111 | 1,682 | 6,793 | | |
| G-Travel | 4,000 | 1,000 | 5,000 | | |
| 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 \$ | 38,040 | 35,328 | 73,368 | 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 2026 | FY 2027 | 2025-27 | 2027-29 | 2029-31 |
|---------------------------------------|--------|---------|---------|---------|---------|---------|
| Communications/Administrative Support | 88,225 | 0.2 | 0.2 | 0.2 | | |
| Community Investments Program Manager | 92,997 | 0.1 | 0.1 | 0.1 | | |
| Total FTEs | | 0.2 | 0.2 | 0.2 | | 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.