

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5722 SB	<b>Title:</b> Local farming grant program
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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 Agriculture	.0	0	0	0	.0	0	0	0	.0	0	0	0
Employment Security Department	.4	512,079	512,079	512,079	.2	375,484	375,484	375,484	.2	375,484	375,484	375,484
Employment Security Department	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
<b>Total \$</b>	<b>0.4</b>	<b>512,079</b>	<b>512,079</b>	<b>512,079</b>	<b>0.2</b>	<b>375,484</b>	<b>375,484</b>	<b>375,484</b>	<b>0.2</b>	<b>375,484</b>	<b>375,484</b>	<b>375,484</b>

## Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Agriculture	.0	0	0	.0	0	0	.0	0	0
Employment Security Department	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Breakout

NONE

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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5722 SB	<b>Title:</b> Local farming grant program	<b>Agency:</b> 495-Department of Agriculture
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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.

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<b>Agency Preparation:</b> Laura Butler	<b>Phone:</b> 360-810-0320	<b>Date:</b> 02/13/2025
<b>Agency Approval:</b> Nicholas Johnson	<b>Phone:</b> (360) 902-2055	<b>Date:</b> 02/13/2025
<b>OFM Review:</b> Matthew Hunter	<b>Phone:</b> (360) 529-7078	<b>Date:</b> 02/13/2025

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.

Senate Bill 5722 Section. 1. Is creating a grant program to promote local workforce development, reduce transportation pollution, and strengthen food sovereignty and climate and disaster resiliency for farmers. Farmers may be offered grant funding in an amount up to eight weeks of their paid overtime during peak harvest for their specialty crop, up to \$40,000.

The proposed legislation does not have any fiscal impact to Washington State Department of Agriculture.

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

Revised

<b>Bill Number:</b> 5722 SB	<b>Title:</b> Local farming grant program	<b>Agency:</b> 540-Employment Security Department
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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	0.5	0.2	0.4	0.2	0.2
<b>Account</b>					
General Fund-State 001-1	324,337	187,742	512,079	375,484	375,484
<b>Total \$</b>	324,337	187,742	512,079	375,484	375,484

In addition to the estimates above, there are additional indeterminate costs 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: Jarrett Sacks	Phone: 360-786-7448	Date: 02/11/2025
Agency Preparation: Pouth Ing	Phone: 360 890 3500	Date: 02/20/2025
Agency Approval: Sophal Espiritu	Phone: (360) 902-9254	Date: 02/20/2025
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 02/25/2025

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.

This bill creates a grant program to help certain small farmers recoup money paid for overtime work during the farmer’s peak season. Eligible farms may receive up to the equivalent of eight weeks of paid overtime, up to \$40,000.

Section 1 - New section

Covered farms must:

- Grow handpicked specialty crops that are:
  - o Sold to consumers at local markets, or
  - o Sold or donated to local schools or foodbanks.
- Hire only domestic workers, and
- Be owned and operated by a Washington resident.

Eligible farms may receive up to the equivalent of eight weeks of paid overtime (up to \$40,000).

Section 2

Adds grant administration to the duties of the Agricultural and Seasonal Workforce Office.

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.

Expenditure impact is indeterminate. Employment Security Department does not know the exact number of farms that could be eligible for this program because there is no single or clear source of data that identifies farms using the eligibility criteria outlined in Section 1. After conducting research and consulting resources such as the U.S. Department of Agriculture and H-2A program data from the U.S. Citizenship and Immigration Services, ESD is providing an estimated 454 farms will be eligible for the grant as a probable scenario.

Though ESD was able to generate a general estimate of the number of eligible farms, the agency has no way to know the amount of overtime those farms may pay during their eight-week window, how many that do pay overtime would apply for the grant, or how much overtime was accrued per farm. With this, the annual grant payments are indeterminant as the agency is unable to provide a reliable estimate.

See attached titled "Expenditure Impact Narrative FN".

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	324,337	187,742	512,079	375,484	375,484
Total \$			324,337	187,742	512,079	375,484	375,484

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

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

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.5	0.2	0.4	0.2	0.2
A-Salaries and Wages	43,983	18,473	62,456	36,946	36,946
B-Employee Benefits	17,593	7,389	24,982	14,778	14,778
C-Professional Service Contracts					
E-Goods and Other Services	97,575	3,182	100,757	6,364	6,364
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	154,000	154,000	308,000	308,000	308,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	11,186	4,698	15,884	9,396	9,396
9-					
<b>Total \$</b>	<b>324,337</b>	<b>187,742</b>	<b>512,079</b>	<b>375,484</b>	<b>375,484</b>

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

### 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
Management Analyst 5	84,516	0.5	0.2	0.4	0.2	0.2
<b>Total FTEs</b>		<b>0.5</b>	<b>0.2</b>	<b>0.4</b>	<b>0.2</b>	<b>0.2</b>

### 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.*

Rulemaking would be needed to provide additional definitions and clarifications for grant administration under RCW 50.75.

## Expenditure Impact Narrative

Employment Security Department does not know the exact number of farms that could be eligible for this program because there is no single or clear source of data that identifies farms using the eligibility criteria outlined in Section 1. After conducting research and consulting resources such as the U.S. Department of Agriculture and H-2A program data from the U.S. Citizenship and Immigration Services, ESD is providing an estimated 454 farms will be eligible for the grant as a probable scenario.

Though ESD was able to generate a general estimate of the number of eligible farms, the agency has no way to know the amount of overtime those farms may pay during their eight-week window, how many that do pay overtime would apply for the grant, or how much overtime was accrued per farm. With this, the annual grant payments are indeterminant as the agency is unable to provide a reliable estimate.

This bill creates a grant program to help certain small farmers recoup money paid for overtime work during the farmer's peak season. Eligible farms may receive up to the equivalent of eight weeks of paid overtime, up to \$40,000.

To be eligible, a farm must:

- Grow handpicked specialty crops that are:
  - Sold to consumers at local markets, or
  - Sold or donated to local schools or foodbanks
- Hire only domestic workers, and
- Be owned and operated by a Washington resident.

ESD estimates that approximately **454 farms** will be eligible for the grant.

### Grant application estimate assumptions:

1. The "Value of food sold directly to markets, institutions, and food hubs for local or regionally branded products" lists 1,142 farms in 2017 and 1,812 farms in 2022. Averaging those together, we assume there are 1,477 farms that sold to consumers at local market or sold or donated to local schools or foodbanks (2022 USDA Census of Agriculture).
2. There are 3,669 total establishments for Crop Producers (NAICS 111) in the Quarterly Census of Employment and Wages (U.S. Bureau of Labor Statistics). In Washington, there are 150 establishments identified as participating in the H-2A program (H-2A Employer Data Hub). That leaves 3,519 establishments that could be considered as only hiring domestic workers, or 96% of establishments.
3. Approximately 32% of Washington farms are dedicated to growing fruit or other crops that tend to be harvested by hand (Washington Census of Agriculture).
4. About 34% of U.S. family farms received some type of grant in 2021 (USDA Economic Research Service).

**1,477 farms X 96% of farms that use domestic workers X 32% of farms likely to hand harvest = 454 eligible farms**

**454 eligible farms X 34% of farms using grants = 154 applications**



Grant estimate assumptions:

% of maximum award used	% of eligible employers that apply				
	10% (16)	25% (40)	50% (80)	75% (119)	100% (159)
10%	<b>\$61,600*</b>	<b>\$154,000*</b>	<b>\$308,000*</b>	<b>\$462,000*</b>	<b>\$616,000*</b>
25%	\$154,000	\$385,000	\$770,000	\$1,155,000	\$1,540,000
50%	\$308,000	\$770,000	\$1,540,000	\$2,310,000	\$3,080,000
75%	\$462,000	\$1,155,000	\$2,310,000	\$3,465,000	\$4,620,000
100%	\$616,000	\$1,540,000	\$3,080,000	\$4,620,000	\$6,160,000

Local Farms, Workers, and Food Overtime Reimbursement Grant (Overtime Grant)

The Washington State Department of Agriculture (WSDA) was directed by the Legislature to administer a grant program for vegetable farmers to reimburse qualifying overtime wages paid to their employees. The parameters of the Overtime Grant are similar to the requirements in SB 5722. The grant opened on January 3, 2025, and will close when all available funds are awarded, but no later than June 30, 2025. The grant was appropriated \$250,000.

Local Farms, Workers, and Food Overtime Reimbursement Grant Chapter 376, Laws of 2024 Sec. 311 (39)		Senate Bill 5722
<b>Purpose</b>	Sec 311 (39)(a) Promote hiring local workers, providing locally grown food, reducing transportation pollution, and strengthening food sovereignty and climate and disaster resiliency.	Sec 1 (1) Creating a grant program to: <ul style="list-style-type: none"> <li>Promote hiring local workers,</li> <li>Reduce transportation pollution</li> <li>Strengthen food sovereignty and climate disaster resiliency.</li> </ul>
<b>To qualify</b>	Sec 311 (39)(b) The farm must: <ul style="list-style-type: none"> <li>Grow handpicked specialty crop vegetables that are provided to local markets or schools,</li> <li>Hire only domestic agricultural workers,</li> <li>Be owned and operated by a state resident.</li> </ul>	Sec 1 (2) The farm must: <ul style="list-style-type: none"> <li>Grow handpicked specialty crops that are sold to consumers at local markets or sold or donated to local schools or food banks,</li> <li>Hire only domestic workers</li> <li>Be owned and operated by a state resident</li> </ul>
<b>Reimbursement</b>	Sec 311 (39)(c) <ul style="list-style-type: none"> <li>The equivalent of four weeks of their paid overtime hours during peak harvest for their specialty crop, up to \$20,000.</li> </ul>	Sec 1 (3) <ul style="list-style-type: none"> <li>The equivalent of eight weeks of their paid overtime hours during peak harvest for their specialty crop, up to \$40,000.</li> </ul>
<b>Administration</b>	Department of Agriculture	Employment Security Department, Agricultural and Seasonal Workforce Services office

\*The WSDA Overtime Grant launched on January 3, 2025. Available data on the program is limited. In the first weeks of the program, the average request was for a reimbursement of \$9,609, or roughly 10% of the available reimbursement under SB 5777. The Overtime Grant program is too new to draw reliable conclusions on the estimated number of applications ESD may receive.

Grant application processing assumptions:

Estimates are based on previous experience administering similar pass-through grants through a Request for Proposal (RFP) process. Each grant application is expected to take 2 hours to review, validate, assess and process. The initial RFP design is estimated to take approximately 432 hours.

FY26 – 740 hours

- 432 hours for RFP development
- 154 applications x 2 hours per application = 308 hours

Employment System Policy and Integrity – Grants Management Office (ESPI-GMO) One-time costs

Staffing estimates are one-time in FY26 and include:

740 Hours or 0.5 FTE – Management Analyst 5 for design, publish, and review application through an RFP.

ESPI-GMO ongoing costs

Staffing estimates are (FY27 – ongoing):

308 hours or 0.21 FTE – Management Analyst 5 to update, publish, and review applications through an RFP.

Policy & Rulemaking needed to provide additional definitions and clarifications for grant administration under RCW 50.75.

Standard major rulemaking costs is \$90,000.