

Multiple Agency Fiscal Note Summary

Bill Number: 2784 HB	Title: Small business incubator prg
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Estimated Cash Receipts

Agency Name	2003-05		2005-07		2007-09	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost. Please see discussion."					
Total \$	0	0	0	0	0	0

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

Estimated Expenditures

Agency Name	2003-05			2005-07			2007-09		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Community, Trade, and Economic Development	.8	270,394	270,394	1.5	524,188	524,188	1.5	524,188	524,188
Total	0.8	\$270,394	\$270,394	1.5	\$524,188	\$524,188	1.5	\$524,188	\$524,188

Local Gov. Courts *									
Local Gov. Other **									
Local Gov. Total									

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Prepared by: Robin Campbell, OFM	Phone: 360-902-0575	Date Published: Final 1/29/2004
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

Individual State Agency Fiscal Note

Bill Number: 2784 HB	Title: Small business incubator prg	Agency: 090-Office of State Treasurer
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Indeterminate Impact

Estimated Expenditures from:

	FY 2004	FY 2005	2003-05	2005-07	2007-09
Fund					
Total \$					

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: Tracey Taylor	Phone: 360-786-7196	Date: 01/21/2004
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 01/22/2004
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 01/22/2004
OFM Review: Deborah Feinstein	Phone: 360-902-0614	Date: 01/22/2004

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

HB 2784 creates the Small Business Incubator Account. Earnings from investments will be credited to the General Fund.

Earnings from investments:

The amount of earnings by an account is a function of the average daily balance of the account and the earnings rate of the investment portfolio. The average daily balance is a function of the beginning balance in the account and the timing & amount of receipts, disbursements, & transfers during the time period in question. Accordingly, even with a beginning balance of zero, two accounts with the same overall level of receipts, disbursements, and transfers can have different average balances, and hence differing earnings.

There will be an impact to the earnings; however, the actual earnings will be determined more by the impact to the average daily balance than the amount of increases or decreases in receipts, disbursements, and transfers. Currently, estimated earnings are indeterminable. Without projected monthly estimates of receipts, disbursements, and transfers, OST is unable to estimate the changes to the average balance of the account and the impact to earnings.

Based on the November 2003 Revenue Forecast, the net rate for estimating earnings for FY 04 is 0.70%, FY 05 is 1.05%, FY 06 is 1.80%, and FY 07 is 2.25%. Approximately \$7,000 in FY 04 and \$10,500 in FY 05 in net earnings and \$5,000 in OST management fees would be gained or lost annually for every \$1 million increase or decrease in average daily balance.

Debt Limit:

There will be a minor impact on the Debt Service Limitation calculation. Any increase to the earnings credited to the General Fund will increase, by an equal amount, General State Revenues.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

HB 2784 creates the Small Business Incubator Account. Earnings from investments will be credited to the General Fund.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2004	FY 2005	2003-05	2005-07	2007-09
FTE Staff Years					
Total:					

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 2784 HB	Title: Small business incubator prg	Agency: 103-Community, Trade & Economic Develop
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2004	FY 2005	2003-05	2005-07	2007-09
FTE Staff Years	0.0	1.5	0.8	1.5	1.5
Fund					
General Fund-State 001-1	0	270,394	270,394	524,188	524,188
Total \$	0	270,394	270,394	524,188	524,188

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: Tracey Taylor	Phone: 360-786-7196	Date: 01/21/2004
Agency Preparation: Kathy Chance	Phone: (360)725-4033	Date: 01/29/2004
Agency Approval: Dick Larman	Phone: 360-725-4057	Date: 01/29/2004
OFM Review: Robin Campbell	Phone: 360-902-0575	Date: 01/29/2004

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

Section 1 - Establishes state policy to assist in the creation and expansion of innovative small, commercial enterprises to be implemented through the use of small business incubators.

Section 2 - Definitions:

Description of what a business incubator is, as well as what is a qualified small business incubator for purposes of this bill.

A qualified small business incubator must be designated as a non-profit 501 (c) (3) focused on developing small businesses in an economically distressed or disadvantaged area. The incubator must have a sound business plan and be in compliance with standards developed by CTED in consultation with the Washington Association of Small Business Incubators.

Section 3 - Creates the small business incubator program to be administered by Community, Trade and Economic Development. CTED shall award grants to qualified incubators for construction and equipment needs. CTED cannot be the only source of funds for the project. CTED will provide operating assistance up to \$125,000 per year in the form of support services for operation of incubator facilities.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Fiscal impact assumptions are;

It is assumed that CTED will provide operating grants up to \$125,000 per year for operation of incubator facilities. Also, there would be support in the form of services that could include technical support services such as identification of resources, i.e. financing mechanisms for small businesses, presentations to the industry and small businesses on various topics of interest, arranging trainings for the managers of facilities, and assist in preparation of a feasibility study.

It is unknown at this time how much funding will be made available for construction grants to small business incubators, or how many applicants would qualify for grants. For these reasons, the amount of grants authorized in Section 3(2) is indeterminate.

Staffing assumptions:

1 FTE Program Manager/Technical Specialist 3 needed to develop, implement and manage the program.
.50 FTE at Office Assistant Senior level to assist the program manager carry out the program.

Goods and Services assumptions are:

Training and professional development	\$2,250 per year (\$1,500 Program Manager/\$750 OAS)
Space	\$2,655 per year
DOP and Seat of Government	\$ 571 per year

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Bill # 2784 HB

Supplies, printing cost, cell phone, etc
 Attorney General Costs
 start-up)

\$2,700 per year (\$1,800 Program Manager/\$900 OAS)
 \$1,000 per year (FYI 05 then 500 per year after initial

Travel: Statewide

\$3,600 per year (\$300 per month for Program Manager)

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2004	FY 2005	2003-05	2005-07	2007-09
FTE Staff Years		1.50	0.8	1.5	1.5
A-Salaries and Wages		72,060	72,060	144,120	144,120
B-Employee Benefits		18,015	18,015	36,030	36,030
C-Personal Service Contracts					
E-Goods and Services		9,176	9,176	17,352	17,352
G-Travel		3,600	3,600	7,200	7,200
J-Capital Outlays		9,120	9,120	3,000	3,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		125,000	125,000	250,000	250,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		33,423	33,423	66,486	66,486
Total:	\$0	\$270,394	\$270,394	\$524,188	\$524,188

III. B - 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 2004	FY 2005	2003-05	2005-07	2007-09
Office Assistant Senior	27,636		0.5	0.3	0.5	0.5
Prg Mngr/Tech Spec 3	57,252		1.0	0.5	1.0	1.0
Total FTE's			1.5	0.8	1.5	1.5

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.