

Multiple Agency Fiscal Note Summary

Bill Number: 1912 S HB	Title: Economic development info.
-------------------------------	--

Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	1.8	413,174	413,174	413,174	1.7	660,840	660,840	660,840	1.7	630,840	630,840	630,840
Department of Revenue	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Labor and Industries	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Licensing	.0	0	0	0	.0	0	0	0	.0	0	0	0
Employment Security Department	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	1.8	413,174	413,174	413,174	1.7	660,840	660,840	660,840	1.7	630,840	630,840	630,840

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Department of Labor and Industries	.0	0	0	.0	0	0	.0	0	0
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
Employment Security Department	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Prepared by: Cheri Keller, OFM	Phone: (360) 584-2207	Date Published: Final 1/29/2024
---------------------------------------	---------------------------------	---

Individual State Agency Fiscal Note

Bill Number: 1912 S HB	Title: Economic development info.	Agency: 103-Department of Commerce
-------------------------------	--	---

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.9	1.7	1.8	1.7	1.7
Account					
General Fund-State 001-1	0	413,174	413,174	660,840	630,840
Total \$	0	413,174	413,174	660,840	630,840

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: Martha Wehling	Phone: 360-786-7067	Date: 01/19/2024
Agency Preparation: Chad Johnson	Phone: 360-725-5028	Date: 01/22/2024
Agency Approval: Chad Johnson	Phone: 360-725-5028	Date: 01/22/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/23/2024

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.

Sec. 1 (New Section) - Requires the Department of Commerce to collect information on Washington State businesses from multiple Agencies (DOR, L&I, ESD, Licensing) on the following: annual revenue, number of employees and occupation, aggregated payroll and NAICS (North American Industry Classification) code assigned to the business. Contracted ADOs (Associate Development Organizations) must have access to this information from the County for which they are designated. Prior to receiving any data, ADOs must complete training developed by the Department around access, use and confidentiality.

Section 2 was removed in the substitute - only change to the bill.

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.

For implementing the design, development and implementation of the training requirement under Sec. 1 (3), the Department has the following expenditures:

- 0.5 FTE Commerce Specialist 3 - FY25 through FY29 to oversee the data training program. Integrate ongoing agency protocols for data access, use and confidentiality. Convene regular training sessions with Associate Development Organizations to ensure the following of Agency protocols and standards. Coordinate and collaborate with Information Services Unit for development of training materials.

- \$3,534 Goods and services for training materials

FY2025 total \$80,322

For implementing Sec. 1 (1) of the bill requiring the collection of multi-agency business data and providing access to contracted Associate Development Organizations, the following expenditures apply:

- \$50,000 for FY25 and FY26, to provide initial support and consultation on architecting, developing and standing up this secure site.

- 0.5 FTE IT Data Management – Journey (1,044 hours) in FY25 and 0.3 FTE (626 hours) in FY 26 – FY29 for overall system and data aggregation coordination between Commerce and other entities. Oversee and establish data security and access protocols and work closely with BA and App Development staff for system design efforts. Coordinate and collaborate with OEDC to provide ADO guidance and training. Work with staff to develop DSA tracking workflow system

- 0.3 IT Business Analyst – Journey (626 hours) in FY25 – FY29 for significant system development and upgrades to the data application including specifications, requirements collection and coordination, data services and aggregation tools, including major data system upgrades for new programs and ongoing maintenance and periodic upgrades thereafter. Coordinate with Data Management staff, OEDC staff and ADO staff to develop and assist in data security and data access training for system users.

- 0.3 IT App Development – Journey (626 hours) in FY25 – FY29 for system development, and maintenance for upgrades to the data and data reporting database

- 0.3 IT Systems Admin – Journey (626 hours) in FY25 - FY29 for security, user management, data backups, system/server configuration and management

- \$4,000 goods and services

- \$20,000 initial equipment for IS FTEs
 Total FY 25 Costs \$332,852

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	413,174	413,174	660,840	630,840
Total \$			0	413,174	413,174	660,840	630,840

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29	
FTE Staff Years	1.9	1.7	1.8	1.7	1.7	
A-Salaries and Wages		192,084	192,084	340,462	340,462	
B-Employee Benefits		60,467	60,467	107,824	107,824	
C-Professional Service Contracts		50,000	50,000	50,000		
E-Goods and Other Services		7,534	7,534	15,068	15,068	
G-Travel						
J-Capital Outlays		20,000	20,000		20,000	
M-Inter Agency/Fund Transfers						
N-Grants, Benefits & Client Services						
P-Debt Service						
S-Interagency Reimbursements						
T-Intra-Agency Reimbursements		83,089	83,089	147,486	147,486	
9-						
Total \$		0	413,174	413,174	660,840	630,840

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 2024	FY 2025	2023-25	2025-27	2027-29
Commerce Specialist 3		0.5	0.5	0.5	0.5	0.5
IT App Developer Journey	104,028	0.3	0.3	0.3	0.3	0.3
IT Bus Analyst Journey	104,028	0.3	0.3	0.3	0.3	0.3
IT Data Mgmt Journey	109,260	0.5	0.3	0.4	0.3	0.3
IT System Administrator Journey	109,260	0.3	0.3	0.3	0.3	0.3
Total FTEs		1.9	1.7	1.8	1.7	1.7

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Program Support (IS) (100)		332,852	332,852	500,196	470,196
Office of Economic Development and Competitiveness (700)		80,322	80,322	160,644	160,644
Total \$		413,174	413,174	660,840	630,840

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.

Department of Revenue Fiscal Note

Bill Number: 1912 S HB	Title: Economic development info.	Agency: 140-Department of Revenue
-------------------------------	--	--

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated 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: Martha Wehling	Phone: 60-786-7067	Date: 01/19/2024
Agency Preparation: Amy Afdem	Phone: 60-534-1568	Date: 01/27/2024
Agency Approval: Valerie Torres	Phone: 60-534-1521	Date: 01/27/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/28/2024

Request # 1912-2-1

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.

Note: This fiscal note reflects language in SHB 1912, 2024 Legislative Session.

COMPARISON OF SUBSTITUTE BILL WITH ORIGINAL BILL:

The substitute bill removes the Department of Licensing from one of the agencies the Department of Commerce collects information from and removes the apprenticeship information and requirement for the Department of Labor & Industries to publish this data on its website.

CURRENT LAW:

The Department of Revenue is not required to provide a business's revenue to the Department of Commerce.

PROPOSAL:

This bill requires the Department of Commerce to collect the following information from the Department of Revenue, Department of Labor and Industries, and Employment Security Department for each business in Washington:

- The business's annual revenue.
- The number of employees and their occupations.
- The business's aggregated payroll.
- The North American Industry Classification System (NAICS) code assigned to the business.

EFFECTIVE DATE:

The bill takes effect 90 days after the final adjournment of the session.

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.

This legislation results in no revenue impact on taxes administered by the Department of Revenue (department).

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 will have minimal costs of approximately \$3,340 in fiscal year 2025 associated with the data sharing agreement set-up process and fulfilling data needs using existing extracts.

The department will have minimal costs of approximately \$700 in subsequent fiscal years for similar activities in the fiscal year 2025 costs.

The department will absorb these costs within current funding.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

NONE

III. B - Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. C - 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

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 1912 S HB	Title: Economic development info.	Agency: 235-Department of Labor and Industries
-------------------------------	--	---

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: Martha Wehling	Phone: 360-786-7067	Date: 01/19/2024
Agency Preparation: Jenifer Colley	Phone: (360) 902-6983	Date: 01/23/2024
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 01/23/2024
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 01/23/2024

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 bill directs the Department of Commerce to compile information about businesses from certain state agencies, including L&I. The purpose to the data compilation is to encourage rural economic development.

SHB 1912 is different from HB 1912 in that it:

- Excludes the Department of Licensing from reporting information about each business in Washington State.
- Removes Section 2 requiring L&I to compile aggregate data on the number of apprentices residing in each county and updating this data on our website every quarter.

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.

Section 2 of the previous bill required updates to The Apprentices Registration Tracking System (ARTS), which would have been accomplished within existing resources. The section is removed in the substitute and the bill does not have fiscal impact for the Department of Labor and Industries.

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

Bill Number: 1912 S HB	Title: Economic development info.	Agency: 240-Department of Licensing
-------------------------------	--	--

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: Martha Wehling	Phone: 360-786-7067	Date: 01/19/2024
Agency Preparation: Deb Williams	Phone: 360-902-0015	Date: 01/22/2024
Agency Approval: Collin Ashley	Phone: (564) 669-9190	Date: 01/22/2024
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 01/22/2024

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 has no fiscal impact for the Department of Licensing (DOL). In this version of the bill Department of Licensing is removed from Section 1. Section 1 of this bill requires the Department of Commerce to gather information about businesses in Washington State. There are three agencies (DOR, LNI, and ESD) required to provide information. The information sought about WA State businesses includes: 1) annual revenue; 2) number of employees; 3) aggregated payroll; 4) the North American Industry Classification System (NAICS) code assigned to that business.

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

Bill Number: 1912 S HB	Title: Economic development info.	Agency: 540-Employment Security Department
-------------------------------	--	---

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: Martha Wehling	Phone: 360-786-7067	Date: 01/19/2024
Agency Preparation: Daniel Jones	Phone: 360-763-2919	Date: 01/24/2024
Agency Approval: Lisa Henderson	Phone: 360-902-9291	Date: 01/24/2024
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 01/24/2024

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 would require state agencies to share information to encourage rural economic development by adding a new section to RCW 43.330.

Changes made from the previous version of the bill are that Substitute house bill 1912 removes section 2 and removes references of the Department of Licensing in section 1.

Section 1(1) requires the Department of Commerce (DOC) to collect information from various state agencies, including Employment Security Department (ESD).

This information includes:

- The business's actual revenue;
- The number of employees that the business employs, and their occupations;
- The business's aggregated payroll; and
- The North American industry classification system (NAICS) code assigned to that business.

Creating data sharing agreements fits within the scope of normal business activities for ESD's Data Privacy office, therefore this bill has no fiscal impact on ESD.

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.

Section 1(1) requires ESD to share data on Washington businesses with the DOC. ESD will need to enter into a data sharing agreement with the DOC which includes requirements for their contractors who access the data to meet ESD's data security standards under RCW 50.13.60(11).

Creating data sharing agreements fits within the scope of normal business activities for ESD's Data Privacy office, therefore this bill has no fiscal impact on ESD. Assuming that data will be shared with DOC no more than quarterly, there is no fiscal impact to ESD.

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.