Individual State Agency Fiscal Note

Bill Number: 6656 SB	Title: International markets	Agency: 103-Department of Commerce

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
Account					
General Fund-State 001-1	0	2,000,000	2,000,000	4,000,000	4,000,000
Total $	0	2,000,000	2,000,000	4,000,000	4,000,000

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:	Clinton McCarthy	Phone: 360-786-7319	Date: 01/31/2020
Agency Preparation:	Karen McArthur	Phone: 360-725-4027	Date: 02/03/2020
Agency Approval:	Joyce Miller	Phone: 360-725-2710	Date: 02/03/2020
OFM Review:	Gwen Stamey	Phone: (360) 902-9810	Date: 02/03/2020

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 adds a new section to chapter 43.330 RCW directing the Department of Commerce to engage with key international markets that include, but are not limited to, Japan, Taiwan, China, South Korea, United Kingdom, France, Germany, Canada, Vietnam, India, United Arab Emirates and Mexico to increase trade and investment opportunities for Washington companies and regions.

The department engagement with international markets would focus on the following three deliverables: (a) Increased international business opportunities for Washington businesses, particularly small businesses in rural communities; (b) Increased investment in Washington by multinational companies in communities statewide; and (c) The maintenance and development of new partnerships with, but not limited to, international governments, businesses and organizations, concentrating on innovative industries including, clean technology, aerospace, agriculture, advanced manufacturing and life sciences.

Section 2 is a new section and adds an appropriation of two million dollars, from the general fund to the department for the purposes of this act.

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.

NONE

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.

In order to have full-fledged representation by foreign contractors in key international markets, and based on previous international contracts, the department would need a minimum of two million dollars per year. Typical per country consultant contracts range from $75,000 per year to more than $350,000 per year to cover both trade and business development activities on a yearly basis. Overseas contractors identify new businesses creating capital investment and jobs, direct investment for industrial property development, identify buyers for state made products and assist with the coordination of trade shows. Any additional funds would be used for additional market needs, as well as ancillary activities undertaken on behalf of the Department of Agriculture and the Northwest Seaport Alliance.

The Request for Proposal (RFP) process would be used to identify contractors, and contractor payments would be made on a monthly, quarterly, or project basis with specific deliverables. To accomplish this work the department estimates:

Professional Service Contracts
FY21-FY25: $2,000,000 per year

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	0	2,000,000	2,000,000	4,000,000	4,000,000
		Total $	0	2,000,000	2,000,000	4,000,000	4,000,000

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts		2,000,000	2,000,000	4,000,000	4,000,000
E-Goods and Other Services					
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					
9-					
Total $	0	2,000,000	2,000,000	4,000,000	4,000,000

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*

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

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required