Multiple Agency Fiscal Note Summary

Bill Number: 1259 S HB	**Title:** Women & minority contracting

Estimated Cash Receipts

Agency Name	2021-23			2023-25			2025-27		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of Attorney General	0	0	294,000	0	0	292,000	0	0	292,000
Office of Minority and Women's Business Enterprises	0	0	210,000	0	0	168,000	0	0	168,000
Total $	**0**	**0**	**504,000**	**0**	**0**	**460,000**	**0**	**0**	**460,000**

Agency Name	2021-23		2023-25		2025-27	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	No fiscal impact					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Administrative Office of the Courts	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Attorney General	1.1	0	0	294,000	1.1	0	0	292,000	1.1	0	0	292,000
Office of Minority and Women's Business Enterprises	4.0	1,525,858	1,525,858	1,525,858	4.0	1,349,710	1,349,710	1,349,710	.0	1,349,710	1,349,710	1,349,710
Department of Enterprise Services	.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
Total $	**5.1**	**1,525,858**	**1,525,858**	**1,819,858**	**5.1**	**1,349,710**	**1,349,710**	**1,641,710**	**1.1**	**1,349,710**	**1,349,710**	**1,641,710**

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Expenditures

FNPID 62973

FNS029 Multi Agency rollup

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Administrative Office of the Courts	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Office of Minority and Women's Business Enterprises	.0	0	0	.0	0	0	.0	0	0
Department of Enterprise Services	.0	0	0	.0	0	0	.0	0	0
Department of Labor and Industries	.0	0	0	.0	0	0	.0	0	0
Total $	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Ramona Nabors, OFM	**Phone:** (360) 902-0547	**Date Published:** Final 3/23/2021

Judicial Impact Fiscal Note

Bill Number: 1259 S HB	Title: Women & minority contracting	Agency: 055-Administrative Office of the Courts

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

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 fo 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.

Legislative Contact	Kellee Gunn	Phone: 786-7429	Date: 03/09/2021
Agency Preparation:	Pam Kelly	Phone: 360-705-5318	Date: 03/15/2021
Agency Approval:	Ramsey Radwan	Phone: 360-357-2406	Date: 03/15/2021
OFM Review:	Gaius Horton	Phone: (360) 819-3112	Date: 03/15/2021

Part II: Narrative Explanation

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

Please see attached Judicial Impact Note (JIN).

II. B - Cash Receipts Impact

II. C - Expenditures

Part III: Expenditure Detail

III. A - Expenditure By Object or Purpose (State)

NONE

III. B - Expenditure By Object or Purpose (County)

NONE

III. C - Expenditure By Object or Purpose (City)

NONE

III. D - FTE Detail

NONE

III. E - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B1 - Expenditures by Object Or Purpose (State)

NONE

IV. B2 - Expenditures by Object Or Purpose (County)

NONE

IV. B3 - Expenditures by Object Or Purpose (City)

NONE

IV. C - Capital Budget Breakout

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

NONE

Part II: Narrative Explanation

This bill would expand public contracting opportunities for women and minority business owners by increasing the regulatory oversight and accountability of the Office of Minority and Women's Business Enterprises.

The impacts to the courts remain the same in this bill as they were in the prior version.

Part II.A – Brief Description of what the Measure does that has fiscal impact on the Courts

Section 4(4)(b) – Would allow for the director or the director's designee to administer oaths, and affirmations, subpoena witnesses, compel their attendance, take evidence, and require the production of any documentation the director or director designee that is determined relevant to the inquiry.

Section 4(4)(c) – Subpoenas issued under this section may be enforced under RCW 34.05.588 in the Superior Court of any county where the hearing is conducted.

Section 5(1) – Would allow the director or director designee to apply for and obtain a Superior Court order approving a subpoena in advance of its issuance. The application can be made in the county where the person resides, or the county where the subpoenaed documents, or evidence is located in or in Thurston County.

Section 5(2) – Would require the court issue an order approving the subpoena when the application under this section is made to the satisfaction for the court.

Section 5(3) – Would allow for the director or director designee to seek approval and the court may issue an order without prior notice to any, including the person to whom the subpoena is directed and the person who is the subject of the investigations.

II.B - Cash Receipt Impact

None

II.C – Expenditures

There would be a change in the published legislative changes master answer list for the Superior Court. No significant impact to court operations. These impacts would be managed within existing resources.

Part III: Expenditure Detail

III.A – Expenditures by Object or Purpose

	FY 2021	FY 2022	2021-23	2023-25	2025-27
FTE – Staff Years					
A – Salaries & Wages					
B – Employee Benefits					
C – Prof. Service Contracts					
E – Goods and Services					
G – Travel					
J – Capital Outlays					

P – Debt Service					
Total:					

III.B – Detail:

Job Classification	Salary	FY 2021	FY 2022	2021-23	2023-25	2025-27
Total FTE's						

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.

Individual State Agency Fiscal Note

Bill Number: 1259 S HB	Title: Women & minority contracting	Agency: 100-Office of Attorney General

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT	FY 2022	FY 2023	2021-23	2023-25	2025-27
Legal Services Revolving Account-State 405-1	148,000	146,000	294,000	292,000	292,000
Total $	148,000	146,000	294,000	292,000	292,000

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	1.1	1.1	1.1	1.1	1.1
Account					
Legal Services Revolving Account-State 405-1	148,000	146,000	294,000	292,000	292,000
Total $	148,000	146,000	294,000	292,000	292,000

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:	Kellee Gunn	Phone: 786-7429	Date: 03/09/2021
Agency Preparation:	Amy Flanigan	Phone: 509-456-3123	Date: 03/12/2021
Agency Approval:	Edd Giger	Phone: 360-586-2104	Date: 03/12/2021
OFM Review:	Tyler Lentz	Phone: (360) 790-0055	Date: 03/16/2021

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.

Bill amends portions of RCW 39.19 and 39.04

Section 1 – Amends RCW 39.19.020 by adding a definition for debar.

Section 2 – Amends RCW 39.19.060 to require all state agencies and educational institutions to identify certain m of contracts awarded to minority and women-owned businesses.

Section 3 – Amends RCW 39.19.080 removing penalty clause.

Section 4 – Amends RCW 39.19.090 – Imposed certain types of penalties and rules required for penalties. It also requires an investigation and audit.

Section 5 – A new section is added to chapter 39.19 to permit the issuance of subpoenas and other court type matt

Section 6 – Amends RCW 39.19.200 to add civil penalties.

Section 7 – Amends RCW 39.19.250 – Adding particular requirements to reports.

Section 8 – Repeals enforcement provisions of RCW 39.19.100 and RCW 39.19.110.

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.

Cash receipts are assumed to equal the Legal Services Revolving Account (LSRA) cost estimates. These will be b through the revolving account to the client agency.

The client agency is the Office of Minority & Women's Business Enterprises (OMWBE). The Attorney General's (AGO) will bill all clients for legal services rendered.

These cash receipts represent the AGO's authority to bill and are not a direct appropriation to the AGO. The direc appropriation is reflected in the client agency's fiscal note. Appropriation authority is necessary in the AGO budg

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section numb 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.

Attorney General's Office (AGO) Agency Assumptions:

1. This bill is assumed effective 90 days after the end of the 2021 legislative session.

2. Total workload impact in this request includes standard assumption costs for good & services, travel, and capit outlays for all FTE identified.

3. Agency administration support FTE are included in the tables below, using a Management Analyst 5 as a representative classification.

4. The Solicitor General's Office (SGO) has reviewed this bill and determined it will not increase or decrease the division's workload. New legal services are nominal and costs are not included in this request.

5. The AGO Transportation & Public Construction Division (TPC) has reviewed this bill and determined it will n significantly increase the division's workload in representing the Department of Enterprise Services (DES). DES that it has sufficient resources to administer the programs affected and the amendments will require little or no As Attorney General (AAG) involvement. New legal services are assumed to be nominal and costs are not included i request.

Assumptions for the AGO Government Compliance & Enforcement Division (GCE) Legal Services for the Office of Minority & Women's Business Enterprises (OMWBE):

1. The AGO will bill OMWBE for legal services based on the enactment of this bill.

2. This bill is amended to increase utilization of OMWBE-certified contractors by public agencies in the contracting process and provides new processes for debarment from bidding on public contracts a monetary penalty assessments. Additionally, it creates a new audit and review unit within OMWBE and provides and director with certain investigative and subpoena authority.

3. Although Section 9 repeals two statutes that contain certain enforcement responsibilities for the AGO, this will have any impact as the AGO has never acted under these statutes.

4. OMWBE assumes that this bill will result in five to seven new enforcement cases each year, beginning FY 2022. GCE concurs with this assumption. Additionally, GCE anticipates up to one new administrative appeal each year.

5. GCE assumes that the new litigation generated by this bill will be document-intensive, and hearings will be sch for multiple days.

6. Based on past experience with the services expended in representing OMWBE in similar enforcement cases, ar assuming an average of six new cases each year, GCE assumes that each new case will utilize approximately 180 hours to litigate. Therefore, GCE assumes the new litigation generated by this bill will require 1,080 AAG hours (180) beginning in FY 2022 and each year thereafter.

7. GCE assumes that the new investigative and subpoena authority granted to OMWBE under this bill will result approximately 10 hours of legal advice beginning in FY 2022 and each FY thereafter. This bill will also require C to engage in rulemaking. This rulemaking will be completed during FY 2022 and will generate 25 AAG hours of advice.

8. Total workload impact:
FY 2022: 0.62 AAG and 0.31 Legal Assistant (LA) at a cost of $148,000.
FY 2023 and in each FY thereafter: 0.61 AAG and 0.31 LA at a cost of $146,000 per FY.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
405-1	Legal Services Revolving Account	State	148,000	146,000	294,000	292,000	292,000
		Total $	148,000	146,000	294,000	292,000	292,000

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	1.1	1.1	1.1	1.1	1.1
A-Salaries and Wages	97,000	96,000	193,000	192,000	192,000
B-Employee Benefits	31,000	30,000	61,000	60,000	60,000
E-Goods and Other Services	17,000	18,000	35,000	36,000	36,000
G-Travel	1,000	1,000	2,000	2,000	2,000
J-Capital Outlays	2,000	1,000	3,000	2,000	2,000
Total $	148,000	146,000	294,000	292,000	292,000

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*

Job Classification	Salary	FY 2022	FY 2023	2021-23	2023-25	2025-27
Assistant Attorney General	108,600	0.6	0.6	0.6	0.6	0.6
Legal Assistant 3	54,108	0.3	0.3	0.3	0.3	0.3
Management Analyst 5	88,644	0.2	0.2	0.2	0.2	0.2
Total FTEs		1.1	1.1	1.1	1.1	1.1

III. D - Expenditures By Program (optional)

Program	FY 2022	FY 2023	2021-23	2023-25	2025-27
Government Compliance & Enforcement Division (GCE)	148,000	146,000	294,000	292,000	292,000
Total $	148,000	146,000	294,000	292,000	292,000

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

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 1259 S HB	Title: Women & minority contracting	Agency: 147-Office of Minority and Women's Business Enterprises

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT	FY 2022	FY 2023	2021-23	2023-25	2025-27
OMWBE Enterprises Account-State 453-1	105,000	105,000	210,000	168,000	168,000
Total $	105,000	105,000	210,000	168,000	168,000

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	4.0	4.0	4.0	4.0	0.0
Account					
General Fund-State 001-1	851,003	674,855	1,525,858	1,349,710	1,349,710
Total $	851,003	674,855	1,525,858	1,349,710	1,349,710

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:	Kellee Gunn	Phone: 786-7429	Date: 03/09/2021
Agency Preparation:	Paul Bitar	Phone: 360-407-8129	Date: 03/12/2021
Agency Approval:	Paul Bitar	Phone: 360-407-8129	Date: 03/12/2021
OFM Review:	Ramona Nabors	Phone: (360) 902-0547	Date: 03/14/2021

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.

This bill will increase the regulatory oversight and accountability by the Office of Minority and Women's Busines Enterprises (OMWBE). The costs reported for this fiscal note are identical to those reported under the original ve the bill because changes made in the substitute do not affect OMWBE's costs.

Section 2 (3) would require OMWBE to identify state agencies and educational institutions with low levels of participation by minority- and women-owned businesses in their public contracts, and to report on this annually. OMWBE is in the process of implementing new software, the Business Diversity Management System, that will t and identify spending in public contracting statewide that will also help to meet the direction in Section 2(3) of th Initial funding to begin this project was provided by the Legislature in the 2020 session, and the Governor's prop budget for the 21-23 biennium includes the remaining funding needed to fully implement the project. We are assu that funding will be included in the final budget as adopted by the Legislature so we are not including any cost im this bill for that system, though it will be necessary to carry out the work as fully intended by the bill.

Section 4 (1) (a) states that if a person, firm, corporation, or business does not comply with a contract requiremen state may impose one or more penalties.

Section 4 (1) (b) states if a person firm, corporation, or business commits any of the prohibited activities in RCW 39.19.080, the state must impose one of the above mentioned sanctions. The fiscal note assumption is that two ad staff will be needed to satisfy these investigations and subsequent requirements.

Section 4 (1) (c) requires that if a penalty is imposed and then an entity willfully repeats violations, exceeding a si violation, OMWBE must disqualify the contractor from further participation in state contracts for a period of thre The monitoring and enforcing of these violation and sanctions will require the above mentioned additional staff.

Section 4 (3) requires OMWBE to adopt, by rule, criteria for the imposition of penalties. This section allows the r incorporate the debarment process authorized for the Department of Enterprise Services in RCW 39.26.200. How debarment activities would not be housed within OMWBE because there are existing processes in place outside o OMWBE more appropriate for this work.

Section 4 (4)(a) allows OMWBE to establish an audit and review unit for the purposes of detecting and investigat fraud and violations of certification requirements. Per this section, the office must employ qualified personnel for and must audit or visit at least 3% of businesses under this chapter per year. OMWBE has determined that the nev should consist of two experienced investigators to conduct audits/investigations of certified firms who receive pul contracts. OMWBE assumes each investigator would conduct 3-4 audits/investigations per year and that the agen would receive between 6-7 per year based on historical data. The number of investigations would likely increase time as the number of certifications increase, consistent with the trends that OMWBE is seeing.

Section 6 clarifies that the OMWBE account (managed by the State Treasurer) will receive the civil penalties imp under RCW 39.19.090 and will deposit receipts to this account. This account is for expenditures for defraying all of the costs of the office in administering this chapter (bill).

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.

The fiscal note assumption is that a portion of the costs incurred by OMWBE will be reimbursed by the collectior fines from entities in violation. OMWBE assumes fines will first be assessed in FY 22. During FY 22 and FY 23, OMWBE estimates approximately 15 violations per year and subsequent imposed fines of not more than $7,000 e for a total of $105,000 for each of the first two fiscal years. For FY 24 onward the expectation is 12 violations per for a total of $84,000 per year. The slight reduction is anticipated from removing violating entities from contractu participation.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section numb 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.

OBJECT A & B
In reviewing S HB 1259, the Office of Minority and Women's Business Enterprises (OMWBE) estimates it will n additional staff to satisfy S HB 1259's purpose of increasing the regulatory oversight and accountability of OMW Hiring for these 4.0 positions would begin July 1, 2021, with the recruitment 90 days prior. The total costs for sta (Objects A and B) in FY 22 are estimated at $426,488, and $426,488 for the following fiscal years.

OBJECT C
S HB 1259 would require OMWBE to incur IT costs to update its server security to ensure it meets the requireme hold sensitive information such as discoverable items and subpoenas. OMWBE estimates a one-time implementat of $150,000 in FY 22.

OBJECT E
In FY22, OMWBE estimates that it will incur an additional $18,567 in Goods and Service costs (Object E) relate the four new FTEs, and $16,647 each year thereafter.

Additional costs include $20,000 per year in Office of Administrative Hearings (OAH), $148,000 in Attorney Ge (ATG) costs in FY 2022, and $146,000 in ATG costs each year thereafter. The anticipation is 6-7 hearings per yea cost estimate is based on 6-7 hearings estimated at about $3,000 per hearing. Due to the creation of the audit and unit, the number of hearings may increase in later fiscal years, but the potential increase in volume is unknown.

Ongoing maintenance costs related to OMWBE's updated server security are estimated at $50,000 per year, starti FY 22. This would be needed to ensure that the agency meets security requirements associated with holding disco items and subpoenas.

OBJECT G
Travel costs estimated at $15,720 per year, starting in FY 22.

OBJECT J
The addition of four new FTEs will necessitate the purchase of new computer equipment and furniture. This is es to be a one-time cost of $22,228 in FY22.

*See attached document titled "Cost Estimate Detail 1259 S HB" for additional information on costs described ab

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	851,003	674,855	1,525,858	1,349,710	1,349,710
		Total $	851,003	674,855	1,525,858	1,349,710	1,349,710

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	4.0	4.0	4.0	4.0	
A-Salaries and Wages	312,768	312,768	625,536	625,536	625,536
B-Employee Benefits	113,720	113,720	227,440	227,440	227,440
C-Professional Service Contracts	150,000		150,000		
E-Goods and Other Services	236,567	232,647	469,214	465,294	465,294
G-Travel	15,720	15,720	31,440	31,440	31,440
J-Capital Outlays	22,228		22,228		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total $	851,003	674,855	1,525,858	1,349,710	1,349,710

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 2022	FY 2023	2021-23	2023-25	2025-27
Attorney	96,000	1.0	1.0	1.0	1.0	
Contract Specialist 2	67,560	1.0	1.0	1.0	1.0	
Investigator 3	74,604	2.0	2.0	2.0	2.0	
Total FTEs		4.0	4.0	4.0	4.0	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

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

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

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.

Per HB 1259, OMWBE would be required to amend WAC 326-08 to include debarment as a reason for the procedures. There would also need to be a fines/sanction schedule, and rules governing the investigation unit outlined in Section 4 of the bill.

Individual State Agency Fiscal Note

Bill Number: 1259 S HB	Title: Women & minority contracting	Agency: 179-Department of Enterprise Services

Part I: Estimates

[X] **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:	Kellee Gunn	Phone: 786-7429	Date: 03/09/2021
Agency Preparation:	Michael Diaz	Phone: (360) 407-8131	Date: 03/11/2021
Agency Approval:	Ashley Howard	Phone: (360) 407-8159	Date: 03/11/2021
OFM Review:	Tyler Lentz	Phone: (360) 790-0055	Date: 03/16/2021

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 has been amended to include the definition for "Debar". This has no fiscal impact to the Department of Enterprise Services (DES).

Section 2 has been amended to include a new subsection that requires the Office of Minority and Women Owned Enterprises (OMWBE) to review public works and goods and services contract spend and identify agencies in the lowest quintile in terms of utilization and dollar value awarded. OMWBE must also determine if an agency is per below their established goals.. This has no fiscal impact to DES.

Section 4 (3) allows OMWBE to incorporate the debarment processes authorized by the Department of Enterprise Services (DES) under RCW 39.26.200 into OWMBEs criteria for imposition of penalties outlined in section 4 of bill. This has no fiscal impact to DES.

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 numb 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 - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 1259 S HB	Title: Women & minority contracting	Agency: 235-Department of Labor and Industries

Part I: Estimates

[X] **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:	Kellee Gunn	Phone: 786-7429	Date: 03/09/2021
Agency Preparation:	Jenifer Colley	Phone: (360) 902-6983	Date: 03/22/2021
Agency Approval:	Trent Howard	Phone: 360-902-6698	Date: 03/22/2021
OFM Review:	Anna Minor	Phone: (360) 790-2951	Date: 03/22/2021

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.

This bill would expand public contracting opportunities for women and minority business enterprises by increasir regulatory oversight and accountability of the Office of Minority and Women's Business Enterprises (OMWBE).

SHB 1259 is different from HB 1259 in that it:

- Removes Section 8 from the original bill. Section 8 increased the allowable maximum dollar amounts for sma roster and limited public works contracts.

Section 2
Modifies RCW 39.19.060 to require OMWBE activities and identify agencies that have the least utilization of OM contractors and coach those agencies on ways to increase that participation in their contracts.
Section 7
Modifies RCW 39.19.250 to add actions taken under RCW 39.19.060(3) to existing reporting requirements.

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 numb 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.

At this time there is not a fiscal impact. However, L&I believes this bill will require a resource once enacted to g agency procurement data, adding it to the electronic dashboard, determine gaps and collaborate with other areas o agency and tracking the data daily/weekly along with goal setting and quarterly reporting.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1259 S HB	Title: Women & minority contracting

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- [ ] Cities:
- [ ] Counties:
- [ ] Special Districts:
- [ ] Specific jurisdictions only:
- [ ] Variance occurs due to:

Part II: Estimates

- [X] No fiscal impacts.
- [ ] Expenditures represent one-time costs:
- [ ] Legislation provides local option:
- [ ] Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Tammi Alexander	Phone: 360-725-5038	Date: 03/10/2021
Leg. Committee Contact: Kellee Gunn	Phone: 786-7429	Date: 03/09/2021
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 03/10/2021
OFM Review: Carly Fa ataualofa	Phone: (360) 790-7909	Date: 03/12/2021

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

CHANGES IN THIS SUBSTITUTE VERSION:
This substitute version removes section 8 of the original bill that pertained to local governments.

SUMMARY OF ORIGINAL BILL VERSION AFFECTING LOCAL GOVERNMENTS:
The original legislation would make changes to the small works roster contract procedures and the contract thresholds for small works roster no-bid and maximum contract amounts.

Sec. 8: Amends RCW 39.04.155 (Public Works, Small Works Roster Contract Procedures)
(1) Increases the small public works roster provisions to award limited public works contracts from $350,000 or less, to $500,000 or less.

(2)(c) Increases the range of estimated costs that local governments may solicit bids from applicable small public works roster participants for limited public works projects. This range would be $150,000 to $500,000, previously $250,000 to $350,000.

(3)(a) If a limited public works project has an estimated cost of $150,000 or less, a local government may award a participant of the small public works roster the contract to perform that work, instead of soliciting bids for such work. Previously this amount of $50,000.

BACKGROUND:
The small public works roster are lists of qualified contractors who can bid for an eligible limited public works project under $350,000. Th rosters help streamline the bidding process as opposed to the full formal competitive bid process for public works projects. (MRSC)

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

This substitute bill removes the action required by local governments outlined in the original bill. This substitute bill would not impact local government expenditures.

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

This substitute bill would not impact local government revenues.

SOURCES:
House Bill Report, SHB 1259 (03/03/2021)
Local Government Fiscal Note, 1259 HB (2021)