Multiple Agency Fiscal Note Summary

Bill Number: 1170 S HB	**Title:** Manufacturing

Estimated Cash Receipts

NONE

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
Department of Commerce	2.8	0	0	3,005,522	2.8	0	0	2,993,522	2.8	0	0	2,997,470
Superintendent of Public Instruction	.1	26,000	26,000	26,000	.1	26,000	26,000	26,000	.1	26,000	26,000	26,000
Community and Technical College System	.2	48,000	48,000	48,000	.2	48,000	48,000	48,000	.2	48,000	48,000	48,000
Total $	**3.1**	**74,000**	**74,000**	**3,079,522**	**3.1**	**74,000**	**74,000**	**3,067,522**	**3.1**	**74,000**	**74,000**	**3,071,470**

Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Superintendent of Public Instruction	.0	0	0	.0	0	0	.0	0	0
Community and Technical College System	.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: Gwen Stamey, OFM	**Phone:** (360) 902-9810	**Date Published:** Final 2/17/2021

FNPID: 62232

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 1170 S HB	Title: Manufacturing	Agency: 103-Department of Commerce

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	2.8	2.8	2.8	2.8	2.8
Account					
Economic Development Strategic Reserve Account-State 09R-1	1,508,761	1,496,761	3,005,522	2,993,522	2,997,470
Total $	1,508,761	1,496,761	3,005,522	2,993,522	2,997,470

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:	Jessica Van Horne	Phone: 360-786-7288	Date: 02/07/2021
Agency Preparation:	Karen McArthur	Phone: 360-725-4027	Date: 02/12/2021
Agency Approval:	Joyce Miller	Phone: 360-725-2710	Date: 02/12/2021
OFM Review:	Gwen Stamey	Phone: (360) 902-9810	Date: 02/15/2021

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 3(1) provides to the department the responsibility for implementing the state's goal of doubling the state's manufacturing employment base, the number of small businesses, and the number of women and minority-owned manufacturing businesses in the next ten years and to prepare and update a report on the state of the manufacturing and research and development industry and workforce each biennium;

Section 3(2) directs the department to convene a manufacturing council to advise and consult on the development of the report and recommendations. The director or director's designee must appoint members of the council as outlined in the bill;

Section 3(5) directs the department to coordinate with the Office of the Superintendent of Public Instruction and the state Board for Community and Technical Colleges on its first biennial report.

Section 4(1) directs the department to support the development of regionally tailored strategies of a manufacturing workforce through grant funding provided or through the creation of regional offices or duty stations.

Section 5 establishes the manufacturing cluster acceleration subaccount in the Economic Development Strategic Reserve Account. The department may make expenditures from the subaccount to support regional cluster acceleration strategies and is encouraged to seek match funds to match nonstate funds for projects that align with building economic strength through manufacturing.

Section 6 directs the department to appoint a workforce innovation sector lead and report to appropriate committees of the legislature beginning December 1, 2022 and every fourth year thereafter, the progress made in developing, recruiting and retaining research and development employers and workforce and a description of how the state's policy toolkit for developing strength in research and development as a sector compares to competitor states.

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.

Section 3, 4, and Section 6
To accomplish this work the department estimates the following will be needed:

1.0 FTE EMS workforce innovation sector lead to work closely with the governor, industry and government leaders to coordinate workforce activities and needs identified by industry sector leads, to forge and promote public-private partnerships, enhance the workforce for the 21st century in general manufacturing and research and development industries, and advance broad stroke strategies that support small business growth and expansion statewide.

1.0 FTE Commerce Specialist 3 to act as a lead coordinator for the development of and support to the manufacturing council as well as coordination with other state agencies and solicit and manage contracts and nonstate fund match.

0.5 FTE Administrative Assistant 2 to provide administrative support and procedural guidance for the program, council meeting scheduling, data collection and drafting the reports.

Salaries and Benefits
FY22-FY27: $301,754 per fiscal year

Professional Service Contracts
FY22-FY27: $1,000,000 per fiscal year
To support regional cluster acceleration strategies including supporting projects to assist manufacturers to diversity their customer base and supply chain, supporting pilot or demonstration manufacturing projects coordination with organized cluster initiatives, and supporting projects that are intended to increase manufacturing and research and development jobs regionally.

Goods and Services, Travel and Equipment
FY22: $104,411
FY23-FY25:$92,411 per fiscal year
FY26: $96,359
FY27: $92,411
This includes regional sponsorship, memberships and conferences; annual customer relationship management licenses, attorney general costs, travel, and equipment.

Intra-agency Reimbursements:
FY22-FY27: $102,596 per fiscal year

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Total Costs:
FY22: $1,508,761
FY23-2FY5: $1,496,761 per fiscal year
FY26: $1,500,709
FY27: $1,496,761

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
09R-1	Economic Development Strategic Reserve Account	State	1,508,761	1,496,761	3,005,522	2,993,522	2,997,470
		Total $	1,508,761	1,496,761	3,005,522	2,993,522	2,997,470

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	2.8	2.8	2.8	2.8	2.8
A-Salaries and Wages	224,268	224,268	448,536	448,536	448,536
B-Employee Benefits	77,486	77,486	154,972	154,972	154,972
C-Professional Service Contracts	1,000,000	1,000,000	2,000,000	2,000,000	2,000,000
E-Goods and Other Services	82,411	82,411	164,822	164,822	164,822
G-Travel	10,000	10,000	20,000	20,000	20,000
J-Capital Outlays	12,000		12,000		3,948
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	102,596	102,596	205,192	205,192	205,192
9-					
Total $	1,508,761	1,496,761	3,005,522	2,993,522	2,997,470

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
Administrative Assistant 3	45,504	0.5	0.5	0.5	0.5	0.5
Administrative Services - Indirect	69,552	0.3	0.3	0.3	0.3	0.3
Commerce Specialist 3	75,416	1.0	1.0	1.0	1.0	1.0
EMS Band 3	125,100	1.0	1.0	1.0	1.0	1.0
Total FTEs		2.8	2.8	2.8	2.8	2.8

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: 1170 S HB	Title: Manufacturing	Agency: 350-Superintendent of Public Instruction

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.1	0.1	0.1	0.1	0.1
Account					
General Fund-State 001-1	13,000	13,000	26,000	26,000	26,000
Total $	13,000	13,000	26,000	26,000	26,000

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:	Jessica Van Horne	Phone: 360-786-7288	Date: 02/07/2021
Agency Preparation:	Amy Kollar	Phone: 360 725-6420	Date: 02/16/2021
Agency Approval:	Mike Woods	Phone: 360 725-6283	Date: 02/16/2021
OFM Review:	Val Terre	Phone: (360) 280-3973	Date: 02/17/2021

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.

Changes from the prior version:

Section 2 removes intent to build institutional capacity through well-staffed skills centers.

Section 3 eliminates the creation or expansion of skills centers.

Summary:
The State of Washington intends to double the manufacturing employment base, the number of small businesses, and the number of women and minority-owned manufacturing businesses in the next ten years.

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.

No cash receipts impact.

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.

Section 3 requires OSPI to provide expertise to identify gaps in delivering hands-on, skills-based learning remotely. The projected fiscal impact is estimated to be 0.10 FTE of a Program Supervisor's time to collaborate and provide recommendations. OSPI estimates the cost to be $13,000 each year beginning in FY22.

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	13,000	13,000	26,000	26,000	26,000
		Total $	13,000	13,000	26,000	26,000	26,000

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.1	0.1	0.1	0.1	0.1
A-Salaries and Wages	8,400	8,400	16,800	16,800	16,800
B-Employee Benefits	4,600	4,600	9,200	9,200	9,200
C-Professional Service Contracts					
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 $	13,000	13,000	26,000	26,000	26,000

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
Program Supervisor	83,517	0.1	0.1	0.1	0.1	0.1
Total FTEs		0.1	0.1	0.1	0.1	0.1

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

No capital budget impact.

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 1170 S HB	Title: Manufacturing	Agency: 699-Community and Technical College System

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.2	0.2	0.2	0.2	0.2
Account					
General Fund-State 001-1	24,000	24,000	48,000	48,000	48,000
Total $	24,000	24,000	48,000	48,000	48,000

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:	Jessica Van Horne	Phone: 360-786-7288	Date: 02/07/2021
Agency Preparation:	Brian Myhre	Phone: 360-704-4413	Date: 02/10/2021
Agency Approval:	Cherie Berthon	Phone: 360-704-1023	Date: 02/10/2021
OFM Review:	Breann Boggs	Phone: (360) 485-5716	Date: 02/11/2021

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.

The substitute bill differs from the original bill in the following ways:

Specifies a goal of doubling the state's manufacturing employment base, the number of small businesses, and the number of women and minority-owned manufacturing businesses within the next 10 years.

The report required of the Department of Commerce (Commerce) is revised to apply to the new goals.

Commerce would be required to convene a manufacturing council to advise and consult on the development of the report and its recommendations. The council must include representatives of Higher Education.

Commerce would be required to appoint a workforce innovation sector lead to coordinate workforce activities and needs identified by industry sector leads.

Would establish the Manufacturing Cluster Acceleration subaccount within the Economic Development Strategic Reserve Account.

This bill would set a goal of doubling the state's manufacturing employment base, the number of small businesses, and the number of women and minority-owned manufacturing businesses within the next 10 years. The Department of Commerce (Commerce) would be responsible for implementing the state's goal and for submitting a biennial report to the legislature on performance toward attainment of the goal.

For the first biennial report, Commerce would be required, in coordination with the Office of Superintendent of Public Instruction and the State Board for Community and Technical Colleges (State Board), to assess any inadequacy or gaps in delivering hands-on, skills-based learning remotely to all Washingtonians seeking to enter, or transition within, the manufacturing workforce.

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.

No cash receipts impact.

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.

Requirements in the bill would result in expenditure impacts.

SECTION 3(2)
The Department of Commerce is required to convene stakeholders in manufacturing and research and development for the purpose of compiling a biennial report to the legislature. State agencies are directed to

provide expertise, information and resources as requested from stakeholders.

It is estimated to take 0.1 FTE of a State Board Workforce Policy Associate to work with stakeholders and the Department of Commerce to provide information needed for the report.

0.1 FTE X $120,000 Policy Associate (Salary & Benefits) = $12,000 on-going costs starting in FY 2022.

SECTION 3(4)
The State Board for Community and Technical Colleges is directed to coordinate with the Department of Commerce to assess any inadequacy or gaps in delivering hands-on, skills-based learning remotely to all Washingtonians seeking to enter, or transition within, the manufacturing workforce.

It is estimated to take 0.1 FTE of a State Board Workforce Policy Associate to work with stakeholders and the Department of Commerce to provide information needed for the report.

0.1 FTE X $120,000 Policy Associate (Salary & Benefits) = $12,000 on-going costs starting in FY 2022.

TOTAL COSTS
$12,000 + $12,000 = $24,000 on-going costs starting in FY 2022.

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	24,000	24,000	48,000	48,000	48,000
		Total $	24,000	24,000	48,000	48,000	48,000

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.2	0.2	0.2	0.2	0.2
A-Salaries and Wages	18,000	18,000	36,000	36,000	36,000
B-Employee Benefits	6,000	6,000	12,000	12,000	12,000
C-Professional Service Contracts					
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 $	24,000	24,000	48,000	48,000	48,000

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
Policy Associate	89,000	0.2	0.2	0.2	0.2	0.2
Total FTEs		0.2	0.2	0.2	0.2	0.2

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