Multiple Agency Fiscal Note Summary

Bill Number: 5383 2S SB	**Title:** Public telecomm. services

Estimated Cash Receipts

NONE

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
Office of the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Commerce	1.0	311,092	311,092	311,092	1.0	307,092	307,092	307,092	1.0	308,767	308,767	308,767
Utilities and Transportation Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total $	**1.0**	**311,092**	**311,092**	**311,092**	**1.0**	**307,092**	**307,092**	**307,092**	**1.0**	**308,767**	**308,767**	**308,767**

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

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Utilities and Transportation Commission	.0	0	0	.0	0	0	.0	0	0
Total $	**0.0**	**0**	**0**	**0.0**	**0**	**0**	**0.0**	**0**	**0**

FNPID: 62575

FNS029 Multi Agency rollup

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

NONE

Prepared by: Jenna Forty, OFM	Phone: (564) 999-1671	Date Published: Final 3/ 1/2021

FNPID: 62575

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 5383 2S SB	Title: Public telecomm. services	Agency: 075-Office of the Governor

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:	Angela Kleis	Phone: 360-786-7469	Date: 02/23/2021
Agency Preparation:	Jim Jenkins	Phone: 360-902-0403	Date: 02/24/2021
Agency Approval:	Jamie Langford	Phone: (360) 870-7766	Date: 02/24/2021
OFM Review:	Tyler Lentz	Phone: (360) 790-0055	Date: 02/24/2021

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.

- Authorizes a public utility district or port district to provide retail telecommunication services in an unserved area.

- Provides port districts with the same retail authority as provided to PUDs under the bill.

- By December 31, 2023, the broadband office must submit a report to the governor and Legislature evaluating the effectiveness of authorizing a PUD to provide retail telecommunication services to unserved areas as provided in this bill.

Any work related to this bill can be done within current resources by reprioritizing workload.

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.

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

Revised

Bill Number: 5383 2S SB	Title: Public telecomm. services	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	1.0	1.0	1.0	1.0	1.0
Account					
General Fund-State 001-1	157,546	153,546	311,092	307,092	308,767
Total $	157,546	153,546	311,092	307,092	308,767

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:	Angela Kleis	Phone: 360-786-7469	Date: 02/23/2021
Agency Preparation:	Autumn Yoke	Phone: 123-456-7890	Date: 03/01/2021
Agency Approval:	Darrell Stoa	Phone: (360) 725-2723	Date: 03/01/2021
OFM Review:	Gwen Stamey	Phone: (360) 902-9810	Date: 03/01/2021

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.

Differences between the second substitute bill and the original bill:

Section 3 amends RCW 53.08.370 allowing the same retail authority for telecommunication services to port districts as it is to Public Utility Districts (PUDs). As a result, the State Broadband Office (SBO) must report on both by December 31, 2023.

Summary of the second substitute bill:

Section 1 adds a new section, updated from previous versions of the bill, that states the intent to achieve equitable access to reliable broadband. Increasing broadband access to unserved areas of the state can increase quality of life, broaden educational opportunities, and promote economic inclusion. The legislature further finds that one of the most effective tools to ensure all Washingtonians have an opportunity to equitably access education, the job market, and health care resources is to allow our public utility districts and port districts to provide retail telecommunications services.

Section 2 amends RCW 54.16.330 to include a PUD may engage in to develop and provide retail telecommunications services in unserved areas. It also establishes the requirement for a public notification process, by way of the SBO, whenever a PUD submits plans for establishing retail telecommunications service, and allows for written objection to proposals by an existing broadband service provider if that provider can demonstrate intent to offer service speeds of 150Mbps.

Section 3 amends RCW 53.08.370 to provide port districts with the same retail authority as provided to PUDs under Section 2 of this bill.

Section 4 amends RCW 43.330.538 establishing reporting requirements for the SBO to legislative committees with jurisdiction over broadband policy and finance.

Section 5 amends RCW 42.56 stating a broadband service plan submitted by broadband service providers are not subject to public disclosure.

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.

Sections 1, 2, 3, and 4 of this legislation necessitate additional administrative oversight and monitoring of proposed public utility district and port district broadband projects in unserved areas and adds a new report requirement for the State Broadband Office (SBO).

Assumptions:

The program would provide technical assistance and outreach to support community education and project development in a remote environment. The SBO would request the PUDs and port districts report annually on the substance of complaints received from persons or entities receiving retail telecommunications services. Although the department does not have an estimate for how many PUDs and port districts will propose broadband projects in unserved areas, the additional data collection and project management expectations as well as the additional, unique legislative reporting requirements create a need for additional staff.

The department estimates the following would be needed:

1.0 FTE Commerce Specialist 3 (2,088 hours) in FY22 to FY27 to oversee program data collection and reporting, coordination with PUDs and their broadband deployment efforts in unserved areas, posting project notices on the SBO website, receiving and reviewing objections to PUD broadband expansion in unserved areas, and coordination with existing broadband service providers and processing receipt and review of broadband service plans. Assist senior management to coordinate implementation of the program, outreach and engagement, and technical assistance to public utility districts and public and private broadband service providers.

Salaries and Benefits
FY22-FY27: $104,614 per fiscal year

Goods and Services, and Equipment
FY22: $17,363
FY23-FY25: $13,363 per fiscal year
FY26: $15,038
FY27: $13,363

In addition to the standard goods and services costs, the department assumes the purchase of a new workstation with the replacement of a computer based on the departments equipment renewal cycle.

Intra-agency Reimbursements
FY22-FY27: $35,569 per fiscal year

Note: Standard goods and services costs include supplies and materials, employee development and training, Attorney General costs, central services charges and agency administration. Laptops are on a five-year replacement plan. Intra-agency-agency administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

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Total Costs

FY22: $157,546
FY23-FY25: $153,546 per fiscal year
FY26: $155,221
FY27: $153,546

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	157,546	153,546	311,092	307,092	308,767
		Total $	157,546	153,546	311,092	307,092	308,767

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
A-Salaries and Wages	76,416	76,416	152,832	152,832	152,832
B-Employee Benefits	28,198	28,198	56,396	56,396	56,396
C-Professional Service Contracts					
E-Goods and Other Services	13,363	13,363	26,726	26,726	26,726
G-Travel					
J-Capital Outlays	4,000		4,000		1,675
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	35,569	35,569	71,138	71,138	71,138
9-					
Total $	157,546	153,546	311,092	307,092	308,767

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
Commerce Specialist 3	76,416	1.0	1.0	1.0	1.0	1.0
Total FTEs		1.0	1.0	1.0	1.0	1.0

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

Individual State Agency Fiscal Note

Bill Number: 5383 2S SB	Title: Public telecomm. services	Agency: 215-Utilities and Transportation Commission

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:	Angela Kleis	Phone: 360-786-7469	Date: 02/23/2021
Agency Preparation:	Amanda Hathaway	Phone: 360-664-1249	Date: 02/25/2021
Agency Approval:	Amanda Hathaway	Phone: 360-664-1249	Date: 02/25/2021
OFM Review:	Jenna Forty	Phone: (564) 999-1671	Date: 02/25/2021

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 2SSB amends RCW 54.16.330 (PUD Powers, Telecommunications facilities). It establishes authority to provide retail telecom service and set conditions that must be meet for PUD to offer service. It requires that PUDs work with the state broadband office to provide retail telecommunications services in unserved areas with conditions. The PUD must work with the Statewide Broadband office to determine if areas are unserved. No specific provisions would require work from UTC. No fiscal impact on UTC.

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.

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: 5383 2S SB	**Title:** Public telecomm. services

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

Legislation Impacts:

☐ Cities:

☐ Counties:

☒ Special Districts: Public utility districts (PUDs) and port districts would be able to provide retail telecommunication services to an end-user in an unserved area, as long as, an existing service provider has not filed an objection and a broadband service plan with the Governor's Statewide Broadband Office for that area.

☒ Specific jurisdictions only: Only 14 of the state's 28 PUDs provide retail telecommunications services.

☐ Variance occurs due to:

Part II: Estimates

☒ No fiscal impacts.

☐ Expenditures represent one-time costs:

☒ Legislation provides local option: This legislation allows for PUDs and port districts to provide retail telecommunications services to end-users in unserved areas as a local option.

☒ Key variables cannot be estimated with certainty at this time: How many PUDs and port districts would take up the local option; how many existing service providers would object to PUDs or port districts providing retail telecommunications services to unserved areas.

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 02/24/2021
Leg. Committee Contact: Angela Kleis	Phone: 360-786-7469	Date: 02/23/2021
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/24/2021
OFM Review: Jenna Forty	Phone: (564) 999-1671	Date: 02/25/2021

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 FROM ORIGINAL BILL:
Sec. 2 amends RCW 54.16.330 (Telecommunications Facilities – Purposes – Limitations – Provisions of Telecommunications Services – Eminent Domain)
(1)(a)(ii) A public utility district (PUD) may provide wholesale telecommunications services to an area currently served with electrical services in an adjoining county.

(10)(a) Requires that a PUD receive notice from the Governor's Broadband Office (Broadband Office) that a telecommunications service provider has not submitted an objection, and does not have a broadband service plan for the same project area.

(10)(b) Outlines the responsibilities of existing broadband service providers to submit materials to the Broadband Office when filing an objection or documenting that adequate telecommunications services would be provided to the service area.

(10)(c) The Broadband Office must notify the PUD when information about broadband services in a prospective project area are submitted by the existing telecommunications services within 30-days, that either a signed affidavit was, or was not submitted.

(10)(d) If an existing service provider that raised an objected has not fulfilled its commitment to provide service to the unserved area within 6-months of filing an objection with the Broadband Office, the Broadband Office must notify the PUD that it has permission to commence work on that project area's telecommunication services. If the Broadband Office determines that the existing service provider was not able to accomplish its broadband service plan due to circumstances outside of its control, the 6-month window may be extended.

(10)(e) A PUD providing retail telecommunications services must operate an open access network.

(10)(f) This section does not apply to retail internet services that are provided by a PUD under RCW 54.16.420 (Public Utility Districts, Powers, Retail Internet Service)

Sec. 3 amends RCW 53.08.370 (Port Districts, Powers, Telecommunications Facilities)
(1)(b) Allows port districts to provide telecommunications services to end users only under the conditions of subsection 10 of this section.

(10) A new subsection with the same language as Sec. 2(10) of this act.

SUMMARY OF CURRENT BILL:
This legislation would allow public utility districts and port districts to provide broadband telecommunication services to unserved areas, so long as, an objection and a broadband service plan is not filled by a broadband service provider who currently serves end-users near the unserved area.

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.

CHANGES FROM ORIGINAL BILL:
This legislation allows for port districts to start projects which are meant to provide broadband telecommunication services to unserved areas, under certain conditions. It also clarifies the responsibilities of existing service providers when filing objections to telecommunications projects for unserved areas when a public utility district or port district want to engage in these projects. These projects would be done as a local option and there would be no fiscal impact as a result of this legislation.

SUMMARY OF CURRENT BILL
The provisions of this bill allow for public utility districts (PUDs) and port districts to enter into retail telecommunications projects for unserved areas as a local option. The number of PUDs and port districts that would create broadband telecommunication expansion projects is unknown and not all PUDs and port districts provide these services. There are 28 PUDs in Washington and only 14 provide telecommunication services. Not all of these 14 PUDs would provide retail services under the provisions of this legislation. There are 75 port districts in Washington and only through recent legislation, SHB 2664 (2018), have these districts been able to provide wholesale telecommunications services.

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.

NO CHANGE FROM ORIGINAL BILL:
There would be no revenue impact as a result of this legislation.

This bill would allow public utility districts (PUDs) and port districts to provide retail telecommunications services to unserved areas as a local option. Washington PUDs are not-for-profit authorities and the revenue generated from providing broadband to unserved areas would be cost recovery for providing the service. There may be revenue generated by ports for leasing facilities that are created for providing telecommunications services, but the number of port districts that may choose to adopt the provisions of this legislation is currently unknown.

SOURCES:
Department of Commerce, State Broadband Office
Senate Bill Report SB 5383 (2021)
Substitute House Bill Report SHB 2664 (2018)
Utilities and Transportation Commission
Washington Public Utility District Association