Individual State Agency Fiscal Note

Bill Number: 5269 SB	Title: Manufacturing	Agency: 103-Department of Commerce

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.2	1.3	1.3	1.3	1.3
Account					
General Fund-State 001-1	409,168	411,429	820,597	522,858	525,258
Total $	409,168	411,429	820,597	522,858	525,258

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.

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Agency Preparation:	Karen McArthur	Phone: 360-725-4027	Date: 01/25/2023
Agency Approval:	Jason Davidson	Phone: 360-725-5080	Date: 01/25/2023
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Part II: Narrative Explanation

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

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

Section 2 directs the Department of Commerce (department) to develop a proactive state manufacturing industry strategy by commissioning an independent assessment of opportunities for Washington to capture new and emerging industries and strengthen its manufacturing base and directs the department on what the assessment must include. The department must contract for the assessment by October 1, 2023, with results made publicly available by October 1, 2024.

Section 3 directs the department to appoint an industrial policy advisor to ensure the state fully leverages federal and other funding opportunities to support the development and expansion of the manufacturing industry, and closely interact with government and private sector leaders in the advancement of the manufacturing sector.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

This bill creates the Washington clean manufacturing leadership act.

To complete this work the department estimates the following will be needed:

1.0 FTE EMS 2 manufacturing industrial policy advisor to ensure that Washington fully leverages available federal funding for manufacturing to meet the state's economic development goals, statutory greenhouse gas emission reduction and guide the implementation of the state industrial strategy.

Salaries and Benefits:
FY24: $166,607
FY25-29: $172,063 each fiscal year

Professional Service Contracts:
One professional service contract with a firm to provide an independent assessment of opportunities for Washington to capture new and emerging industries and strengthen its manufacturing base. The department assumes a rate of $250 per hour for the professional services contracts.
FY24-FY25: $150,000 each fiscal year

Goods and Services:
FY24: $22,747
FY25-FY29: $22,757 per fiscal year

Travel:
Travel includes government and private sector outreach and collaboration.
FY24-FY29: $10,000 per fiscal year

Equipment:
In addition to the standard goods and services estimates, the department assumes the purchase of standard workstations for

the new staff in FY24 and the purchase of replacement laptops/tablets in FY28 based on the department's replacement cycle.
FY24: $5,000
FY28: $2,400

Intra-Agency Reimbursements:
FY24: $54,814
FY25-FY29: $56,609 each 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. Agency administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

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Total Costs:
FY24: $409,168
FY25: $411,429
FY26-FY27: $261,429 each fiscal year
FY28: $263,829
FY29: $261,429

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	409,168	411,429	820,597	522,858	525,258
		Total $	409,168	411,429	820,597	522,858	525,258

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.2	1.3	1.3	1.3	1.3
A-Salaries and Wages	128,983	132,852	261,835	265,704	265,704
B-Employee Benefits	37,624	39,211	76,835	78,422	78,422
C-Professional Service Contracts	150,000	150,000	300,000		
E-Goods and Other Services	22,747	22,757	45,504	45,514	45,514
G-Travel	10,000	10,000	20,000	20,000	20,000
J-Capital Outlays	5,000		5,000		2,400
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	54,814	56,609	111,423	113,218	113,218
9-					
Total $	409,168	411,429	820,597	522,858	525,258

III. C - Operating FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Services - Indirect	111,168	0.2	0.3	0.3	0.3	0.3
EMS Band 2	128,983	1.0	1.0	1.0	1.0	1.0
Total FTEs		1.2	1.3	1.3	1.3	1.3

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.