# Individual State Agency Fiscal Note

Revised

| Bill Number: 1057 HB | Title: Access to federal funds | Agency: 103-Department of Commerce |
|---|---|---|

## Part I: Estimates

☐ **No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

| | FY 2026 | FY 2027 | 2025-27 | 2027-29 | 2029-31 |
|---|---|---|---|---|---|
| FTE Staff Years | 2.7 | 2.6 | 2.7 | 2.5 | 2.4 |
| **Account** | | | | | |
| General Fund-State 001-1 | 466,657 | 444,610 | 911,267 | 867,128 | 829,036 |
| **Total $** | 466,657 | 444,610 | 911,267 | 867,128 | 829,036 |

**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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# 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.*

HB 1057 amends RCW 43.330.088 and 2024 c 223 s 3, calling for the Department of Commerce (the Department) to expand the eligible applicants for a grant writing program to support local communities, including economic development organizations as defined in C.F.R. Sec.

312.3 as it existed on October 10, 2024, frontier counties as defined in RCW 43.330.010, and rural counties as defined in RCW 43.160.020 in the recruiting, hiring, and retention of grant writers. The Associate Development Organization (ADO) grant writers' program was funded in the 23-25 biennium one-time/without ongoing funding; this amendment expands the existing program. Commerce will create a new program to intake review and disperse match funding based on an organization's federal award. Additionally, the bill directs the department to expand the scope of an existing website, fundhub.wa.gov, to include federal economic development grants and other incentives.

**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.*

Office of Economic Development and Competitiveness Impacts:

Capacity constraints apply to the expenditure detail. Due to the amendment's indeterminate nature, the staffing assumptions detailed below support a program up to $100M. Additional expenditures may be needed if the appropriation exceeds that amount.

The ADO grant writers' program funds an existing Commerce Specialist 3 at 1 FTE and a Commerce Specialist 5 at 0.1 FTE in the 23-25 biennium without ongoing funding. The fiscal impact below assumes the bill would continue those funds. ($138,180 in annual operating costs). This program exists within the Department of Commerce's Office of Economic Development and Competitiveness (OEDC)

Sec. 2 (1) - Expands the eligible applicants for a grant writing program to support local communities, including economic development organizations, in recruiting, hiring, and retaining grant writers.

To successfully administer this expanded program, additional stakeholder engagement and program oversight will be needed to identify and manage additional grants and source and educate the expected applicant population. To complete this work the Department will require .4 FTE of a Commerce Specialist 5 in OEDC.

Sec. 2 (4) - Amended language adds reporting measures involving the use of state matching dollars.

The bill creates a new reporting measure: OEDC must report on the fiscal impact of the state matching program. The Department assumes .1 FTE of a Commerce Specialist 5 will be needed to meet the objective of this section. This will be part of the current staff's workload allocated for RCW 43.330.088. Therefore, there is no fiscal impact on the Department.

Sec. 3 (4) – is amended and requires OEDC to create a standard letter template that will identify the amount of funding support available for their federal application and will support their application.

Creation and communication of the template will require 150 hours of the existing ADO Commerce Specialist 3. This work can be completed with existing resources, therefore there is no fiscal impact on the Department

Sec. 3 (5) - Adds language requiring Commerce to develop scoring criteria to prioritize applications for matching funds, considering job creation, households affected, businesses impacted, federal funding amount, and prioritizing rural and frontier counties. Input must be solicited from associate development organizations, ports, chambers of commerce, workforce development boards, and the governor's office to focus on federal funds with the greatest economic development impact in Washington. To carry out the intent of this section, the Department will need an additional 1 FTE of a new Commerce Specialist 3.

The amendment creates a matching fund program in which staff would need to procure applications, manage subsequent contracts, and report on expected metrics. The fiscal impact is 0.9 FTE of a Management Analyst 4.

Sec. 4 - A new section requires the department to provide a report on the use of state matching dollars every two years. OEDC must identify the number of letters provided and the number of successful applications, the amount of federal funding received, and the number of federal agencies and funding opportunities on fundhub.wa.gov. Fiscal impact of .1 FTE of a Management Analyst 4.

Section 5 creates the healthy economic development account, this is a non-appropriated account, subject to allotments. Only the director of the Department of Commerce may authorize expenditures from the account

Department of Commerce Energy Division Impacts:

Sec. 3(7) - Adds language requiring the department to expand fundhub.wa.gov to include federal funds available for economic development. To meet the requirements of this section, the Department will need an additional .3 of a Commerce Specialist 2 in FY 26 reducing to .2 from FY27 to FY29 within the Commerce Energy Division.

Staffing Summary

Existing Staff: Funding tied to the one-time appropriation of ADO Grant Writing program expiring on June 30th, 2025.

OEDC: Commerce Specialist 3 - 1.0 FTE - Procurement and application manager. Oversees and manages the intake of applications and subsequent reports to the legislature. Manages the creation of applicable template. Performs as the contracts manager, managing post-award contract specifics as they relate to the grant writer program portion. This existing position will take on the required work outlined in section 3(4) to create a standard template for applicants.

Existing/Expanded:

OEDC: Commerce Specialist 5 Expanding from .1 FTE to 0.5 FTE - Manages expanded grant writer program. Oversees program reporting and stakeholder engagement.

New:

Office of Economic Development and Competitiveness Impacts:

Management Analyst 4 - 1.0 FTE - Manages the program, which includes oversight of procurement development and liaising with federal agencies, businesses, and private foundations. Will oversee the creation of proper scoring metrics which will utilize the framework laid out in the legislation. Also participates in networking events and general stakeholder relation aspects of the program. The Commerce Specialist 5 will support section 2(1) to identify and manage new grants including applicant sourcing. Additionally, this position will support Section 2(4) program reporting on the use of state match dollars. The Management Analyst 4 will support the work outlined in section 4 to report on program applications and awards as well as section 3(5) supporting the matching fund administration.

Commerce Specialist 3 - 1.0 FTE - Procurement and application manager. Will oversee and manage the intake of applications and subsequent reports to the legislature. The position will also manage the creation of applicable template. Contracts manager, managing post-award contract specifics as it relates to disbursement of state matching funds. The Commerce Specialist 3 will support the work outlined in section 3(5) to solicit input from communicate stakeholders and develop scoring criteria.

Department of Commerce Energy Division Impacts:

This fiscal note assumes the fundhob.wa.gov website will continue to be hosted by the Dep of Commerce Energy division. The following expenditures support the addition of new federal funds to Fundhub.wa.gov as outlined in section 3(7)
0.3 FTE (FY26) Commerce Specialist 2 to research and add federal economic development opportunities to the site.
0.2 FTE (FY27-FY29) Commerce Specialist 2 to review and update new economic development opportunities to the site.

Costs associated with this bill are as follows:

To continue staff expenditures of the existing grant writing program.

Annual costs: 1 Commerce Specialist 4, and 0.1 Commerce Specialist 5. Salaries and wages: $99,038

Employee Benefits: $32,941 Goods and Other Services:

Supplies and Materials: $1,100 Employee Training: $4,000 Travel: $1,100

Fiscal Impact of amendment:

1 FTE Management Analyst 4, 1 FTE Commerce Specialist 3, 0.4 FTE Commerce Specialist 5 (expanded workload from existing position), 0.3-0.2 FTE Commerce Specialist 2.

Ongoing: Annual wages for .4 FTE Commerce Specialist 5 = $41,177
Ongoing: Annual wages for 1 FTE Management Analyst 4 = $93,234
Ongoing: Annual wages for 1 FTE Commerce Specialist 3 = $88,744

FY 26: Annual wages for .30 FTE of Communications Consultant 2 = $22,971
FY 27-29: Annual Wages of Communications Consultant 2 = $15,314

Salary(s) & Benefit(b) totals

FY 26: $246,126(s) + $81,381(b) = $327,507
FY 27-29: $238,469(s) + $78,619(b) = $317,088 per year
FY 30-31: $223,155 (s)+ $73,096(b) = $296,251 per year

Goods and Other Services
FY 26:
Supplies and Materials: $2,700 per year
Employee Training: $8,000 per year
Total: $10,700 per year

FY 27-29:
Supplies and Materials: $2,600 per year
Employee Training: $8,000 per year
Total: $10,600 per year

FY 27-29:
Supplies and Materials: $2,400 per year
Employee Training: $6,000 per year
Total: $8,400

Travel

In addition to the Standard Travel Rates, an additional $5,000 per year is projected for attending network events and other economic development events, as well as $5,000 per year for grant monitoring visits.

FY 26: $12,700
FY 27-29: $12,600
FY 30-31: $12,400

Capital Outlays

Standard equipment costs applied for 2 new employees with refresh after 4 years. FY 26: $8,000

FY 29: $8,000

Intra-Agency Reimbursements FY 26: $107,750

FY 27-29: $104,322

FY 30-31: $97,467

# Part III: Expenditure Detail

**III. A - Operating Budget Expenditures**

| Account | Account Title | Type | FY 2026 | FY 2027 | 2025-27 | 2027-29 | 2029-31 |
|---|---|---|---|---|---|---|---|
| 001-1 | General Fund | State | 466,657 | 444,610 | 911,267 | 867,128 | 829,036 |
| | | **Total $** | 466,657 | 444,610 | 911,267 | 867,128 | 829,036 |

**III. B - Expenditures by Object Or Purpose**

| | FY 2026 | FY 2027 | 2025-27 | 2027-29 | 2029-31 |
|---|---|---|---|---|---|
| FTE Staff Years | 2.7 | 2.6 | 2.7 | 2.5 | 2.4 |
| A-Salaries and Wages | 246,126 | 238,469 | 484,595 | 461,624 | 446,310 |
| B-Employee Benefits | 81,381 | 78,619 | 160,000 | 151,715 | 146,192 |
| C-Professional Service Contracts | | | | | |
| E-Goods and Other Services | 10,700 | 10,600 | 21,300 | 19,000 | 16,800 |
| G-Travel | 12,700 | 12,600 | 25,300 | 25,000 | 24,800 |
| J-Capital Outlays | 8,000 | | 8,000 | 8,000 | |
| M-Inter Agency/Fund Transfers | | | | | |
| N-Grants, Benefits & Client Services | | | | | |
| P-Debt Service | | | | | |
| S-Interagency Reimbursements | | | | | |
| T-Intra-Agency Reimbursements | 107,750 | 104,322 | 212,072 | 201,789 | 194,934 |
| 9- | | | | | |
| **Total $** | 466,657 | 444,610 | 911,267 | 867,128 | 829,036 |

**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 2026 | FY 2027 | 2025-27 | 2027-29 | 2029-31 |
|---|---|---|---|---|---|---|
| Commerce Specialist 2 | 72,924 | 0.3 | 0.2 | 0.3 | 0.1 | |
| Commerce Specialist 3 | 84,518 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| Commerce Specialist 5 | 98,040 | 0.4 | 0.4 | 0.4 | 0.4 | 0.4 |
| Management Analyst 4 | 88,794 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| **Total FTEs** | | 2.7 | 2.6 | 2.7 | 2.5 | 2.4 |

**III. D - Expenditures By Program (optional)**

| Program | FY 2026 | FY 2027 | 2025-27 | 2027-29 | 2029-31 |
|---|---|---|---|---|---|
| Energy Division (500) | 44,139 | 30,093 | 74,232 | 30,093 | |
| Office of Economic Development and Competitiveness (700) | 422,518 | 414,517 | 837,035 | 837,035 | 829,036 |
| **Total $** | 466,657 | 444,610 | 911,267 | 867,128 | 829,036 |

# 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.*

Commerce shall adopt new rule(s) under WAC 365 to implement bill. healthy economic development