Multiple Agency Fiscal Note Summary

Bill Number: 1245 HB	**Title:** Business development

Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	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
Office of the Secretary of State	.9	1,158,000	1,158,000	1,158,000	.2	76,000	76,000	76,000	.2	76,000	76,000	76,000
Department of Commerce	2.0	758,414	758,414	758,414	2.0	758,414	758,414	758,414	2.0	750,414	750,414	750,414
Office of Minority and Women's Business Enterprises	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Enterprise Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Veterans Affairs	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total $	**2.9**	**1,916,414**	**1,916,414**	**1,916,414**	**2.2**	**834,414**	**834,414**	**834,414**	**2.2**	**826,414**	**826,414**	**826,414**

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Office of the Secretary of State	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.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 Veterans Affairs	.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: Marie Davis, OFM	**Phone:** (360) 890-1163	**Date Published:** Final 2/ 4/2025

FNPID 72386

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 1245 HB	Title: Business development	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:	Emily Poole	Phone: 360-786-7106	Date: 01/15/2025
Agency Preparation:	Kathy Cody	Phone: (360) 480-7237	Date: 01/17/2025
Agency Approval:	Jamie Langford	Phone: (360) 870-7766	Date: 01/17/2025
OFM Review:	Gwen Stamey	Phone: (360) 790-1166	Date: 01/17/2025

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 of HB 1245 establishes the Office of Entrepreneurship. The Governor must appoint a Director of this Office.

The Office of the Governor believes appointing this position will not have a fiscal impact.

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.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

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.

Individual State Agency Fiscal Note

Bill Number: 1245 HB	Title: Business development	Agency: 085-Office of the Secretary of State

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	1.5	0.2	0.9	0.2	0.2
Account					
General Fund-State 001-1	1,120,000	38,000	1,158,000	76,000	76,000
Total $	1,120,000	38,000	1,158,000	76,000	76,000

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:	Emily Poole	Phone: 360-786-7106	Date: 01/15/2025
Agency Preparation:	Bonnie Luntzel	Phone: 360-704-5262	Date: 01/21/2025
Agency Approval:	Tim Gallivan	Phone: (360) 763-2044	Date: 01/21/2025
OFM Review:	Marie Davis	Phone: (360) 890-1163	Date: 01/21/2025

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.

Sec 2 (3) has the Office of the Secretary of State cooperate with and assist the new office of entrepreneurship in the performance of its duties and functions, including by providing data collected by such agencies that is necessary for the office to complete its reporting obligations under section 3 of this act.

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.

No Impact.

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.

The Office of the Secretary of State (OSOS) will require a buildout within the Corporations and Charities Filing System (CCFS) to adequately record the information for the reports under Section 2(3) for the identifiers under Section 3(1)(c):

The following resources and standard costs* will be needed to build out the identifiers for the business entity originations that are recorded with the OSOS:

- IT Business Analyst: This position will create user stories and user acceptance criteria in collaboration with Product Owner, business users and subject matter experts to meet the provisions of the bill. In FY2026, OSOS anticipates needing 0.5 FTE (annual salaries and benefits: $76,884, rounded to $77,000 for reporting purposes) and 0.1 FTE ongoing (annual salaries and benefits: $15,377, rounded to $16,000 for reporting purposes)

- Management Analyst 5: This position will provide functional testing assignments to management analysts and perform functional testing of system enhancements. Track and problem solve coding errors as reported by management analysts in coordination with the business product owner, project manager and application developer testing of system build enhancements and regression testing. In FY2026, OSOS anticipates needing 0.5 FTE (annual salaries and benefits: $65,129, rounded to $66,000 for reporting purpose).

- Management Analyst 3: This position will perform functional testing of system enhancements as assigned by the Management Analyst 5, report errors, and perform testing of system builds and enhancements and regression testing of successful code release. In FY2026, OSOS anticipates needing 0.5 FTE (annual salaries and benefits: $52,602, rounded to $53,000 for reporting purposes) and 0.1 FTE ongoing (annual salaries and benefits: $10,521, rounded to $11,000 for reporting purposes).

- Contracted resources: In FY 2026, OSOS assumes needing contractor resources (4 application developers at $184,080 per year) to provide coding and programming system functional requirements as established by the IT Business Analyst, Product Owner and division stakeholders. Perform functional testing of system builds and enhancements. Accessibility, retention, and regression testing.

*Standard Costs: OSOS will incorporate the following standard costs narrative: Goods and services, Object E, includes $29,000 per FTE, per year, for OSOS standard costs, which cover an average employee's supplies, communications, training, and subscription costs per year. An administrative allocation rate of 15% is included in object T and is calculated

based on OSOS cost allocation processes.

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	1,120,000	38,000	1,158,000	76,000	76,000
		Total $	1,120,000	38,000	1,158,000	76,000	76,000

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.5	0.2	0.9	0.2	0.2
A-Salaries and Wages	146,000	20,000	166,000	40,000	40,000
B-Employee Benefits	48,000	7,000	55,000	14,000	14,000
C-Professional Service Contracts	736,000		736,000		
E-Goods and Other Services	44,000	6,000	50,000	12,000	12,000
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	146,000	5,000	151,000	10,000	10,000
9-					
Total $	1,120,000	38,000	1,158,000	76,000	76,000

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 2026	FY 2027	2025-27	2027-29	2029-31
IT Business Analyst - SR/SPEC	124,068	0.5	0.1	0.3	0.1	0.1
Management Analyst 3	76,608	0.5	0.1	0.3	0.1	0.1
Management Analyst 5	98,040	0.5		0.3		
Total FTEs		1.5	0.2	0.9	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

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

No Impact.

Part V: New Rule Making Required

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

RCW 23.95.255 will need to be updated to reflect the identifiers as part of the reporting process of businesses.

Individual State Agency Fiscal Note

Bill Number: 1245 HB	Title: Business development	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	2.0	2.0	2.0	2.0	2.0
Account					
General Fund-State 001-1	383,207	375,207	758,414	758,414	750,414
Total $	383,207	375,207	758,414	758,414	750,414

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:	Emily Poole	Phone: 360-786-7106	Date: 01/15/2025
Agency Preparation:	Lucas Rubstello	Phone: (206) 613-7565	Date: 02/04/2025
Agency Approval:	Lucas Rubstello	Phone: (206) 613-7565	Date: 02/04/2025
OFM Review:	Marie Davis	Phone: (360) 890-1163	Date: 02/04/2025

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-1245 establishes the Office of Entrepreneurship (office) within the Department of Commerce (Department).
Section 2(2)(b) directs the Office to work with stakeholders and organizations supporting entrepreneurship to enhance the learning and skills of, provide technical support to, and expand access to resources for entrepreneurs across the state.

This is a primary function of The Department's Office of Economic Development and Competitiveness (OEDC). The Department would need to work closely with the new office. Section 2(3) requires the Department of Commerce to cooperate with and assist the office in the performance of its duties and functions, including by providing data collected by such agencies that is necessary for the office to complete its reporting obligations.

The Department would have a role in carrying out Section 3(1)(g) by providing recommendations on improving overall entrepreneurship in the state including identifying regional challenges to entrepreneurship.

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.

Creating an office of entrepreneurship, as outlined in the bill, will require at least two staff members: one Washington Management Service (WMS) 2 to be the new director and one Commerce Specialist 3 to assist in implementing the bill and work with other staff on entrepreneurship.

Section 2 requires the governor to appoint a director for the Office of Entrepreneurship. As defined within Section 2, this position will direct the new office and be the external face of the office. The Department estimates the annual salary for this position at $126,529.

Section 2 also gives authority to employ staff to assist the director of the office, working with existing OEDC entrepreneur staff to meet the needs of these new, small businesses, particularly as they relate to state contracting. Workload volume is not defined within this bill, OEDC estimates the opening of the office to require one FTE of a Commerce Specialist 3 and growing based on the availability of amounts appropriated for this purpose. The Department estimates the annual salary for this position at $84,518.
Both will work within existing entrepreneur programs at OEDC, the Office of Minority and Women’s Business Enterprises (OMWBE), and the Office of Regulatory Innovation and Assistance.

Salary(s) & Benefit(b) totals
FY 26-31: $211,047(s) + $65,256(b) = $276,303

Goods and Other Services FY 26-31:
Supplies and Materials: $2,000 per year Employee Training: $4,000 per year Total: $6,000 per year

Travel – (Standard Travel Rates)
FY 26-31: $2,000

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 26-31: $90,904

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	383,207	375,207	758,414	758,414	750,414
		Total $	383,207	375,207	758,414	758,414	750,414

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	2.0	2.0	2.0	2.0	2.0
A-Salaries and Wages	211,047	211,047	422,094	422,094	422,094
B-Employee Benefits	65,256	65,256	130,512	130,512	130,512
C-Professional Service Contracts					
E-Goods and Other Services	6,000	6,000	12,000	12,000	12,000
G-Travel	2,000	2,000	4,000	4,000	4,000
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	90,904	90,904	181,808	181,808	181,808
9-					
Total $	383,207	375,207	758,414	758,414	750,414

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 3	84,518	1.0	1.0	1.0	1.0	1.0
WMS Band 2	126,529	1.0	1.0	1.0	1.0	1.0
Total FTEs		2.0	2.0	2.0	2.0	2.0

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Office of Economic Development and Comepetitiveness (700)	383,207	375,207	758,414	758,414	750,414
Total $	383,207	375,207	758,414	758,414	750,414

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.

Individual State Agency Fiscal Note

Bill Number: 1245 HB	Title: Business development	Agency: 147-Office of Minority and Women's Business Enterprises

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:	Emily Poole	Phone: 360-786-7106	Date: 01/15/2025
Agency Preparation:	Ian Shelley	Phone: (360) 489-5779	Date: 01/20/2025
Agency Approval:	Ian Shelley	Phone: (360) 489-5779	Date: 01/20/2025
OFM Review:	Megan Tudor	Phone: (360) 890-1722	Date: 01/21/2025

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 1 provides definitions that apply to sections 2 and 3.

Section 2 (1) establishes the office of entrepreneurship. Section 2 (3) states that the "office may collaborate" with the Office of Minority and Women's Business Enterprises (OMWBE), and, if so, OMWBE is required to assist the new Office in performing its duties, which may include providing data.

Section 3 requires the office of entrepreneurship to submit a report to legislative committees by November 1, 2026, and biennially thereafter.

If requested, OWMBE will assist this new agency in the same manner that it does for other agencies that it collaborates with. OMWBE will be able to do this within existing resources. Therefore, there is no fiscal impact for this original bill.

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.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

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.

Individual State Agency Fiscal Note

Bill Number: 1245 HB	Title: Business development	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:	Emily Poole	Phone: 360-786-7106	Date: 01/15/2025
Agency Preparation:	Michael Diaz	Phone: (360) 407-8131	Date: 01/20/2025
Agency Approval:	Jessica Goodwin	Phone: (360) 819-3719	Date: 01/20/2025
OFM Review:	Gwen Stamey	Phone: (360) 790-1166	Date: 01/20/2025

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 adds a new section to RCW 43.330 and establishes the Office of Entrepreneurship (Office) within the Department of Commerce (Commerce). Subsection 1(3) states that the Office may collaborate with several state agencies, including the Department of Enterprise Services (DES), to carry out its purpose. Each agency identified in section 2(3) shall cooperate with and assist the Office by providing the data that is necessary for the Office to meet its reporting obligations, as defined under section 3 of this act.

Section 3 adds a new section to RCW 43.330 stating the Office shall produce a report to the Legislature beginning November 1, 2026, and biennially thereafter. The details of what must be included in the report are defined in section 3(1) (a-h).

Subsection 3(2) states that the Office shall encourage five percent of the total number and value of state contracts to be awarded to businesses that have been in operation for not more than five years and whose principal place of business is in this state.

DES collects data for statewide contracts and public works bids and can provide this information to the Office of Entrepreneurship in the normal course of business. Should the Office require DES to provide data that is not currently collected system enhancements and/or additional staff may be needed, which could result in a future fiscal impact.

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.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

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.

Individual State Agency Fiscal Note

Bill Number: 1245 HB	Title: Business development	Agency: 305-Department of Veterans Affairs

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.

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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.

1245 HB has no fiscal impact to the Washington Department of Veterans Affairs (WDVA). Any minor administrative efforts required to support the Office of Entrepreneurship through resource referral and data sharing can be managed within existing staff and resources.

This bill establishes The Office of Entrepreneurship, designed to facilitate the creation and growth of business in Washington State. The Office's functions include:
1. Supporting businesses with fewer than 10 employees.
2. Providing technical support and resources for entrepreneurs.
3. Assisting businesses in operation for less than five years in navigating state agencies.
4. Identifying government regulations and fees that hinder business formation.
5. Collaborating with other support agencies, including the WDVA.

Support agencies will assist the Office in its functions, including providing data for required reporting. The bill mandates the Office to submit a biennial legislative report detailing state contract spending, demographic data, and barriers faced by business operating for less than five years. Additionally, the Office is tasked with encouraging the allocation of at least five percent of state contracts, both by number and value, to businesses that have in operation for less than five years.

WDVA's only involvement will be to support the Office by providing resource referrals and necessary data, which can be absorbed within existing staffing and resources.

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.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

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.