Multiple Agency Fiscal Note Summary

Bill Number: 1860 HB	**Title:** Supply chain competitiveness

Estimated Cash Receipts

NONE

Agency Name	2025-27		2027-29		2029-31	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Local Gov. Total						

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 State Treasurer	Fiscal note not available											
Department of Commerce	Fiscal note not available											
Department of Transportation	2.0	0	0	556,400	2.0	0	0	538,400	2.0	0	0	538,400
Department of Transportation	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Freight Mobility Strategic Investment Board	.1	0	0	52,000	.1	0	0	52,000	.1	0	0	52,000
Total $	**2.1**	**0**	**0**	**608,400**	**2.1**	**0**	**0**	**590,400**	**2.1**	**0**	**0**	**590,400**

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of State Treasurer	Fiscal note not available								
Department of Commerce	Fiscal note not available								
Department of Transportation	.0	0	0	.0	0	0	.0	0	0
Freight Mobility Strategic Investment Board	.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

NONE

Prepared by: Maria Thomas, OFM	**Phone:** (360) 229-4717	**Date Published:** Preliminary 2/12/2025

Individual State Agency Fiscal Note

Revised

Bill Number: 1860 HB	Title: Supply chain competitiveness	Agency: 405-Department of Transportation

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					
All Other Funds-State 000-1	287,200	269,200	556,400	538,400	538,400
Total $	287,200	269,200	556,400	538,400	538,400

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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:	Martha Wehling	Phone: 360-786-7067	Date: 02/06/2025
Agency Preparation:	Amanda Villani	Phone: 3607056821	Date: 02/10/2025
Agency Approval:	Jason Biggs	Phone: 360-705-6821	Date: 02/10/2025
OFM Review:	Maria Thomas	Phone: (360) 229-4717	Date: 02/10/2025

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.

See attached agency fiscal note.

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

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
000-1	All Other Funds	State	287,200	269,200	556,400	538,400	538,400
		Total $	287,200	269,200	556,400	538,400	538,400

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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	204,000	204,000	408,000	408,000	408,000
B-Employee Benefits	61,200	61,200	122,400	122,400	122,400
C-Professional Service Contracts					
E-Goods and Other Services	20,000	2,000	22,000	4,000	4,000
G-Travel	2,000	2,000	4,000	4,000	4,000
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 $	287,200	269,200	556,400	538,400	538,400

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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
Transportation Engineer 3 (new)	100,524	1.0	1.0	1.0	1.0	1.0
Transportation Planning Specialist 4 (new)	103,008	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
Rail, Freight, and Ports-Capital (Y)	287,200	269,200	556,400	538,400	538,400
Total $	287,200	269,200	556,400	538,400	538,400

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: 1860 HB **Title:** Supply Chain Competitiveness **Agency:** 405-Department of Transportation

Part I: Estimates

☐ No Fiscal Impact (Explain required in section II. A)
☐ Indeterminate Cash Receipts Impact (Explain in section II. B)
☐ Partially Indeterminate Cash Receipts Impact (Explain in section II. B)
☐ Indeterminate Expenditure Impact (Explain in section II. C)
☒ Partially Indeterminate Expenditure Impact (Explain in section II. C)

☐ If fiscal impact is less 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 greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, **complete entire fiscal note form Parts I-V**
☐ Capital budget impact, **complete Part IV**
☒ Requires new rule making, **complete Part V**
☒ Revised

Fiscal Detail

		2025-27 Biennium		2027-29 Biennium		2029-31 Biennium	
Expenditures		**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
000-1 NEW		$287,200	$269,200	$269,200	$269,200	$269,200	$269,200
Total Expenditures		**$287,200**	**$269,200**	**$269,200**	**$269,200**	**$269,200**	**$269,200**
Biennial Totals		**$556,400**		**$538,400**		**$538,400**	
FTEs	**Salary**	**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
Transportation Engineer 3 (new)	$100,524	1.0	1.0	1.0	1.0	1.0	1.0
Transportation Planning Specialist 4 (new)	$103,008	1.0	1.0	1.0	1.0	1.0	1.0
Annual Average		**2.0**		**2.0**		**2.0**	
Objects of Expenditure		**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
A - SALARIES AND WAGES		$204,000	$204,000	$204,000	$204,000	$204,000	$204,000
B - EMPLOYEE BENEFITS		$61,200	$61,200	$61,200	$61,200	$61,200	$61,200
E - GOODS AND SERVICES		$20,000	$2,000	$2,000	$2,000	$2,000	$2,000
G - TRAVEL		$2,000	$2,000	$2,000	$2,000	$2,000	$2,000
J - CAPITAL OUTLAYS							
Total Expenditures by Object		**$287,200**	**$269,200**	**$269,200**	**$269,200**	**$269,200**	**$269,200**
Biennial Totals by Object		**$556,400**		**$538,400**		**$538,400**	
Expenditures by Program		**FY 2026**	**FY 2027**	**FY 2028**	**FY 2029**	**FY 2030**	**FY 2031**
PROGRAM Y-CAP		$287,200	$269,200	$269,200	$269,200	$269,200	$269,200
Total Expenditures by Program		**$287,200**	**$269,200**	**$269,200**	**$269,200**	**$269,200**	**$269,200**
Biennial Totals by Program		**$556,400**		**$538,400**		**$538,400**	

Individual State Agency Fiscal Note

Agency Assumptions

The Washington State Department of Transportation (WSDOT) assumes the possible fiscal impact to include 2.0 - 4.0 FTEs for program development and implementation, and 1.0 - 2.5 FTEs for ongoing management, varying based on program size and budget. Activities may include partner collaboration, program development and management, legal review, criteria and performance measurement development, project administration, financial and technical support, and annual inspections for a period of 10 years post-construction. The department plans to collaborate with the other agencies and stakeholders to develop priorities for the supply chain competitive infrastructure program. While the length and frequency of these meetings are yet to be decided, the department intends to collaborate closely with all parties involved. Following the first meeting, added meetings will be scheduled based on mutual agreement.

Agency Contacts:

Preparer: Amanda Villani	Phone: 360-705-7927	Date: 2/5/2025
Approval: Jason Biggs	Phone: 360-705-6902	Date: 2/5/2025
Budget Manager: Stephanie Hardin	Phone: 360-709-8212	Date: 2/5/2025

Part II: Narrative Explanation

II. A - Brief description of what the measure does that has fiscal impact.
Section 2 directs the Washington State Department of Transportation, in collaboration with the Department of Commerce, Freight Mobility Strategic Investment Board, Washington State Public Ports Association, and other critical supply chain stakeholders, to set priorities for a new supply chain competitiveness infrastructure program that includes grants and loans to public ports and federally recognized tribal governments with established port operations.

Section 3(1) creates the supply chain competitiveness infrastructure program account and states that the public and private entities may deposit moneys from federal, state, local or private sources in the account; Sec 3(2) states that the Legislature intends that supply chain competitiveness infrastructure grant funds will be appropriated to WSDOT using exiting transportation accounts.

Section 4 and 5 directs WSDOT to govern and operate the grant and loan programs, including identifying eligible project types and developing performance metrics through a collaborative process with Commerce and other stakeholders.

II. B – Cash Receipts Impact
N/A

II. C - Expenditures
The fiscal impact to WSDOT is indeterminant based on the direction to develop and implement a supply chain competitiveness program in coordination with Department of Commerce, Freight Mobility Strategic Investment Board, Washington State public ports associations, and other critical supply chain stakeholders.

Additionally, as currently written, HB 1860 defines a “program” of loan and grants that are subject to appropriation, the bill provides an indeterminate program size and budget.

WSDOT assumes an administrative and management role to govern and operate the grant and revolving loan programs, including identifying eligible project types for the new program and developing performance metrics through a collaborative process with the Department of Commerce and other stakeholders.

Individual State Agency Fiscal Note

Possible expenditure fiscal impacts include 2.0 - 4.0 FTEs for program development and implementation and 1.0 - 2.5 FTEs for ongoing program management, which may vary depending upon program size and budget. Activities could include: partner collaboration and initial meetings for program development, continue meeting facilitation and reporting, development of new programmatic WAC, legal review and coordination, program eligibility, criteria and performance measurement development, develop and administer call-for-projects, project validation, prioritization, selection, and monitoring, planning integration, grant and loan agreement development and administration, financial and account management, technical support, grantee coordination, project management and close-out and final documentation, grant and loan program management and agency coordination, and annual inspections and verification of constructed infrastructure for consideration period (assumed to 10 years post construction). The department projects the costs to be partially indeterminate, with an expected fiscal impact exceeding $50,000 per fiscal year. A small part of the costs will have no fiscal impact.

Part III: Expenditure Detail

III. A - Expenditures by Object or Purpose

Indeterminate: The fiscal impact is indeterminate for Rail, Freight and Ports (Program Y), however based on the positions currently administering other grant and loan programs such as the FRIB loan program, FRAP grant program, and the Port Electrification Competitive Grant Program, the agency estimates annual costs of $300,000 - $600,000 for development and implementation and $200,000 - $375,000 for ongoing program management.

Identified Costs: Rail, Freight and Ports (Program Y) expects hiring two FTEs, Transportation Engineer 3 and Transportation Planning Specialist 4, starting July 1, 2025. These new hires will support current FTEs in the establishment of the program and for ongoing program and project management. The estimated costs for the FTEs:

- Salaries and Benefits (Object A and B):
  - 2025-27 biennium $556,400 for program establishment and coordination (2.0 - 4.0 FTEs).
  - Per biennium (on-going) $530,400 for program and project management (1.0 - 2.5).
- Goods and Services (Object E), Capital Outlays (Object J), and Travel (Object G) per fiscal year:
  - 2026 Fiscal Year: $22,000 (includes laptop purchase)
  - Per fiscal year (on-going): $4,000
- Total FTE estimated cost for 2025-27 biennium is $556,400 and on-going $538,400 per biennium.

Rail, Freight and Ports (Program Y) plans continue growing with the number of staff necessary for managing projects, screening projects, working with public and private stakeholders, financial activities, and added tasks.

No Fiscal Impact: Transportation Safety & System Analysis (TSSA) division assumes it may aid in developing the performance metrics in Section 4. This effort would be limited and periodic and could be performed within existing resources; thus, it would have no fiscal impact on the TSSA division.

Part IV: Capital Budget Impact

N/A

Part V: New Rule Making Required

Section 2 specifies that department may adopt rules under chapter 34.05 RCW to implement the supply chain competitiveness infrastructure program.

Individual State Agency Fiscal Note

Bill Number: 1860 HB	Title: Supply chain competitiveness	Agency: 411-Freight Mobility Strategic Investment Board

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	0.1	0.1	0.1	0.1	0.1
Account					
Freight Mobility Investment Account-State 09E-1	26,000	26,000	52,000	52,000	52,000
Total $	26,000	26,000	52,000	52,000	52,000

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:	Martha Wehling	Phone: 360-786-7067	Date: 02/06/2025
Agency Preparation:	Fred Wenhardt	Phone: 360-586-9695	Date: 02/10/2025
Agency Approval:	Brandy DeLange	Phone: 360-586-9695	Date: 02/10/2025
OFM Review:	Erik Hansen	Phone: (360) 810-0883	Date: 02/10/2025

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 directs WSDOT to coordinate with FMSIB and other state agencies to set priorities for a successful supply chain competitiveness infrastructure loan and grant program.

Section 4 sets out programmatic goals that projects for the supply chain competitive infrastructure program must align.

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.

Section 2 requires interagency coordination efforts to set priorities for a successful supply chain competitiveness infrastructure loan and grant program. FMSIB expects to actively engage throughout the stakeholder process and serve as subject matter experts on supply chain processes as described in Sec. 4. (2) and the mitigation of community impacts from freight development as described in Sec. 4. (1) (f). This effort will require salary and benefit expenditures of approximately $26,000 for 250 hours of the Executive Director's time annually.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
09E-1	Freight Mobility Investment Account	State	26,000	26,000	52,000	52,000	52,000
		Total $	26,000	26,000	52,000	52,000	52,000

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.1	0.1	0.1	0.1	0.1
A-Salaries and Wages	20,000	20,000	40,000	40,000	40,000
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 $	26,000	26,000	52,000	52,000	52,000

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
Executive Director	170,000	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

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.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1860 HB	**Title:** Supply chain competitiveness

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

Legislation Impacts:

- [ ] Cities:
- [ ] Counties:
- [ ] Special Districts:
- [X] Specific jurisdictions only: Public port districts.
- [ ] Variance occurs due to:

Part II: Estimates

- [ ] No fiscal impacts.
- [ ] Expenditures represent one-time costs:
- [X] Legislation provides local option: Port districts have the option to apply for a grant or loan.
- [X] Key variables cannot be estimated with certainty at this time: The amount of funding for grants and loans. The number of meetings.

Estimated revenue impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Kristine Williams	Phone: (564) 669-3002	Date: 02/10/2025
Leg. Committee Contact: Martha Wehling	Phone: 360-786-7067	Date: 02/06/2025
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/10/2025
OFM Review: Maria Thomas	Phone: (360) 229-4717	Date: 02/10/2025

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

This legislation creates the Washington State Supply Chain Competitiveness Infrastructure Grant and Loan Program in the Department of Transportation. The program will provide grants and loans to projects which enhance supply chain competitiveness for public ports and federally recognized tribal governments with established ports and operations. Eligible projects must be included in a port's freight development plan as defined in RCW 53.20.055.

This legislation goes into effect on July 1, 2028.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

This legislation would not impact local government expenditures.

Assumptions released by the Department of Transportation include collaboration with all parties involved. This collaboration will include at least one meeting with the possibility of additional meetings being scheduled based on mutual agreement. The number and frequency of meetings (and whether they may be conducted virtually) is unknown so the cost to local governments (staff time and travel costs) cannot be estimated.

Public port districts may be required to update their freight development plan. However, the WPPA does not consider this update to be an additional implementation cost for public port districts.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

This legislation would have an indeterminate revenue impact on local governments.

Port districts will see an indeterminate increase in revenues if they choose to apply for a grant or loan. However, the amount of funding that will be made available is unknown and cannot be estimated.

SOURCES
Washington Public Ports Association (WPPA)