Individual State Agency Fiscal Note

Bill Number: 2446 HB	Title: Quantum technology industry	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	0.4	0.0	0.2	0.0	0.0
Account					
General Fund-State 001-1	872,259	0	872,259	0	0
Total $	872,259	0	872,259	0	0

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 2446 requires the Department of Commerce to develop a state quantum strategy to ensure Washington maintains its industry competitiveness

Section 2(2) establishes what the state quantum strategy shall include:

- Section 2(2)(a): Overview of current industry, projected growth, strategies to increase jobs and capital investments.
- Section 2(2)(b): Identification of projects and programs that improve the economic vitality of the quantum technology industry.
- Section 2(2)(c): Identify key partnerships that will provide critical funding and networks to accelerate the quantum technology industry.
- Section 2(2)(d): Provide analysis of state policies that will provide opportunities to grow the quantum technology industry
- Section 2(2)(e): Exploration of quantum application research in the following specific industry areas; nuclear physics, energy and renewables, material sciences, and chemistry
- Section 2(2)(f): Identify research and development opportunities with Washington based research institutions.
- Section 2(2)(g): Develop partnerships with industry and a regional organization of companies, universities, national labs, and business organizations to develop plans to attract federal investment
- Section 2(2)(h): Analysis of the anticipated impacts of a quantum technology industry, including overall economic opportunities and workforce development.

Section 2(3): The department may contract with a Washington State based quantum computing manufacturing entity or regional organization of companies, universities, national labs, and business organization to assist with the development of the industry strategy.

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.

The Department of Commerce's (the department) assumes all work must commence and be completed within FY 2026, as defined in Section 2 (5) with the final strategy submitted by June 30th 2026. Additionally, work cannot start until the budget bill is passed, assumed to be April 2026. This results in all work being completed within a three-month period. This compressed timeline is assumed to incur additional costs.

Section 2(2) and subsections 2(2)(a) through 2(2)(h):
The quantum strategy development activities identified within these subsections will be supported through existing staffing in the Office of Economic Development and Competitiveness' (OEDC) Industry Sector Development Team.

The Knowledge Economy Lead is a strategic role within the Industry Sector Development Program focused on advancing Washington State's leadership in global health, life sciences, and information and communication technology (ICT). The primary purpose of this position is to develop, coordinate, and implement initiatives that strengthen key knowledge-based industry sectors and ensure Washington's global competitiveness in health innovation, biotech, digital health, software, and advanced computing.

Consulting Assumption:

Section 2(3)
The department assumes $750,000 of service contracts in FY 26, which recognizes a $250,000 base cost and 500,000 of costs associated with the compressed timeline. These contracts will be with a Washington State based quantum computing manufacturing entity and/or regional organization of companies, universities, national labs, and business organization to assist with the development of the industry strategy.

Office of Economic Development and Competitiveness (OEDC) Staffing Assumptions:

0.2 FTE from April to June, or 0.05 annual FTE, of the Knowledge Economy Lead, EMS 3, will be managed within existing resources.
Total Cost managed within existing resources, including Salaries, Wages and Indirect: $14,305

0.75 FTE April-June, or 0.18 annual FTE, of a Commerce Specialist 3, to manage service procurement and contract management duties related to the development of the quantum industry strategy. This includes managing post-award contract specifics as it relates to disbursement of state funds.

1 FTE April-June, or 0.25 annual FTE, of a Commerce Specialist 4, to assist in the discovery and development activities related to the quantum industry strategy, including conducting primary and secondary research, facilitating industry outreach, and contributing to drafting the strategy. (This temporary role is a direct impact from the compressed timeline)

OEDC Translation Services:

The Department assumes $40,000 in FY 26 to translate outreach materials into 20 languages and verified by first language speakers ahead of program launch.

Cost Summary

Salaries and Benefits
FY26: $57,030

Professional Services
FY26: $750,000

Goods and Services
FY26: $42,150
Includes 40,000 of translation services.

Capital Outlays
FY27: $5,000

Intra-agency Reimbursement
FY26: $18,259

Total Costs
FY26: $872,259

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	872,259	0	872,259	0	0
		Total $	872,259	0	872,259	0	0

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.4		0.2		
A-Salaries and Wages	38,534		38,534		
B-Employee Benefits	18,496		18,496		
C-Professional Service Contracts	750,000		750,000		
E-Goods and Other Services	42,150		42,150		
G-Travel					
J-Capital Outlays	5,000		5,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	18,079		18,079		
9-					
Total $	872,259	0	872,259	0	0

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	87,054	0.2		0.1		
Commerce Specialist 4	91,458	0.3		0.1		
Total FTEs		0.4		0.2		0.0

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Office of Economic Development and Competitiveness (700)	872,259		872,259		
Total $	872,259		872,259		

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.