Office of Financial Management

STATE OF WASHINGTON

AGENCY FISCAL NOTE AND 10-YEAR COST ANALYSIS (I-960) INSTRUCTIONS

BUDGET DIVISION

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About the Instructions

The Fiscal Note Instructions provide the information you need to prepare and submit fiscal notes to the Office of Financial Management (OFM) and the Legislature. It presents the required fiscal note elements and describes how to use the Fiscal Note System (FNS).

Section 1: Describes the purpose of the fiscal note and the fiscal note process.

Section 2: Provides general information about preparing a fiscal note.

Section 3: Provides detailed information on each section of the fiscal note and how to use the FNS to enter and transmit the information.

Section 4: Provides information on other features of the FNS.

Section 5: Provides detailed information on compliance with RCW 43.135.031 – 10-year analyses for bills that would raise taxes or fees.

You can view distributed fiscal notes at the OFM website: https://fortress.wa.gov/ofm/fnspublic/.

If you need technical assistance using the Fiscal Note System, contact the WaTech Solutions Center at (360) 407-9100 or solutionscenter@watech.wa.gov.

Section 1
What is the Fiscal Note Process?

1.1 What is a fiscal note?

A fiscal note is an objective statement of the fiscal impact of proposed legislation, and is always linked to a particular version of a bill, a draft bill or a bill amendment. A fiscal note's primary purpose is to provide the most reasonable estimate of the expenditure and cash receipt implications of proposed legislation using the best and most rationale set of assumptions. There are three types of fiscal notes; state, local and judicial. The majority of fiscal note requests come from legislative staff and OFM agency staff may also request fiscal notes subject to OFM's approval.

Legislators, legislative staff, OFM, and agency staff, journalists, lobbyists, and citizens who participate in the legislative process use fiscal notes. Used primarily during the legislative session, fiscal notes help determine the direction and funding level of proposed changes at all levels. They are also used after the legislative session ends for research, financial analyses, and to develop future budget requests.

1.2 What is the role of the Office of Financial Management?

Chapter 43.88A RCW requires that OFM coordinate the development of fiscal impact statements (fiscal notes), approve them for form, accuracy and completeness, and distribute them. OFM's objective is to distribute a complete package of fiscal notes in time for scheduled legislative hearings. This is too focused on the hearing as a trigger "as soon as is reasonable and no later than scheduled legislative hearings."

1.3 What is the role of agencies?

As subject matter experts, agencies prepare fiscal notes to estimate the cost of implementing legislative proposals on affected programs. Explaining the costs requires identifying and presenting workload drivers and the most reasonable implementation scenario. Fiscal notes must be factual and objective, and share assumptions with other agencies that also prepare fiscal notes on the same legislation. Assumptions used by multiple agencies to prepare a fiscal note on the same bill must be consistent and fit into one cohesive package.

1.4 What is the fiscal note process?

The Legislature, OFM or an agency initiates a fiscal note request through the Fiscal Note System (FNS). The fiscal note request must specify:

- The bill, initiative, draft bill, or amendment to be analyzed.

- The name of the individual making the request.
- A legislative staff contact and phone number.
- The due date.
- Any special instructions, including hearing information.

Upon receiving the fiscal note request, an OFM analyst reads the associated bill or draft to determine which agencies should prepare a fiscal note. OFM designates a lead agency and assigns an OFM analyst to review the completed note. OFM then sends the request to the assigned agencies via FNS along with an email notification. The request information is immediately available in the system, which includes a link to the bill or draft language.

Each assigned agency prepares a fiscal note for its agency. The Local Government Fiscal Note Program within the Department of Commerce prepares **Local government fiscal notes**. The Office of the Administrator for the Courts prepares **Judicial impact fiscal notes**. OFM or an existing agency with relevant knowledge prepares fiscal impact notes on legislation that has broad statewide impact or creates a new agency.

The lead agency is responsible for coordinating shared assumptions that underlie fiscal notes prepared by various agencies on the same bill or proposal. This may involve all the affected agencies getting together to discuss the bill and the assumptions. As soon as possible, the lead agency should record its assumptions in the FNS on the Request tab. This allows other agencies involved to quickly access the assumptions.

After the agency approves a note internally, the agency releases and transmits the note to OFM for review. The FNS supports the preparation, review, approval and transmittal steps.

In most cases, legislative staff requests a fiscal note to ensure that fiscal impact information is available when a bill is considered in committee. **This means that the fiscal note is needed by the Legislature at least 24 hours before the scheduled hearing.** OFM assigns a due date accordingly — generally 72 hours, or three days, in advance, to cover contingencies. Local government fiscal notes are usually assigned a due date that is seven calendar days from the date of the request. It may be helpful for preparers to realize that far more bills are heard than are actually voted out of committee.

Attentiveness to hearing dates is important, especially if the hearing occurs prior to the due date assigned by OFM. The FNS indicates the next scheduled hearing date associated with each request to assist all parties in meeting what are often quick turnaround requirements.

OFM reviews fiscal notes for approved format, accuracy, reasonableness, and completeness before distributing the note to the Legislature. The assigned OFM budget analyst may contact an agency with questions or request a revised note.

A fiscal note is not official and final until OFM distributes it.

After approval, OFM uses the FNS to distribute completed fiscal note packages electronically. The system posts completed fiscal notes to the OFM website. The system also sends an email notification that includes a link to the published fiscal note to all who request one, to the OFM budget analyst, and to the agency.

Agencies must submit fiscal notes to OFM for review, approval, and formal distribution. Agencies are not to distribute fiscal notes directly, but may share draft fiscal notes with legislative staff to facilitate communication. This should be coordinated with their OFM analyst. Draft fiscal notes should be clearly marked "DRAFT" to ensure that they are not mistaken for an approved fiscal note.

1.5 WHAT IS A 10-YEAR ANALYSIS?

RCW 43.135.031 (Initiative 960) requires that OFM determine the 10-year cost to tax and fee payers of any proposed legislation that would raise taxes, impose new fees, or increase current fees. OFM asks agencies to develop 10-year cost analyses, which OFM then uses to formulate the 10-year cost projection. OFM distributes the10-year cost projection via an email ListServ to every Legislator, and members of the public and media who subscribe to the ListServ. The FNS supports the request, preparation, review, and publication of the10-year analyses. Section 5 provides detailed instructions for completing an analysis.

SECTION 2
General Guidance for Preparing Fiscal Notes

2.1 FOLLOW THESE GUIDELINES WHEN PREPARING FISCAL NOTES

First, read the bill
Read the entire bill before preparing your analysis. Understand which sections apply to your agency and which sections create a fiscal impact for your agency.

Clearly communicate the results of your analysis
The fiscal note plays a key role in the legislative decision-making process. It is important for legislators to understand why the bill costs money and what the key cost drivers are. Clearly indicate which portions of the bill create or drive costs and why, as well as how those costs are calculated. The reader may not need to see every detailed calculation, but should be able to understand causes and elements of the estimated costs.

If the cost impact is indeterminate, provide some illustrative information or range of scenarios. Agencies must select the single fiscal estimate that reflects the most likely assumptions and scenario. If no one scenario is likely to occur, pick a number that represents the middle of the range. Enter the fiscal estimate in the financial section of the note. Include an explanation that will help the reader appreciate the factors that make it difficult to develop a reliable estimate.

State and share your assumptions
Clearly explain the agencies' understanding of what the bill proposes, how the agency would implement the proposal, and any other key cost-related assumptions upon which you based the analysis. In other words, ensuring the reader understands the fiscal note helps maintain your agency's credibility.

Base your assumptions on the least expensive way to reasonably implement the legislation. It is possible to use more than one set of assumptions, as long as they are reasonable, explicit, and not chosen to deliberately sway opinion on the bill.

Starting point
Fiscal notes should note the incremental change from current budget or current law. The starting point for a fiscal note should be the funding level that matches the current enacted budget or current law. Fiscal notes should represent the incremental change from that baseline in each year. If your agency is preparing a fiscal note on a bill assumed in the Governor's budget, prepare the fiscal note using the same cost assumed in the Governor's budget.

Describe the changes between bill versions
For fiscal notes prepared on subsequent bill versions, it is helpful to provide an explanation of the changes made from one version of the legislation to the next. Place this explanation in Part II of the form, "Narrative Explanation." This will help expedite OFM's review of subsequent fiscal notes, as well as help legislators and legislative staff to understand and track the changes from one version to the next.

Be objective and factual
The primary purpose of a fiscal note is to provide the best possible estimate of the expenditure and cash receipt impacts of proposed legislation. It should be factual, informative, concise, and as objective as possible.

Respond to the bill language
A fiscal note should focus on the cost implication of only one bill, without considering the potential impact of other bills, or speculation beyond language actually contained in the proposal.

Do not discuss bill merits
Comments or opinions relative to the merits of a bill are not appropriate in a fiscal note. Such comments should be made through other means, including testimony, meetings, or letters to legislators.

Avoid jargon
Write the fiscal note's narrative for a general audience. Be as clear as possible and avoid overuse of jargon and acronyms. When using an acronym for the first time, spell it out, as is the customary practice, for example the "Office of Financial Management (OFM)."

Do not use inflation
State the expenditure impact in current dollars for the entire period covered by the fiscal note. Do not use an inflation factor to increase expenditures in future years. If there are valid workload changes in future years, these costs are appropriate to include.

Keep working papers handy
We advise agencies to maintain all agency work sheets and data used to prepare fiscal notes for at least two years following the applicable legislative session.

2.2 Answers to common questions about fiscal impact and funding

Does there appear to be no fiscal impact to the legislation?
If the proposed legislation has no fiscal impact, check the "no fiscal impact" box (found on the Summary tab in the FNS). Provide a brief explanation of this assumption in the brief description narrative box.

OFM will not withdraw a request unless asked to do so by the original legislative requester. You should complete and submit an appropriate fiscal note unless the request is withdrawn. If there is no fiscal impact, check the "no fiscal impact" box.

Is the impact less than $50,000?
If the proposed legislation has a fiscal impact less than $50,000 each fiscal year, check the appropriate box on the **Summary** tab and complete these sections:

- Estimated Cash Receipts.
- Estimated Cash Expenditures by Fund.
- Full-Time Equivalents (FTEs).
- Capital or New Rules, if applicable.

If the impact is less than $50,000, agencies are not required to complete the Estimated Cash Receipts, Estimated Cash Expenditures narrative, or the Estimated Expenditures by Object or by Program.

Is there a probable but as yet unquantifiable impact?
Identify assumptions and estimate costs even when uncertainty exists. Occasionally, no data exists to support a reasonable set of assumptions. Should this occur, describe the cash receipt or expenditure impact as “indeterminate.” Before doing so, you should attempt to obtain the information necessary to develop estimates, or call the legislative contact person.

If still unable to obtain sufficient information to prepare a valid fiscal note, check the "Indeterminate Cash Receipts" and/or "Indeterminate Expenditure Impact" boxes, and select a fiscal impact level of either “less than $50,000” or “$50,000 or greater.”

The system will not release the note to OFM unless you check one of these boxes.

Use the narrative portions in these sections to specify the factors that prevent preparing an adequate fiscal note, making every effort to provide information or scenarios that will help the reader appreciate the factors that make it difficult to develop a reliable estimate.

If estimates are uncertain, you can identify a range of possible cash receipts or expenditures in the narrative sections of the fiscal note to clarify this determination. However, you must select the single fiscal estimate that reflects the most likely assumptions and scenario, and enter this information in the financial detail portions of the fiscal note.

If no one scenario is likely to occur, pick the middle of the range and enter the information in the financial portions of the fiscal note.

Does the legislation propose using dedicated revenues?
Frequently, legislation proposes using funding from a continuing or special source of revenue. Fiscal notes should indicate the fiscal impact on any public fund, including current or proposed dedicated fund sources.

Is the legislation unclear or not specific about a fund or revenue source?
If the legislation does not specify a funding source but the services provided are an extension of, or clearly related to, an agency's existing activities and accounts, then use the appropriate accounts that fund the existing activity.

If the legislation creates a new account, but does not identify a source of revenue, and creates a new program that requires your agency to provide a service, but does not identify a source of funding, you should show expenditures from the new account. The cash receipt narrative of the fiscal note should indicate that there is no identified source of revenue to place into the newly created account.

Does the bill contain an appropriation?
If you receive a fiscal note request on a bill containing an appropriation, estimate cash receipts and expenditures without regard to the amount of the appropriation. Reference the appropriation in the narrative section of the fiscal note, but do not include it in the financial detail portions of the note.

How do I address the fiscal impact of a bill containing an appropriation from General Fund-State to a dedicated account?

Some bills contain an appropriation from General Fund-State (GF-S) for deposit into a dedicated account.

Example: **A bill requires Agency A to do something new with funding from a dedicated account. The bill also contains an appropriation from GF-S for deposit into the dedicated account administered by Agency B.**

- **Agency A Fiscal Note**—shows the estimated expenditures to implement the new activity from the dedicated account.
- **Agency B Fiscal Note**—the agency administering the dedicated account should identify on its fiscal note the source of the revenue. In this case, that source is GF-S, and Agency B would show a GF-S expenditure estimate for the revenue needed in the dedicated account. Agency B would also show the revenue in the same amount in the dedicated account.

If an agency is tasked with the new activity and also administers the dedicated account, that fiscal note would show all steps above. In this case, the fiscal note would show what seems like a double-count of expenditures.

Does the bill include related funding provided in a budget bill?
If you receive a fiscal note request on a bill that has funding included in a budget bill, estimate cash receipts and expenditures without regard to the amount of funding provided in the bill. Reference the amount that the bill includes in the narrative section of the fiscal note, but do not include it in the financial detail portions.

Can the agency absorb the costs?
If your agency can absorb the workload and associated costs resulting from the legislation, identify all incremental costs and workload in the expenditure and FTE sections of the fiscal

note. If your agency expresses a willingness to absorb costs assumed in the bill, include an explanation of programs or activities that would displace by absorbing new costs or workload. Agencies should exercise caution when determining what workload and costs can be absorbed.

Is there a local government or judicial impact?
In some cases, legislation may impact local government and/or the courts. Agencies are not required to estimate these impacts. When possible, though, agencies should identify the local government units affected, and share this information with the Department of Commerce, the agency responsible for preparing local government fiscal notes, or with the Administrative Office of the Courts, the agency responsible for preparing judicial fiscal notes.

Does the bill affect more than one agency?
When a bill affects more than one agency, OFM will request each agency to prepare a fiscal note that details the fiscal impact on its own operations (unless otherwise instructed). In order to present a comprehensive picture of the legislation's fiscal impact, the system sends completed notes to the Legislature as one package. OFM prepares a summary fiscal note identifying the cash receipt, expenditure, capital expenditures, and/or FTE impact to each agency affected by the legislation. The local government and judicial impacts are also included, when applicable.

What are the lead agency's responsibilities?
The lead agency develops a set of assumptions all agencies in a multi-agency fiscal note must follow. Example assumptions include caseload, duration of impact and effect of bill language. Typically, OFM assigns the agency most affected by the legislation as the lead agency. The lead agency is responsible for coordinating the shared assumptions that form the basis of fiscal notes written by the various agencies.

OFM encourages lead agencies to record their assumptions on the request tab in the FNS as soon as possible to benefit other agencies also working on notes. Agencies must communicate with each other to avoid conflicting assumptions, double counting, or omissions.
Why is it important for agencies to share assumptions?
Problems can occur when agencies don't share assumption. Common errors include:

- Overlapping fiscal information caused by more than one agency reporting the same revenues or expenditures.
- Missing costs for a new commission or advisory council created with the legislation.
- Different workload numbers used by agencies affected by the bill.
- Conflicting assumptions on staffing, rates or revenues.

Any conflicting assumptions among individual fiscal notes will delay OFM distributing the final package to the Legislature. Late submittals from one or more of the contributing agencies also cause delays.

If you knows of other agencies affected by the legislation that have not been asked to prepare a fiscal note, please notify OFM Operations at (360) 902-0561 as soon as possible to avoid delays in contacting these other agencies.

2.3 ANSWERS TO COMMON QUESTIONS ABOUT THE BILL OR DRAFT

Is the request related to draft legislation?
Complete the fiscal analysis for draft legislation in the same manner as for introduced bills.

Is the request related to agency or executive request legislation?
To streamline the fiscal note process, OFM will request fiscal notes from all affected agencies on agency and executive request legislation as they are introduced and assigned bill number(s)

Is the request related to substitute bills or amendments?
The Legislature or OFM may request a new fiscal note to reflect the impact of substitute bills or amendments that may alter previously submitted estimates. You will receive a new request that indicates the new bill description, for example substitute or engrossed, or date of the amendment along with the committee and house amending the bill. The FNS makes it easy to use a previous fiscal note as the basis for a new fiscal note.

A fiscal note request for a subsequent version of a bill does not negate the need to proceed with the original requested version. Fiscal note requests are considered active unless withdrawn/canceled by the original requester.

Am I still required to complete the fiscal note if the bill didn't pass the cutoff?
Sometimes you may have a request for a fiscal note on a bill that does not make it past a particular cutoff date. OFM cannot withdraw a request for a fiscal note made by a legislator or legislative staff member. We recommend that the agency establish that the bill is really "dead," with no chance of being added to another bill or be a "title only" bill, then prioritize completion of the fiscal note with other requests on bills that have met cutoff dates. Until all individuals requesting the fiscal note cancel their requests, OFM expects agencies to submit completed fiscal notes.

What if the bill language is vague?
If a bill is so vague that the intent cannot be determined, contact OFM and the legislative contact person immediately. Identify both the language and factors that create the problem. The legislative contact person may be able to provide sufficient, additional information that allows you to make some assumptions. If, after this contact, you are still unable to prepare a valid fiscal note, check the "Indeterminate Cash Receipts" and/or "Indeterminate Expenditure Impact" boxes and use the narrative portions in those sections to specify the factors that prevent you from preparing an adequate fiscal note.

Keep in mind that in order to release a fiscal note marked "indeterminate," you must make a fiscal impact selection of "less than $50,000" or "$50,000 or greater."

2.4 ANSWERS TO COMMON QUESTIONS ABOUT FISCAL NOTES

What if my agency needs to revise a fiscal note?
The OFM budget analyst may request that an agency revise its fiscal note before OFM approval. In this case, the agency should revise the fiscal note, check the "Revised" box, found on the Summary tab in the FNS, and retransmit the note to OFM.

Once your agency releases a fiscal note to OFM, it can no longer modify that version of the note. You must create a new version. See Section 4.4 on how to prepare a revised fiscal note.

May agencies prepare a fiscal note without a request (an unsolicited fiscal note)?
Prior to the legislative session your agency should prepare fiscal impact statements for agency request legislation that has a fiscal impact or that may create a fiscal impact for other agencies. During this time (prior to the legislative session), there are no restrictions in the system that would prevent your agency from preparing a fiscal note.

During the legislative session the FNS will not allow agencies to prepare an unsolicited fiscal note. An agency may only prepare a note if OFM adds it to a request. If you are aware of an introduced bill that has a fiscal impact on your agency, but you have not received a fiscal note request for the bill, you must use the “create unsolicited fiscal note request” feature in FNS to request that OFM add your agency to the request. You should limit unsolicited fiscal note requests to bills with significant fiscal impact scheduled for a public hearing. See Section 4.8 for instructions on using this feature in FNS. OFM reviews all unsolicited fiscal note requests prior to assignments.

If your agency identifies a bill the Legislature passed that has a fiscal impact on your agency, it can be helpful to prepare an unsolicited fiscal note. This will assist OFM staff during review of enrolled bills. Use the “request an unsolicited fiscal note request” feature to have your agency added to an existing request.

What if it is just not possible to complete the note by the hearing or due date?
A fiscal note is most valuable when it is available in time for the legislative hearing on the underlying bill. Sometimes a bill is so lengthy or detailed that an agency cannot provide reasonable estimates in the allotted time. If you are unable to prepare a fiscal note by the bill’s hearing date, please contact the legislative staff contact person directly. Indicate why you need additional time and when you will submit the completed fiscal note. Also, notify your assigned OFM budget analyst.

How is a fiscal note canceled?
Only the fiscal note requester can cancel a request. Requests remain in effect until all co-requesters cancel their requests. When a requester cancels a fiscal note, the system sends an email notification to the agency. The request remains listed on the Console screen, but the system lists the status as "Canceled."

What is a "legislative session"?
The Legislature convenes in regular session the second Monday of each January. The Constitution provides for one 105-day regular session during odd-numbered years (January through mid-April) and one 60-day regular session during even-numbered years (January through mid-March) each biennium.

A Legislature spans two years, one long session and one short session. Legislators introduce bills during each session. Bill numbering starts in the long session and continues through the following short session. Bills not enacted in the longer, odd-year session generally carry over to the shorter, even-year session. Bills which carry over revert to their furthest process point in their house of origin.

Do I automatically revise fiscal notes on carryover bills?
If a bill is introduced in a long session (odd-numbered year), but not enacted, the bill usually carries over and is "alive" in the short session the following year. Revenues and expenditures appearing in the first fiscal year (the year of the long session) would no longer apply, requiring a revision of the fiscal note. Agencies should wait for an official request and not automatically revise fiscal notes on carryover bills.

2.5 OTHER FISCAL NOTE GUIDANCE

Prepare early for the legislative session
Generally, each agency has an assigned fiscal note coordinator who is responsible for the internal coordination of the fiscal note process. Prior to the start of any legislative session, become familiar with your agency's internal fiscal note process. Your agency fiscal note coordinator is a good source of information and assistance in preparing for the upcoming session. Whether you are new to preparing fiscal notes or experience, it is helpful to attend the fiscal note (and I-960) training OFM provides for agency staff.

Tips to ensure a quality fiscal note:

- Read the bill before you prepare your analysis.
- Double-check your calculations and proof read the text.
- Submit fiscal notes to OFM at least 24 hours before the scheduled hearing to allow adequate time for review and distribution.
- Communicate with other agencies submitting fiscal notes on the same bill to avoid different assumptions, double counting, or omissions.
- Be clear in your methodology and assumptions, and show your work. Legislative and OFM analysts should be able to duplicate your work and arrive at the same bottom line numbers provided in the note.
- Total fiscal year expenditures by object must match total fiscal year expenditures by total funds.
- Include FTEs if expenditures for salaries and benefits are also included.
- Remember to include benefit expenditures for salary expenditures.
- The agency collecting the revenue should display the revenue impact, rather than the agency spending it.

- Avoid convoluted or highly technical narrative not geared for a general audience.
- Regardless of the bill's implementation date, in an odd-year legislative session, the first biennium reflected in the fiscal note is the ensuing biennium. For even-year sessions, it is the current biennium.
- In most cases, in even-year sessions, expenditures and/or revenues are captured in the second fiscal year. If the legislation contains an emergency clause or specific effective date, expenditures and/or revenues may be applicable in the current fiscal year.

- Keep in mind that there are different effective date parameters:
    - A bill with no specified effective date becomes law 90 days from the end of the session in which the bill passed
    - Bills with an emergency clause takes effect immediately or as specified in the bill
    - A specific date included in bill determines the effective date
    - Specific effective dates for different sections

SECTION 3
Completing the Fiscal Note in the Fiscal Note System

3.1 Introduction to the Fiscal Notes System

The Legislature, agencies, and OFM use the FNS to request, prepare, transmit, approve, distribute, and monitor the status of fiscal notes. You can prepare fiscal note content outside the FNS system and then copy and paste the content into the system. You must use FNS to transmit the completed note to OFM. To facilitate the fiscal note process, the FNS:

- Reorganizes the information you provide in each screen and produces the fiscal note in the format approved by the Legislature.
- Automatically ties the fiscal note to a specific request. There is no need to confirm or type in bill numbers, bill titles, staff contacts or your agencies name.
- Provides one-click access to a request and bill or draft language.
- Allows attachments.
- Offers fiscal note request management (monitoring).
- Allows "bookmarking" a note for quick access.
- Allows Copy/Paste from an external source.

This guide explains several of these features in more detail in Chapter 4.

Required fiscal note content
To facilitate the legislative decision making process for bills with a potential fiscal impact each fiscal note must include the following information, organized as a set of tabs (or screens) in FNS:

- Agency Info – Name of agency preparer, name of agency approver
- Summary – Check the appropriate boxes
- Cash Receipts – Estimated cash receipts table or indeterminate cash receipts check box
- Expenditures – Check the appropriate box for indeterminate expenditures or estimated expenditures by fund, expenditures by object, and expenditures by program tables. Expenditures by program are optional; however, you must enter these data in the system if you intend to include them in the fiscal note.
- FTEs – Estimated FTEs table.
- Capital – Estimated capital costs table, if relevant to the fiscal note.
- 10-year Analysis – If applicable.

Include narrative text
You should include explanatory text (narrative) whenever possible, as it helps provide context for the fiscal analysis and estimates you include in the note. Enter narrative in the text boxes on the Summary, Cash Receipts, Expenditures, Capital, and New Rules tabs.

You can attach supplemental information that the system cannot accommodate using the system's attachment feature. Examples include charts or tables. Make sure these documents are well-labeled. Keep in mind that these attachments will appear to the reader as additional pages in the fiscal note document itself and it may not be obvious to the reader that they attachments.

If the narrative requires rich-text formatting to make it easier to read and understand, attach the narrative in lieu of entering it into the system. You may choose to attach the narrative portions of the fiscal note or attach the entire "FN-2" – everything but the first page of the fiscal note.

If you attach the entire FN-2, the fiscal note document will include two sets of tables, including expenditures by object, FTE, expenditures by program, and capital budget tables. One set of tables will display in the form, the other will be attached document. Legislative staff prefers this approach to leaving the tables in the form blank and risk misleading the reader that the fiscal impact is zero. Legislative staff also prefers that agencies include a "See attached" note in the system portion of the narrative.

Incorporating rich-text formatting capability in the system remains a priority, and we continue to explore new technical approaches to including this capability for a future release of the system.

System maintenance and unplanned outages:

The FNS will be unavailable between 5 and 9 pm on the last Thursday of each month for scheduled maintenance. Notice of system unavailability will appear on the log in screen.

If the system is unavailable for a significant period of time, OFM will contact agencies with direction on the preferred response or alternative submission method.

3.2 Accessing the Fiscal Note System

Account name and password

You must have a valid account name and password to access the FNS. Contact your agency's FNS security officer to set up a user ID and password. The FNS requires a "hardened" password.

Your password must have:

- At least 5 characters, but not more than 15.
- At least one upper case character and one lower case character.
- At least one number AND one special character. The valid special character choices are **!, ~, #, $,** and **%.**

You will be required to change your password if it does not meet these criteria.

User Roles
The FNS security officer also sets your user role in the system. Work with your security officer to ensure your user role aligns with your fiscal note responsibilities. There are four standard user roles:

- Read: Can view the fiscal note information, document, and reports.
- Author: Can create and modify fiscal note information.
- Approver: Can approve a fiscal note.
- Releaser: Can release an approved fiscal note to OFM.

Accessing the FNS
Microsoft Internet Explorer (IE) versions 8-11, with compatibility mode turned on, is the primary supported web browser for the FNS. Those using other browsers may not be able to experience full system functionality. We recommend that you work with your IS support staff if you do not currently have this browser installed on your computer or need help turning on compatibility mode.

If IE versions 8-11 is your default browser, click here to launch the application. If your default browser is not IE 8, open IE 8 and type http://fns.ofm.wa.gov/ in the address window. If your agency operates outside of the state firewall, open IE 8 and type in this web address: https://fortress.wa.gov/ofm/fns/.

At the log in screen enter your user ID and password and then click the Log in button to enter the application. Book mark or set the FNS log in page as a favorite. Do not bookmark the console screen or make it a favorite.

Note the resources available on the log in screen – the instructions and the copy/paste template. Consider saving these documents to your PC for quicker access when using the FNS.

Log in screen:

Internet Explorer Settings
The FNS requires that certain Explorer Settings to perform correctly. If you encounter issues printing reports, opening Preferences/system administration or even viewing a Fiscal Note verify your settings as follows:

1. fns.ofm.wa.gov is a trusted site
2. Popup Blockers are turned off (this includes any third party popup blocker such as Google).

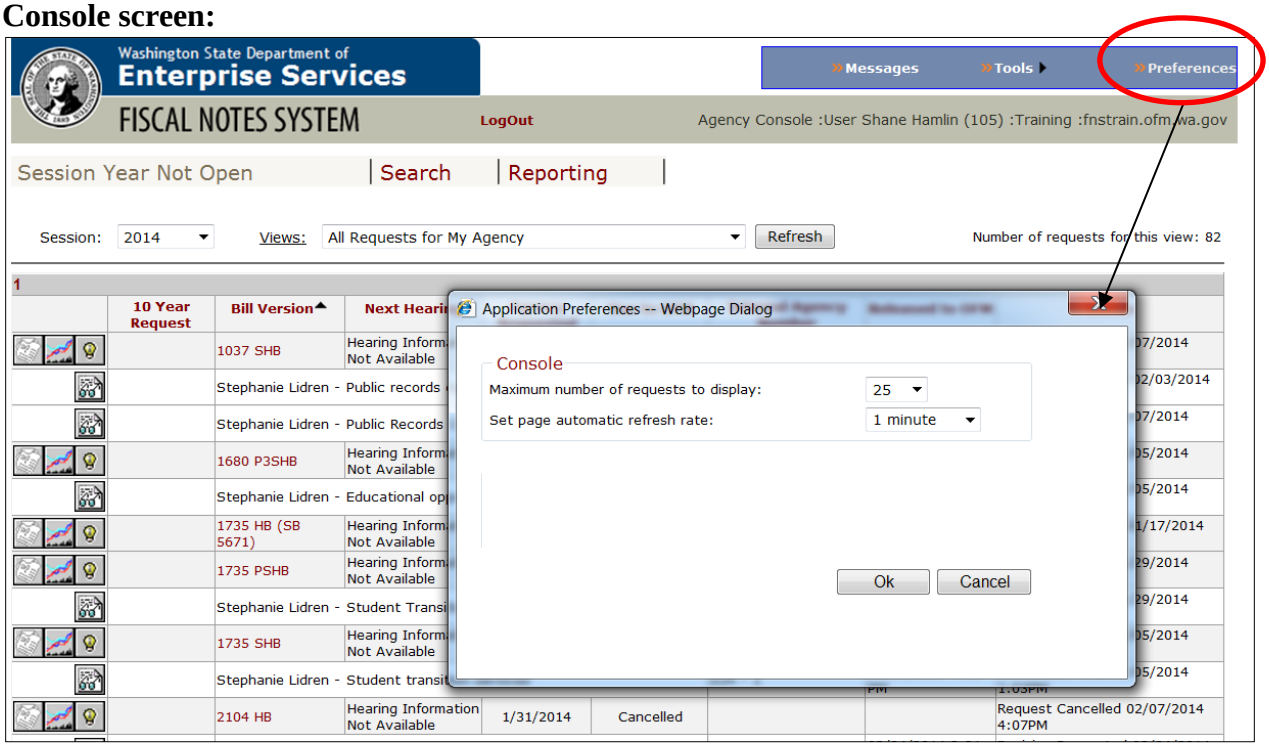
3.3 GETTING STARTED: THE CONSOLE SCREEN AND CREATING A FISCAL NOTE

The Console Screen
The Console screen is a combination home page and summary status page. The Console displays the bills for which there are fiscal note requests and high-level status information about each request. The left side of the console includes clickable icons with hover text that explains the function of each one. Familiarize yourself with these icons and you can:

- Create a new version of an existing fiscal note.
- View the status of a fiscal note.
- View information about the request.
- View the fiscal note.

You can change how the Console appears and refreshes by selecting the Preferences link in the top right corner. This will allow you to modify the refresh rate and pagination.

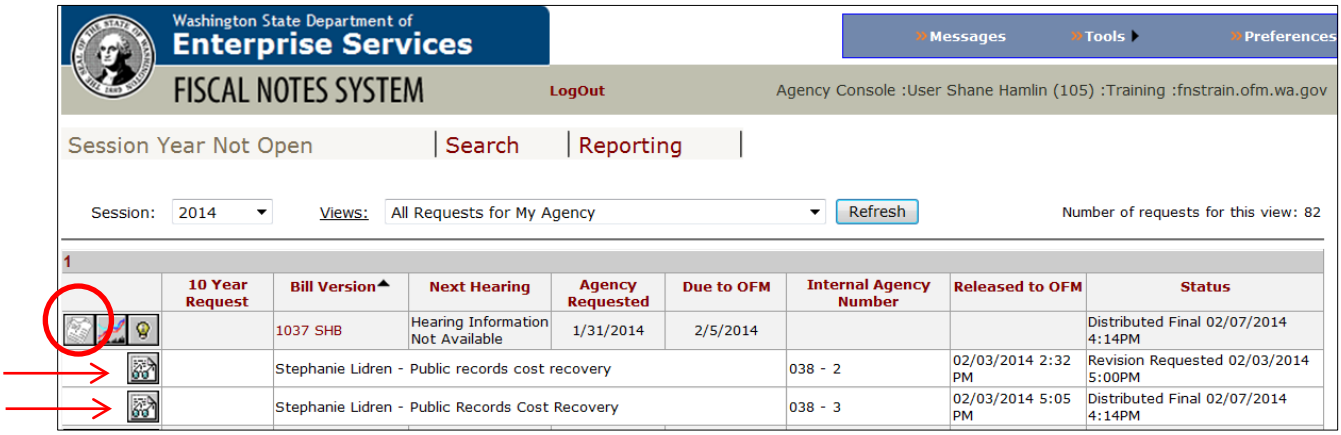
Console screen:



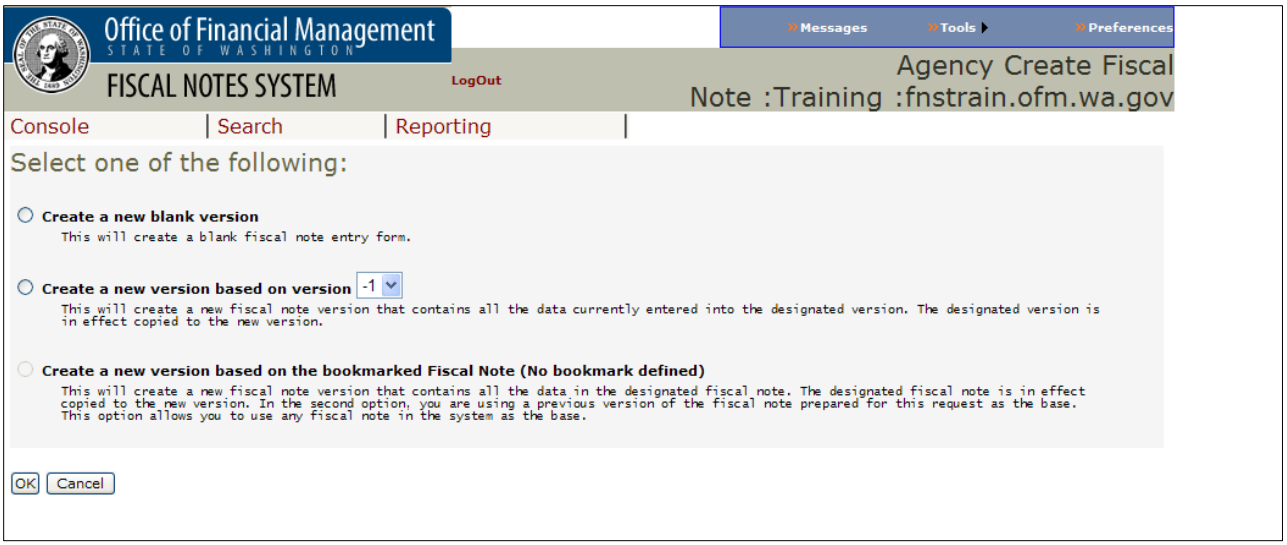
The pagination function allows users to select the number of rows displayed on each page. The refresh rate function allows users to set the rate at which the Console screen will refresh with new information. The system can display a maximum number of 100 bills on a single page. Please note that by choosing a larger number of bills to display, there is an associated increase in processing time to fill/refresh the page.

Creating a Fiscal Note

The **Console** will list the requests assigned to your agency. The console displays each fiscal note version directly below the request line:



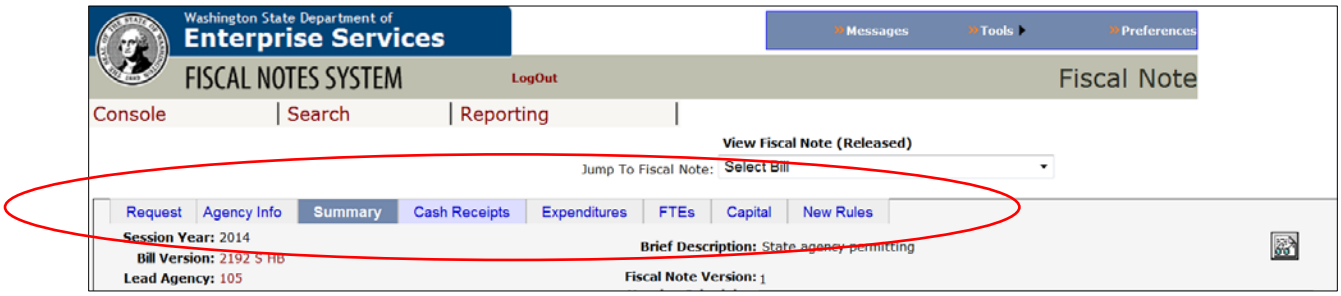
To create a new fiscal note, click on the Create a New Version of this Fiscal Note icon at the far left of the request line. This will bring up the Create a New Version screen:



At the Create a New Version screen, select the option that fits your need and click the OK button to go to the Fiscal Note screen. The fiscal note is ready for data entry or changes.

The first version of a fiscal note will automatically be designated version 1. The system will then number later versions consecutively. You can also enter your own tracking number for your agency. The system will display the agency tracking number, a dash, and then the system-generated version number.

The tabs on the Fiscal Note screen provide the request information, the ability to manage the fiscal note, and the screens for entering or importing data to create the note. Click on the tab to bring up the related screen.



Different users can access and enter data in the separate tabs of the Fiscal Note screen simultaneously. Each tab screen provides a help button to link users to relevant fiscal note instruction and system help information.

This function appears at every tab on the Fiscal Note screen allowing the user to go to another fiscal note without going back to the main Console. Select the desired fiscal note from the drop down box to go to that fiscal note.

In the upper right-hand corner of each tab, you will find the View Fiscal Note icon . Click on it at any time to view the actual fiscal note. When you view a fiscal note then change data or

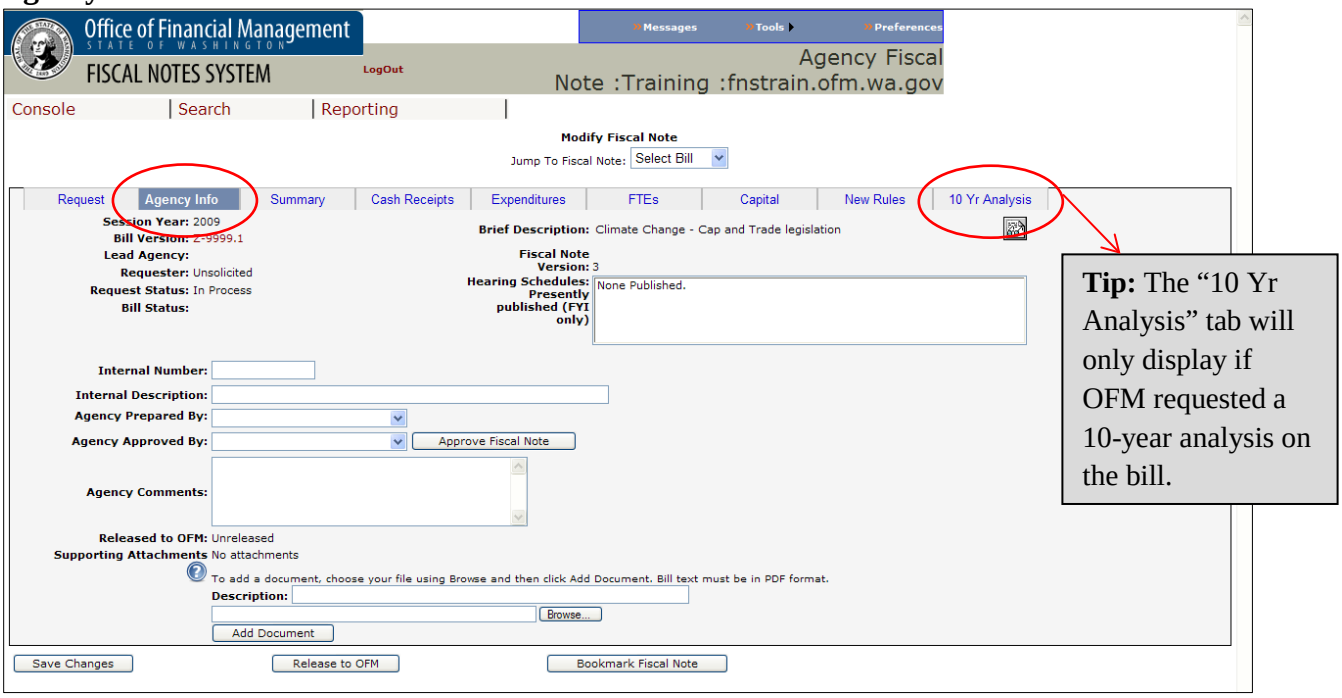
text on any of the tabs, you will need to close the view and then reopen by clicking on the View Fiscal Note icon to see the changes.

3.4 The Agency Information Tab

The **Agency Info** tab is an administrative page for agency use. Use this tab to:

- Enter an agency internal document number and description in the text box provided. This number and title is for agency internal use only. Do not use special symbols (located on the upper case of the numbers on the keyboard) when entering the description, particularly the “&” symbol. Use of these symbols may cause the system to lock up.
- Enter the name of the person assigned the responsibility for preparing the fiscal note. The system will place this person’s name in the "prepared by" field on the fiscal note. The person also appears on the console as the author of a fiscal note version. This is required.
- Enter the name of the person approving the fiscal note. The system will show this person’s name as the approver on the fiscal note. This is required.
- Add or view attachments.
- Release the fiscal note to OFM.
- Bookmark the fiscal note for use as the base to create a fiscal note for another bill and to attach documents.

Agency Information tab screen:



Assign a preparer

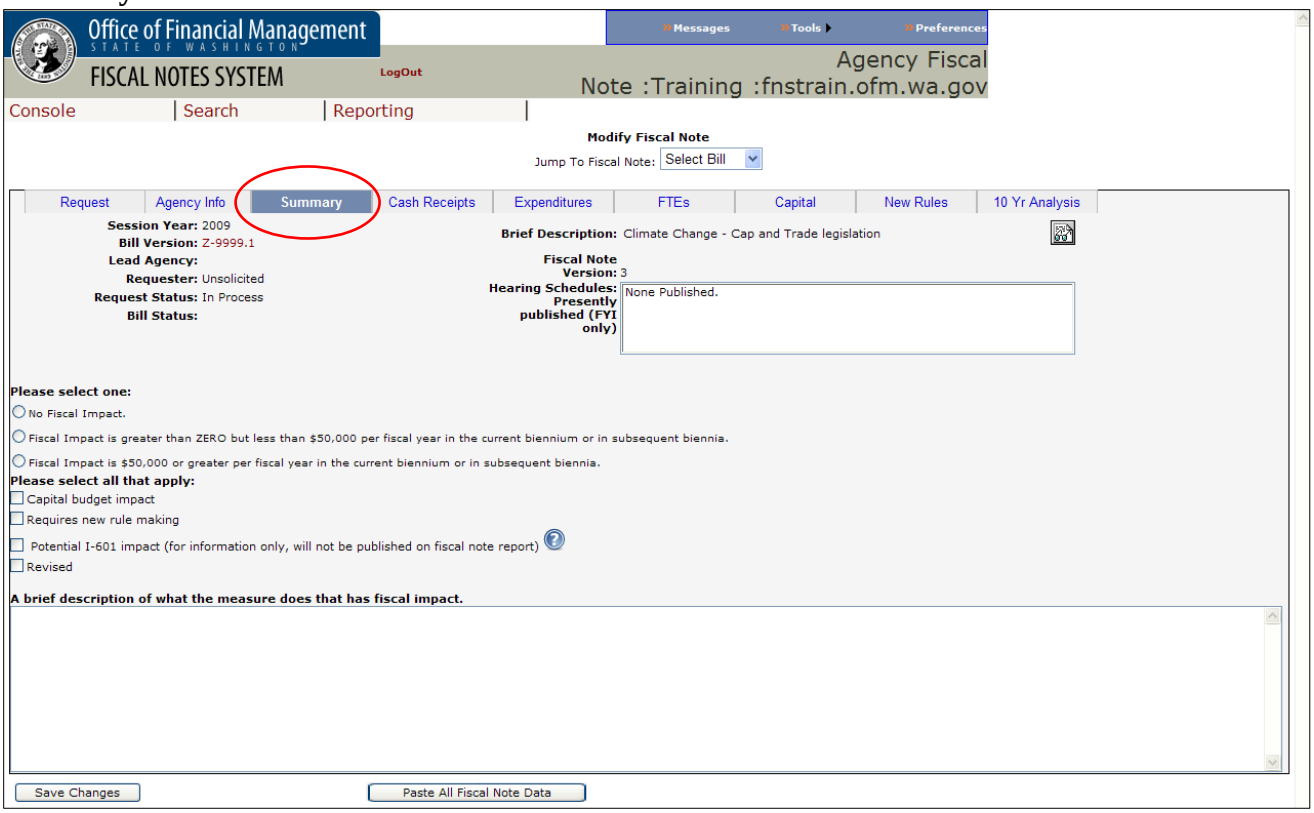
From the “Agency Prepared By” pull-down list, select the name of the person in your agency assigned to the responsibility of preparing the fiscal note – the preparer. The system will display the preparer’s name on the fiscal note. The preparer should be someone who can answer

questions regarding the fiscal note. Only those authorized to prepare a fiscal note will be able to access this pull-down list.

Assign an approver
From the "Agency Approved By" pull-down list, select the name of the person in your agency assigned to the responsibility of approving the fiscal note – the approver. The system will display the approver's name on the fiscal note. The approver should be the agency head or the individual designated by the agency head to serve as the approver. Only those authorized to approve a fiscal note will be able to access this pull-down list.

3.5 THE SUMMARY SECTION OF THE FISCAL NOTE

Summary Tab
Use the Summary tab of the Fiscal Note screen to complete summary fiscal impact information and enter the summary narrative for the fiscal note. **You must check the appropriate boxes to complete the note.** You may enter the narrative into the system directly or include it as an attachment. If you select "indeterminate cash receipts impact" or "indeterminate expenditure impact," you must make a fiscal impact selection on this tab.
Summary Tab screen:



No Fiscal Impact
Check this box if the proposed legislation has no estimated fiscal impact. By checking this box, you are not making a statement about the agency's ability to absorb any potential impact. If the reason that the bill has no fiscal impact is not obvious, then provide briefly explain your agency's assumptions.

Fiscal Impact greater than -0-, but less than $50,000 per fiscal year
Check this box if the proposed legislation has an estimated fiscal impact of less than $50,000 each fiscal year of the current or subsequent biennia. Complete these sections of the fiscal note form:

- Estimated Cash Receipts
- Estimated Cash Expenditures by fund
- FTEs
- Capital or New Rules, if applicable
- Estimated Cash Receipts or Estimated Cash Expenditures narrative
- Estimated Expenditures by Object or by Program

Fiscal Impact $50,000 or greater per fiscal year
Check this box if the proposed legislation has a fiscal impact of $50,000 or more each fiscal year of the current or subsequent biennia. Complete all sections of the fiscal note form.

Capital Budget Impact
Check this box if the proposed legislation has a capital budget impact. Include a description of the impact and the cost estimates in the **Capital** section. Identify cost estimates for acquisition, construction, and other for each fiscal year indicated. Do not include capital budget costs in the **Expenditures** section, as this should include only operating budget costs.

Requires new rulemaking
Check this box if your agency needs to adopt new rules or amend existing rules to implement the proposed legislation. Complete the **New Rules** section to identify the cost involved in developing or amending the rules, the entities that may potentially be affected by the legislation, and any other agencies that have authority over the same subject matter. If no new rulemaking is required, add a statement to that effect.

Potential I-601 impact
OFM needs to be aware of any proposed legislation that might affect existing assumptions related to the Initiative 601. Specifically, the fiscal note needs to reference and highlight any provision of the bill that:

- Transfers the cost of a General Fund program into another account.
- Diverts or transfers revenue from the General Fund to another fund.
- Increases state General Fund revenues by raising taxes or changing an existing tax exemption.
- Increases fees in a given year beyond the official fiscal growth factor as adopted by the Expenditure Limit Committee. The current fiscal growth factors applicable to Fiscal Year

2016 and Fiscal Year 2017 are available at http://www.elc.wa.gov/default.asp. The official fiscal growth factor for Fiscal Year 2016 is 4.33 percent. The unofficial fiscal growth factor for Fiscal Year 2017 is 4.32 percent.

- Changes the current obligations of federal or local and state government for sharing delivery of services.
- Transfers program costs from a state dedicated account to the General Fund.
- Transfers or diverts revenue from a state dedicated account to the General Fund.

None of these situations necessarily affect the Initiative 601 expenditure limit. OFM's intent is to highlight bills that should be evaluated for potential implications. Any discussion of issues related to Initiative 601 should be included in the narrative explanation of the fiscal note under a separate heading.

Revised
Check this box if this is a revised version of a previously submitted fiscal note.

Describe the fiscal impact of the proposed legislation
Briefly describe what the legislation does, with an emphasis on the significant provisions of the bill that have fiscal impact on the agency. Describe how the provisions will affect agency operations. Include the section numbers as a reference. Focus on the bill sections that have fiscal impact. A section-by-section analysis of the entire bill may not be necessary.

Describe the general workload and/or policy assumptions that support your assessment of the cash receipt or expenditure impact on the agency.

Click the Save button at the bottom of the screen to save the information entered on the **Summary** tab or click on another tab and an option to save the changes or to continue without saving will appear.

3.6 THE CASH RECEIPTS SECTION OF THE FISCAL NOTE

Use the **Cash Receipts tab** to enter the cash receipts components of the fiscal note:

- Indeterminate cash receipts check box
- Cash receipts estimates
- Cash receipts impact narrative

You must either check the indeterminate cash receipts check box or enter the cash receipts estimates into the system. If cash receipts are indeterminate, you must provide an explanation in the narrative box. Enter the narrative into the system or include it as an attachment.

Tips

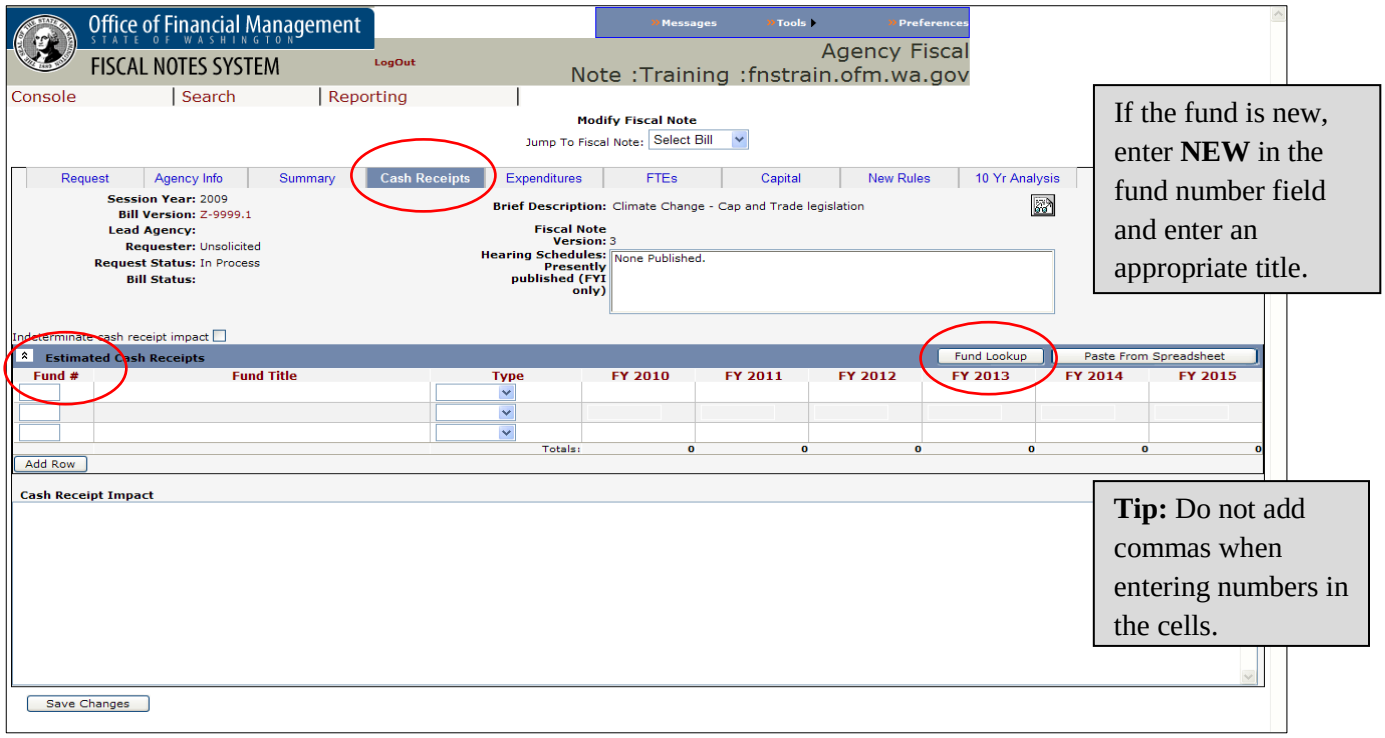
The data entry portions of the Cash Receipts, Expenditures, FTEs and Capital tabs are not actual spreadsheets, but they do offer a spreadsheet look and feel. The sums in the total rows will recalculate automatically with each new entry in the data columns.

Click the Add a Row button to generate more rows.

See Section 4.7 for information on how to copy and paste information from another spreadsheet into this system.

Click on the **Fund Lookup** button to bring up the OFM Fund Reference Manual, which provides a list of codes/fund titles. Entering the Fund Code in the Fund Number field and pressing the tab key will automatically enter the fund title.

Cash Receipts Tab screen:



Estimate the cash receipts impact of the proposed legislation

In odd-numbered year sessions, use the first two columns to reflect the impact in the ensuing biennium. The remaining columns should cover the two succeeding biennia. In even-year sessions, use the first two columns to reflect the impact for the current biennium. These rules apply regardless of the implementation date of the legislation.

Describe the assumptions related to cash receipts estimates
Briefly describe the assumptions and methods used in estimating the cash receipts impact of the legislation, including section numbers and revenue sources as a reference. Explain how the assumptions translate into cash receipts estimates.

- Where appropriate, distinguish between one-time and ongoing revenue.
- If there is a substantial change in cash receipts between the first effective biennium of the legislation and the second, explain the reason for the change. Examples of situations where substantial differences may occur include a phase-in period or a temporary surcharge.
- Quantify data whenever possible to enhance understanding. For example, "5,000 new users paying an average surcharge of $1 per month."
- Include a discussion of any revenue-related impact as a result of Initiative 601 (i.e., fee increase at a rate greater than the fiscal growth factor,)
- If the legislation increases or decreases revenues in any account and the difference between revenue and cash receipts are $50,000 or more for the first biennium, indicate in the narrative the revenue on a GAAP basis.
- Include revenue transfers among accounts. Treat transfers into an account as increased cash receipts; treat transfers from an account as decreased cash receipts. When the bill transfers money from one state account to another state account, display both parts of the transfer.
- For transfers to local government, the state agency fiscal note should show only the transfer out of the state account.

Revenue codes
There are specific codes assigned for revenue transfers. Certain recurring transfers, such as lottery and liquor sales, have unique revenue source codes. For a complete listing of Revenue Source Codes, please refer to the State Administrative and Accounting Manual (Chapter 75.80).

Click the Save button at the bottom of the screen to save the information entered on the Cash Receipts tab or click on another tab and an option to save the changes or to continue without saving with appear.

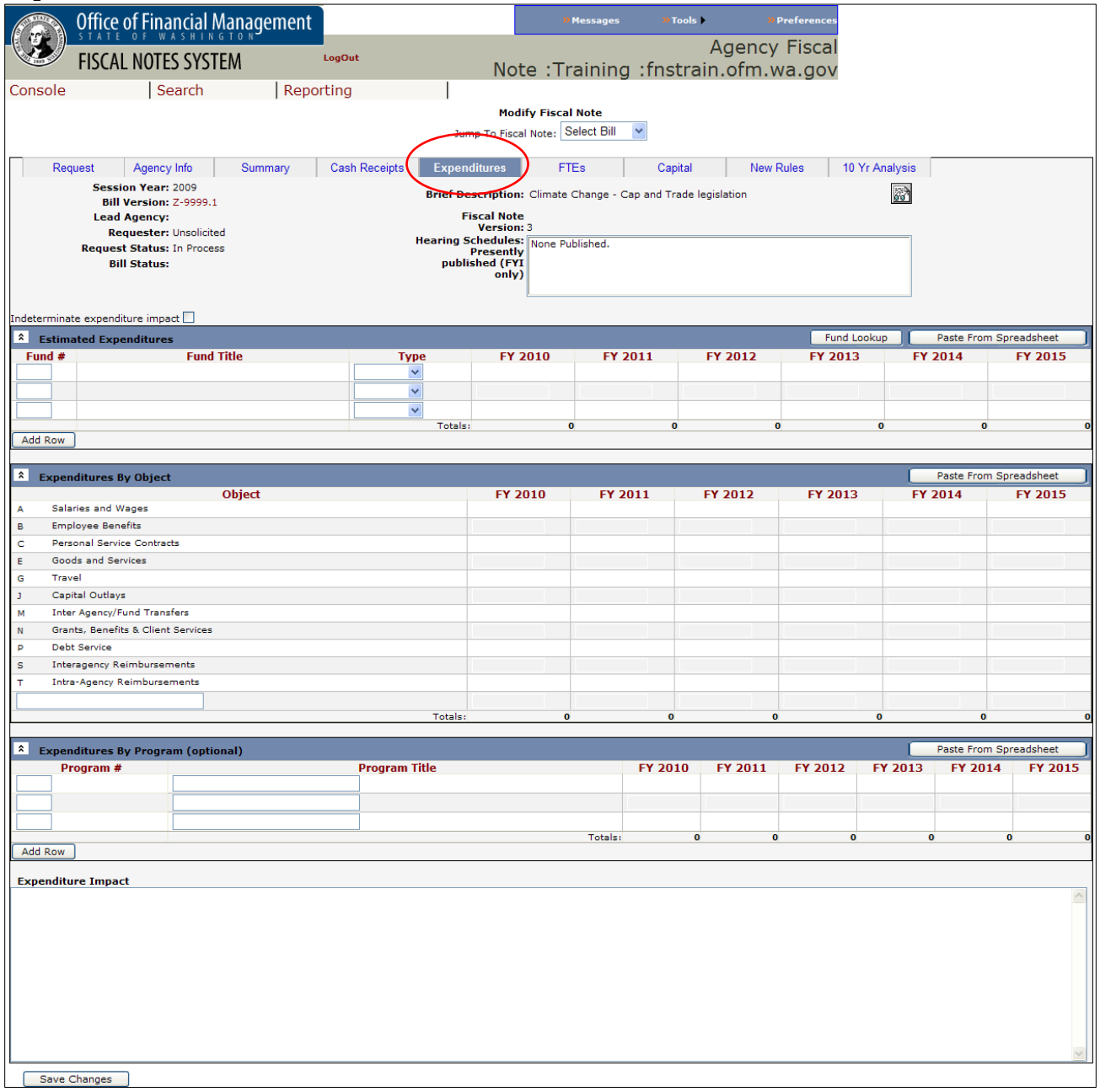
3.7 THE EXPENDITURES SECTION OF THE FISCAL NOTE

Use the Expenditures tab to enter the expenditure components of the fiscal note:

- Indeterminate expenditure check box
- Expenditure estimates by fund
- Expenditure estimates by object
- Expenditure estimates by program (if applicable)
- Expenditure impact narrative

You must check either the indeterminate expenditure check box or enter the appropriate expenditure estimates into the system. If expenditures are indeterminate, you must provide an explanation in the narrative box. Enter the narrative into the system or include as an attachment.

Expenditure tab screen:



Estimated Expenditures (by fund)

This section summarizes the estimated expenditure impact by fund. In odd-year sessions, use the first two columns to reflect the impact in the ensuing biennium. The remaining columns should cover the two succeeding biennia. In even-year sessions, use the first two columns to reflect the

impact for the current biennium. These rules apply regardless of the implementation date of the legislation.

Agencies must also include expenditures from **non-appropriated** accounts. Please also indicate in the narrative that the fund is non-appropriated.

Expenditures by Object
This section is for the object of expenditure information for the ensuing biennium and two succeeding biennia, regardless of the implementation date of the legislation. This rule applies in odd-year sessions. For even-year sessions, the first two columns are for the expenditure impact in the current biennium. The total dollars shown in this section must agree with the totals in the

Expenditures by Fund
If the standard list of objects does not accommodate the cost you need to describe, insert a blank row and enter an object description of your choice.

Expenditures by Program (optional)
Complete the Expenditure Detail by Program when it helps describe how your agency would implement the bill. You can enter any program number and title into the text box.

Describe assumptions related to expenditures estimates
Briefly describe agency expenditures necessary to implement the legislation, including section numbers as a reference. Describe the significant assumptions and method used to arrive at the FTE and/or dollar estimates for each object of expenditure. Explain how workload assumptions translate into cost estimates. The assumptions are very important to a complete understanding of the fiscal note.

- Where appropriate, distinguish between one-time and ongoing costs.
- If there is a substantial change in expenditures between the first effective biennium of the legislation and the second, explain the reason for the change. Examples of situations where substantial differences may occur include a phase-in period or when initial start-up costs are high.
- Quantify data, including cost savings, whenever possible to enhance understanding.
- Indicate if the legislation contains an appropriation or funding is included in a budget bill.
- If your agency can absorb the workload and accompanying costs resulting from the legislation, indicate this as an assumption and include an explanation of programs or activities that your agency would displace. The expenditure detail portions of the fiscal note form should show these costs.

Standard and indirect costs
Larger agencies have a standard approach to calculating either or both of these types of costs. It is a good idea to develop these costs before the start of a legislative session to save time, ensure consistency, and reduce the number of questions during session. Prior to finalizing these costs, run them by your assigned OFM budget analyst and your legislative analyst for review.

Click the Save button at the bottom of the screen to save the information entered on the Expenditures tab or click on another tab and an option to save the changes or to continue without saving with appear

3.8 THE FTEs SECTION OF THE FISCAL NOTE

Use the FTEs tab to enter FTE staff estimates in the fiscal note. If applicable, you must enter this information.

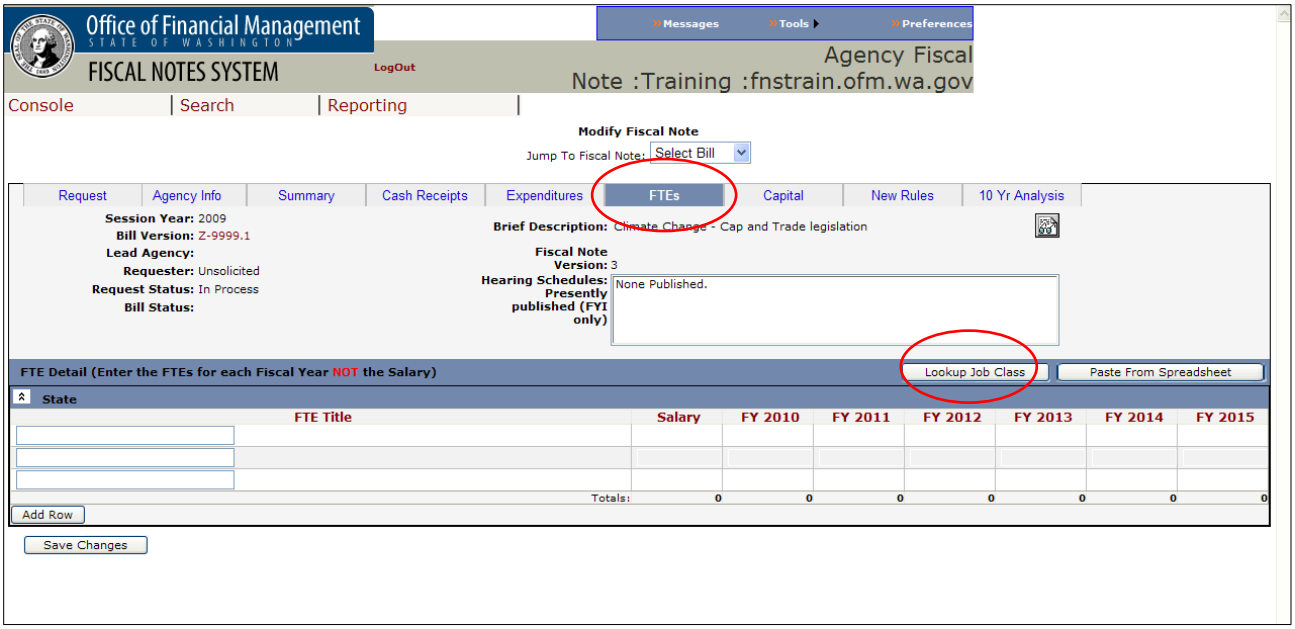
Enter FTE details and show the breakdown of FTEs by classification and corresponding annual salary.

- Title Column: Enter the job classification title. There is a limit of 50 characters.
- Salary Column: Enter the annual salary for this job classification.
- Fiscal Year Column: Enter the number of FTEs per fiscal year estimated for that job classification.

The printed fiscal note shows the biennial average for FTE staff.

The system ties FTE data entered here to operating expenditures only. Any FTEs related to the capital budget should be included in the narrative on the Capital tab. Use the Lookup Job Class button to access a database of job classes on the Washington State Human Resources website.

FTEs Tab screen:



Click the Save button at the bottom of the screen to save the information entered on the FTEs tab or click on another tab and an option to save the changes or to continue without saving with appear.

3.9 THE CAPITAL SECTION OF THE FISCAL NOTE

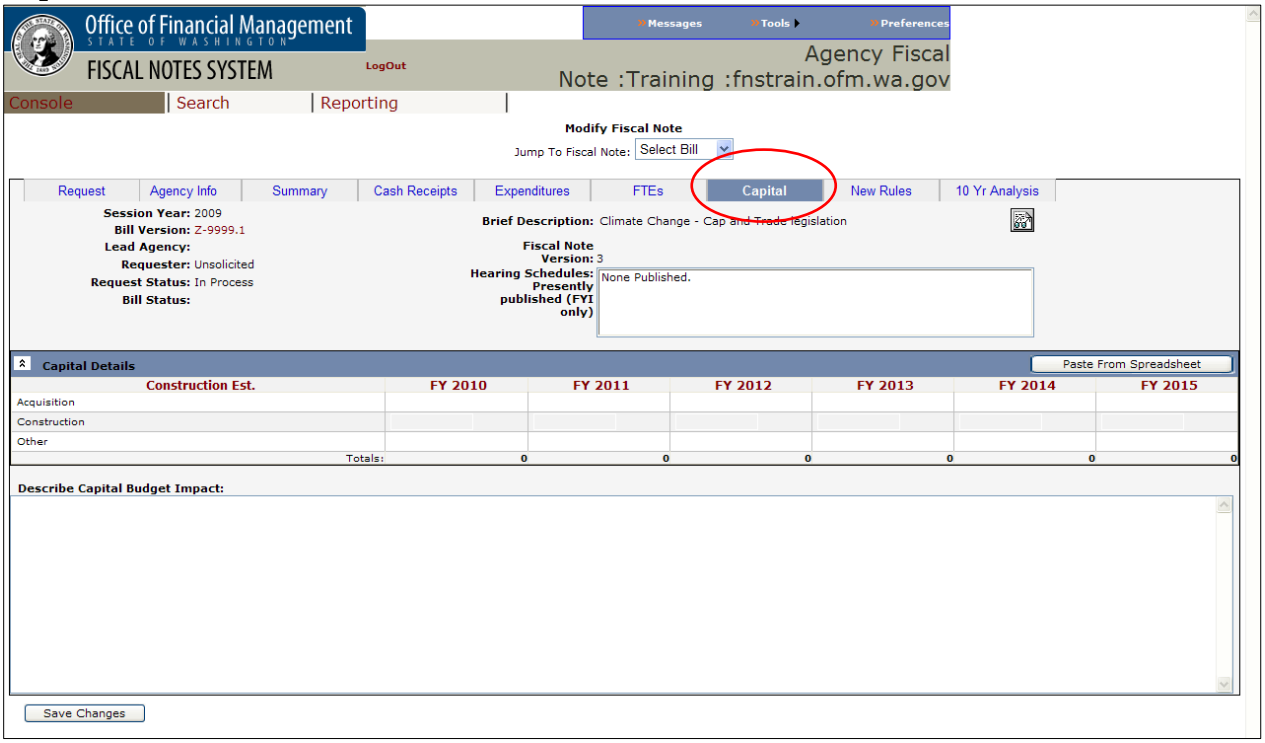
Use the Capital tab to enter the capital components of the fiscal note:

- capital estimates
- capital impact narrative

Discuss any FTE costs in the narrative section. If applicable, you must enter the capital estimates into the system. Enter the narrative into the system or include it as an attachment.

Do not include Capital Budget costs in the Expenditures section, as that section should include only operating budget costs.

Capital Tab screen:



Enter the estimated capital expenditures and assumptions

If the legislation will impact the capital budget, estimate the acquisition, construction, and other capital costs for the six fiscal years as shown and describe the impact. The narrative should provide at least the following information:

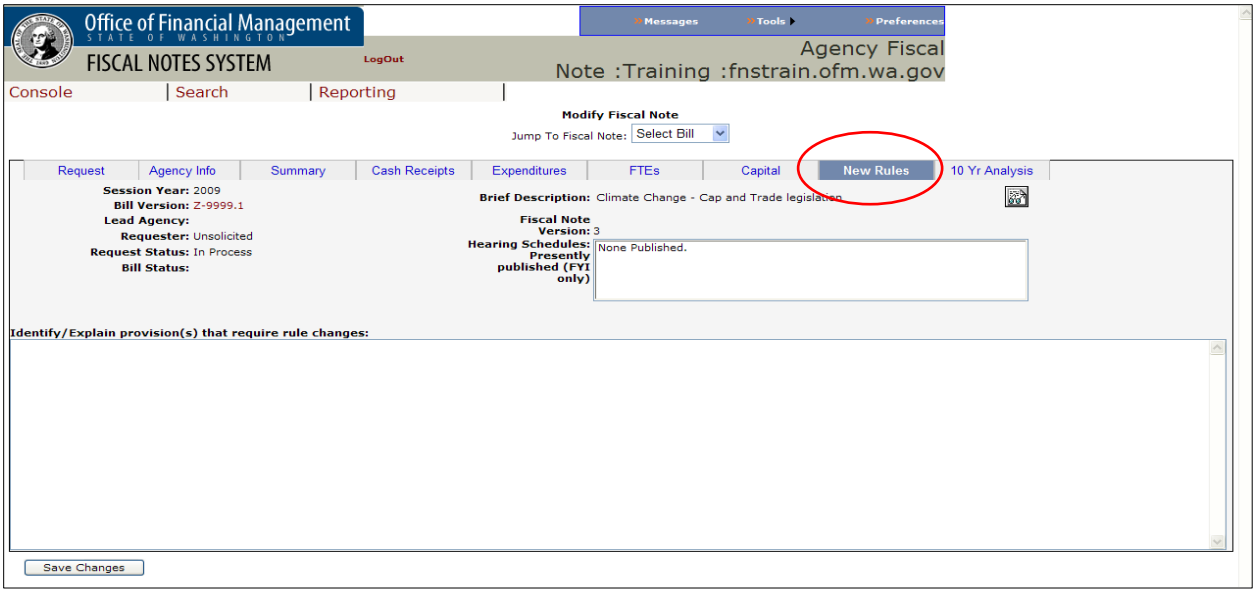
- Describe the project or capital purpose that the estimated expenditure will support.
- Identify the anticipated capital budget funding source.
- Identify FTE costs.
- Identify the state agency expected to administer the capital budget appropriation.
- Identify the final user or recipient of the capital appropriation.
- Identify whether the capital budget costs are included in the most recent version of the Governor's 10-year Capital Plan.

Click the Save button at the bottom of the screen to save the information entered on the Capital tab or click on another tab and an option to save the changes or to continue without saving will appear.

3.10 THE NEW RULES SECTION OF THE FISCAL NOTE

Use the New Rules to enter a description of the rule changes required by the legislation.

New Rules Tab screen:

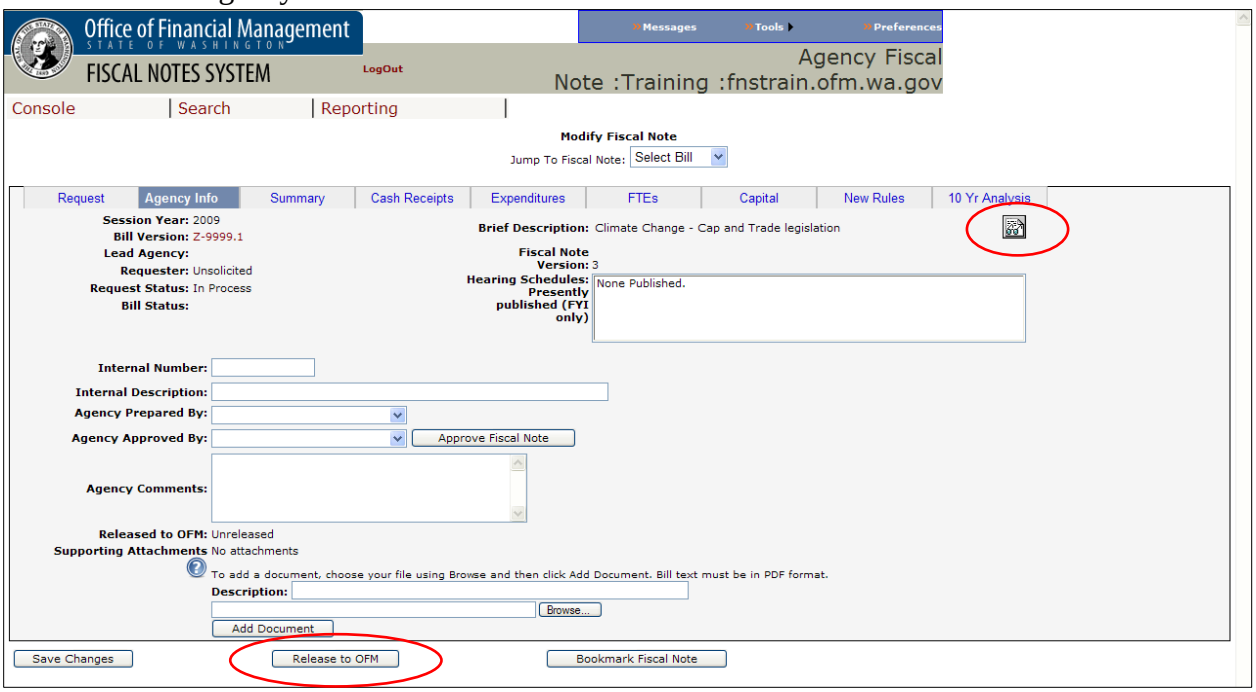


Describe the new rule making issues
Identify provisions of the bill that require your agency to adopt new rules or to repeal or amend existing rules. Identify the cost involved in developing or amending those rules, other entities the legislation may affect, and other agencies that have authority over the same subject matter.

Click the Save button at the bottom of the screen to save the information entered on the Cash Receipts tab or click on another tab and an option to save the changes or to continue without saving will appear.

3.11 VIEWING THE FISCAL NOTE AND RELEASING IT TO OFM

Go back to the Agency Info tab on the Fiscal Note Screen:



View and print a fiscal note

If you would like to view the completed fiscal note formatted as a PDF document prior to release, click on the View Fiscal Note icon at the top right of the Fiscal Note screen. The system displays attached files immediately following the fiscal note in the order attached. You can print the fiscal note and any attachments by clicking the print icon within the Adobe Acrobat tool bar (not the toolbar).

Transmit the fiscal note to OFM

Click the Release to OFM button on the bottom of the Agency Info tab on the Fiscal Note screen to release a fiscal note to OFM. Only those authorized to release a fiscal note will be able to access this button.

SECTION 4
Other Fiscal Note System Features

4.1 MONITORING FISCAL NOTE STATUS

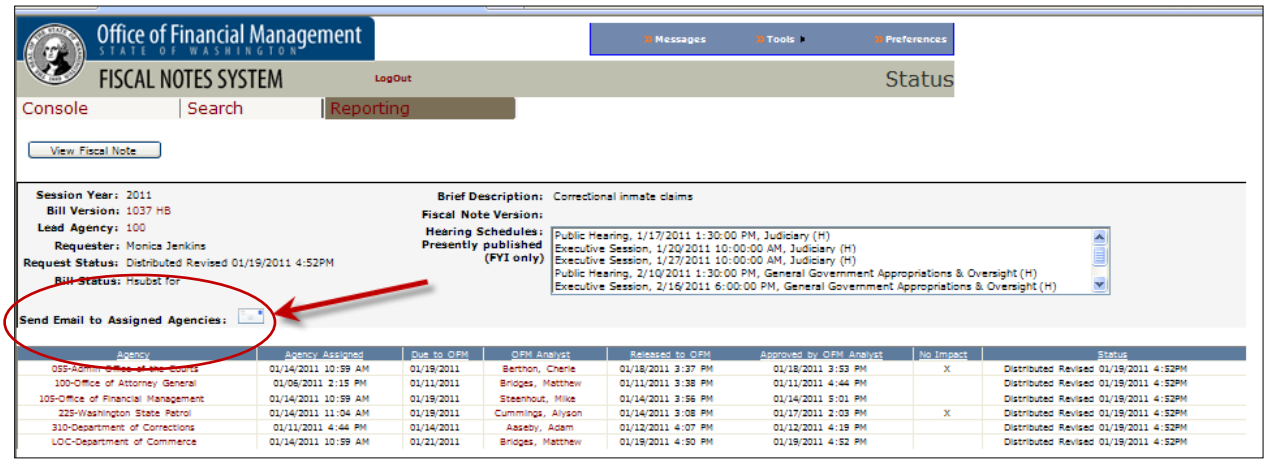
There are two ways to view status information and monitor the progress of fiscal note requests.

1. Use the Console screen. The Console screen is a combination home page and summary status page. The Console offers buttons to get you started on whatever tasks you choose. It also offers a list of fiscal note requests assigned to your agency and some high-level status information about the progress of fiscal notes related to that request.

2. Use the Status screen. The Status screen provides detailed status information about the progress of all fiscal notes (including those of other agencies) related to a particular fiscal note request. The results returned on the Search screen will also provide high-level status information and links to the detailed status information.

To get to the Status screen, at the Console view click on the "View Status" icon , located next to a specific bill. The Status screen provides detailed status information on the fiscal note request. Clicking on an underlined name in the Agency or OFM Analyst column will bring up an addressed email form. Clicking on an underlined bill number will bring up the text of the bill.

Status Screen:



Emailing Assigned Agencies
There may be times where agencies need to communicate information to all other assigned agencies. Click on the envelope icon and a page populated with the assigned agencies will display. The user can send to all or select agencies. Note that this feature appears on each tab.

Customizing the Console view
At the Console, use the session pull-down list to select the desired session. The current session is the default. Use the view pull-down list to tailor the list of request information.

Console screen displaying view options:

View options include:

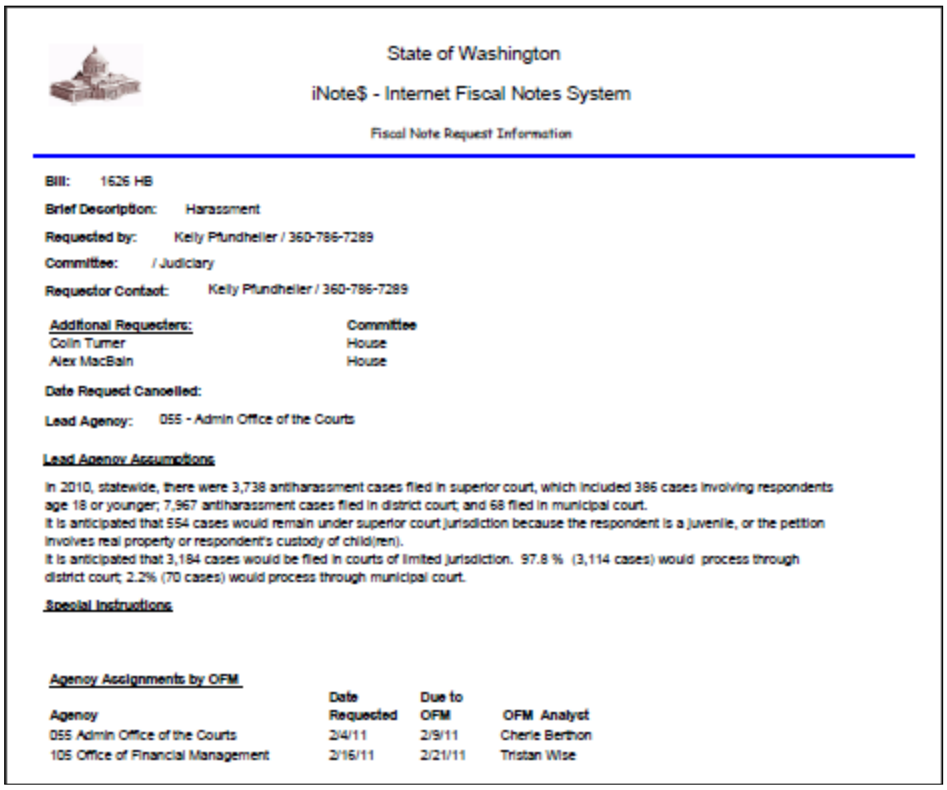
- All Canceled Items
- All Fiscal Notes for My Agency
- All Fiscal Notes for My Agency Requiring a 10 Year Analysis
- All Requests for My Agency
- Distributed Notes for My Agency
- Distributed Notes for My Agency Requiring a 10 Year Analysis
- Fiscal Notes in Process
  - List of all active requests not yet released to OFM.
- Fiscal Notes in Process Requiring a 10 Year Analysis
- My Fiscal Notes
  - List of those fiscal notes where the user is identified as the preparer.
- My Fiscal Notes Requiring a 10 Year Analysis
- My Fiscal Notes Still At Agency
- New Fiscal Note Requests
  - List of those fiscal note requests for my agency not yet assigned to agency author for the session year displayed.
- Past Due Fiscal Notes
- Pending Release to OFM
  - List of those fiscal notes for my agency approved but not released to OFM for the session year displayed.
- Released to OFM
- Under Review at OFM
- Unsolicited Fiscal Notes

The Console lists first the request/bill information on one line, and it lists existing versions of the fiscal note related to that request/bill underneath the request/bill line.

4.2 VIEWING FISCAL NOTE REQUEST INFORMATION

There are two ways to view fiscal note request information, depending on whether your agency has created a version of the fiscal note.

1. View request information prior to creating a version. Click on the "View Request Information" icon on the agency Console page to generate a request information report. This report shows all of the information about the request for the fiscal note:



State of Washington

iNote$ - Internet Fiscal Notes System

Fiscal Note Request Information

Bill: 1626 HB

Brief Description: Harassment

Requested by: Kelly Pfundheller / 360-786-7289

Committee: / Judiciary

Requestor Contact: Kelly Pfundheller / 360-786-7289

Additional Requesters:	Committee
Colin Turner	House
Alex MacBain	House

Date Request Cancelled:

Lead Agency: 055 - Admin Office of the Courts

Lead Agency Assumptions

In 2010, statewide, there were 3,738 antiharassment cases filed in superior court, which included 386 cases involving respondents age 18 or younger; 7,967 antiharassment cases filed in district court; and 68 filed in municipal court.
It is anticipated that 554 cases would remain under superior court jurisdiction because the respondent is a juvenile, or the petition involves real property or respondent's custody of child(ren).
It is anticipated that 3,184 cases would be filed in courts of limited jurisdiction. 97.8 % (3,114 cases) would process through district court; 2.2% (70 cases) would process through municipal court.

Special Instructions

Agency Assignments by OFM

Agency	Date Requested	Due to OFM	OFM Analyst
055 Admin Office of the Courts	2/4/11	2/9/11	Cherie Berthon
105 Office of Financial Management	2/16/11	2/21/11	Tristan Wise

2. View request information when a fiscal note version exists**.** At the Console screen**,** click on the "Modify Fiscal Note" icon for the fiscal note version. This will take you to the Modify Fiscal Note screen.

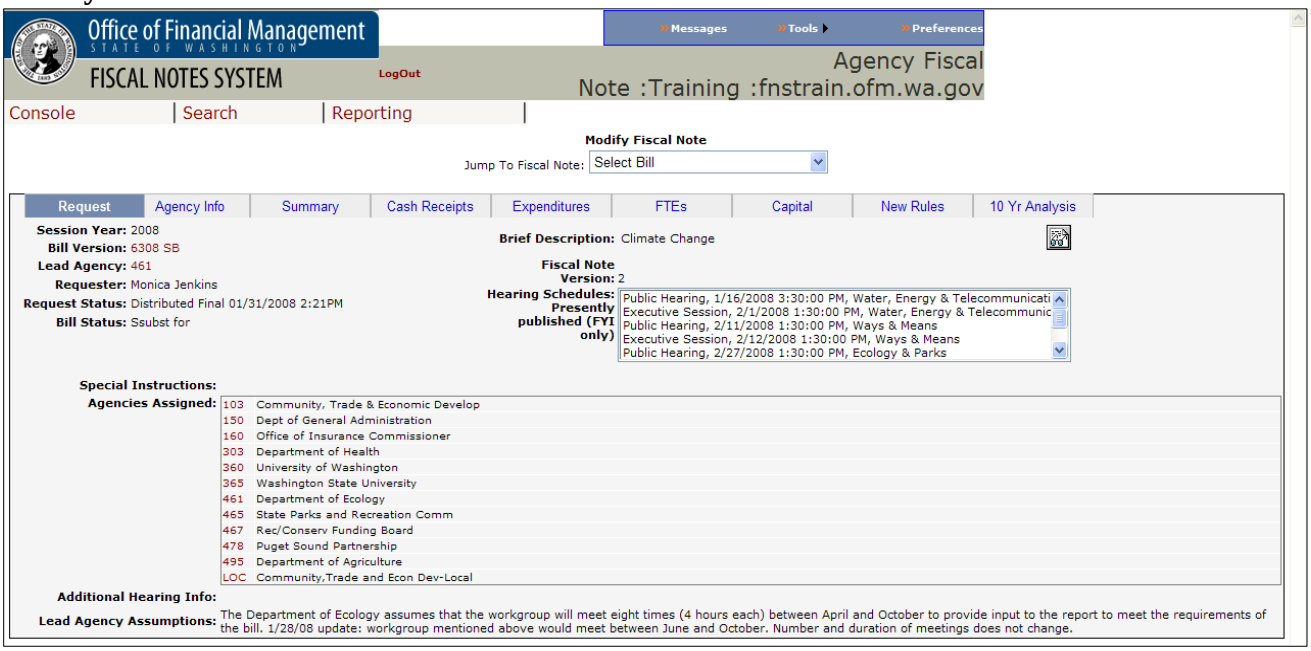
3. Click on the Request tab to view the Request information.

4. Click on the legislative contact name to bring up an addressed email form to the legislative contact.

5. Click on an underlined agency number to bring up an addressed email form to that agency's primary and secondary fiscal note coordinators.

The lead agency should identify its common assumptions in the narrative box titled "Assumptions." Once the lead agency enters common assumptions, other agencies affected by the bill can also view this information.

Modify Fiscal Note screen:



4.3 MODIFYING A FISCAL NOTE

On the Console screen click on the Modify Fiscal Note icon next to fiscal note versions that you have not released to OFM. This will take you to the Fiscal Note screen where those authorized to do so may modify the note.

Once your agency has released a fiscal note to OFM, you can no longer modify that version of the fiscal note. The icon will change to a "View Fiscal Note" icon . Clicking this icon will bring up the fiscal note but will not allow modifications. You can always click on the "Create a New Version" icon to create a new version of the fiscal note.

4.4 REVISING A FISCAL NOTE

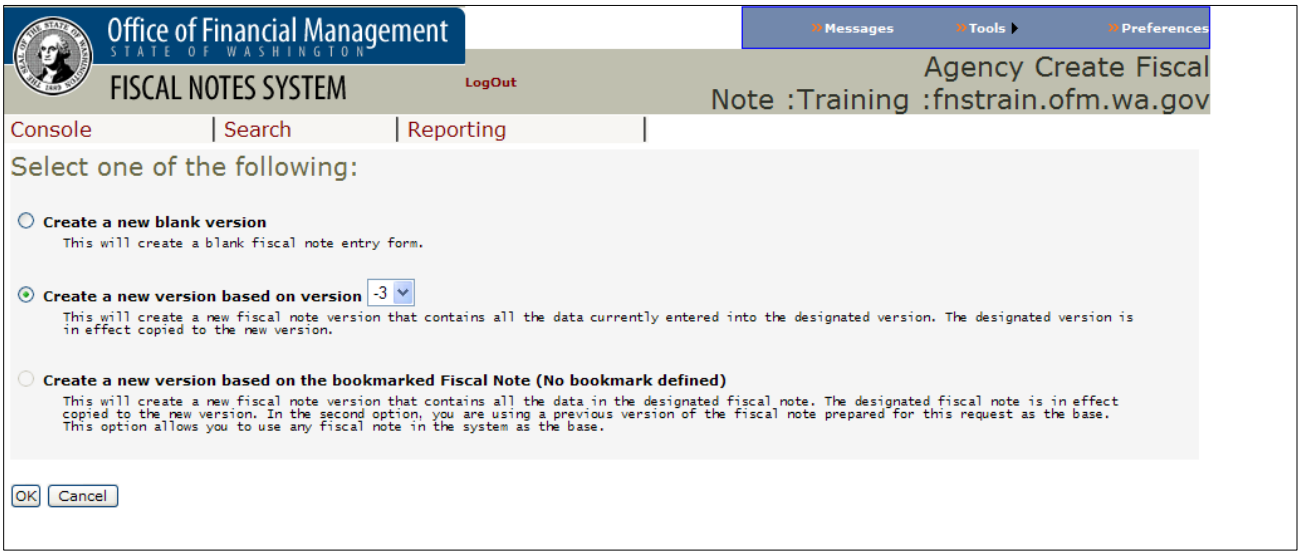
Once your agency has released the fiscal note to OFM, you can no longer modify it. If OFM asks you to revise a fiscal note, or if you want to initiate a revised fiscal note, create a new version based on a previous version. To help expedite the review of revised fiscal notes by OFM, it is helpful to indicate the nature of the revision by including an explanation on the summary tab.

Click on the "Create a New Version" icon to create a new version based on another version of a fiscal note for the same bill.

At the Create a New Version screen, select “Create a new version based on version ___.” Select the version you want to use.

Click on the OK button. The user can now make the necessary changes.

Create a New Version screen:



4.5 BOOKMARKING A FISCAL NOTE

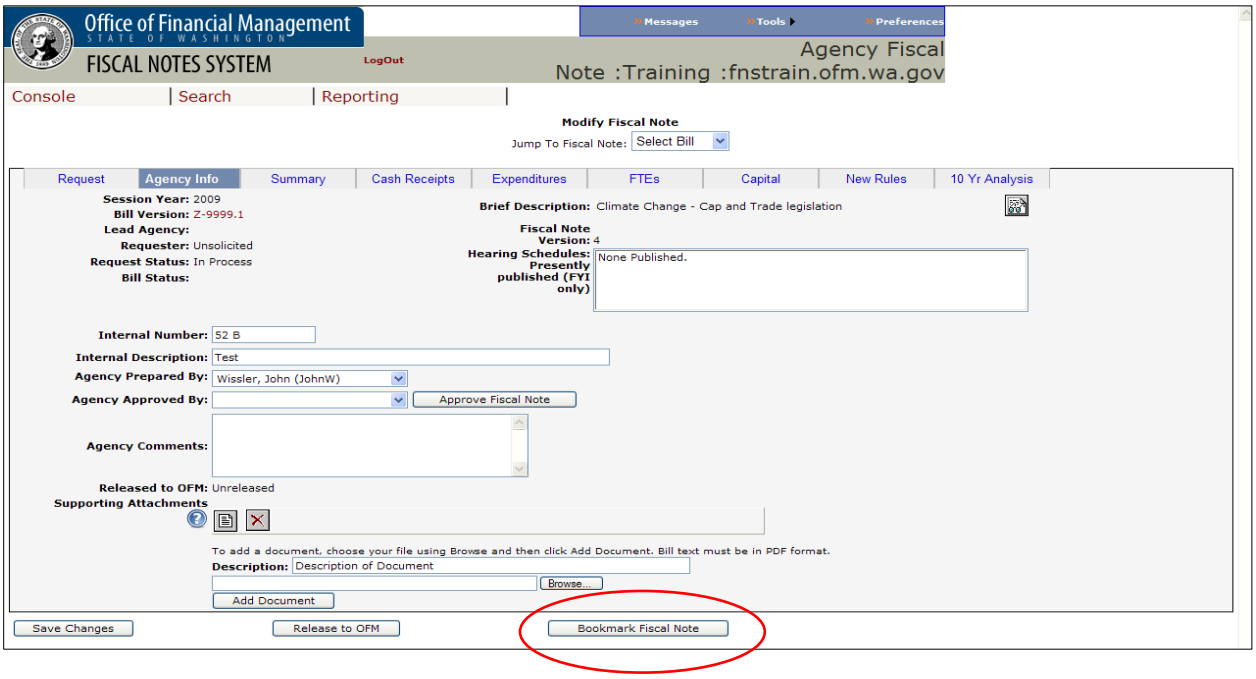
There are several instances where the bookmark function can be useful:

- Your agency receives a request to prepare a fiscal note on a companion bill, which is an identical bill filed in the opposite house of the Legislature.
- Your agency receives a request to prepare a fiscal note on a bill that is similar to another bill with an existing fiscal note and the fiscal note is identical or similar with only minor changes needed.
- Your agency wants to update a fiscal note from a previous session. Select the session that contains the fiscal note to bookmark. On the Console, select the fiscal note that you want to bookmark. Go to the Agency Info tab. At the bottom of the screen, click on the Bookmark Fiscal Note button.

Go back to the Console. Be sure you have selected the current session year. Click on the “Create a New Version” icon next to the appropriate bill number to create a new version based on the fiscal note you just bookmarked. At the Create a New Version screen, select “Create a new version based on bookmarked fiscal note.” This selection will show the bookmarked fiscal note.

Click the OK button. The fiscal note is ready for changes.

When using a fiscal note from a previous session, be aware that the numeric data will copy into the same cells and columns as on the original fiscal note. You may need to modify the data to correspond to the new fiscal year headings.



You can bookmark only one fiscal note at a time. The last fiscal note bookmarked is the one the system uses when creating a version through the bookmark option.

4.6 Attaching Documents

OFM accepts only PDF file attachments. There are several important benefits to PDF files:

- A PDF file for an attachment ensures that the document an agency sends will look the same to OFM as it does to the agency.
- It is not easy to change a PDF file. Thus, agencies have some added assurance of data integrity.
- A PDF file has no documented virus problems.

If you plan to attach documents to the fiscal note in the system, you will need to have Adobe Acrobat software available. This software will enable you to convert files to the PDF format.

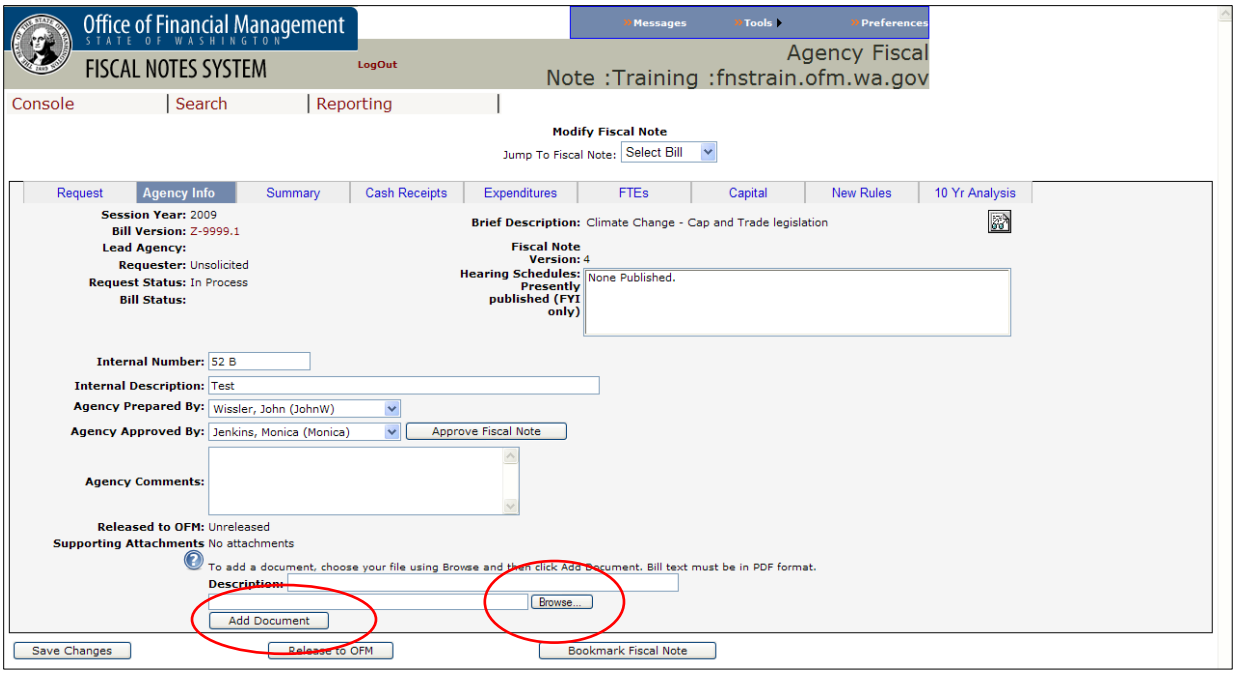
Excel and Word include options for saving a file as a PDF. For both programs, there is typically a “Save as Adobe PDF” option in the File tab. We recommend that you contact your information technology support staff if you need further assistance creating PDF files.

At the Console, click on the Modify Fiscal Note icon . This will take you to the Fiscal Note screen. You can attach PDF files on the Agency Info tab.

1. Enter a description of the attachment in the description text box.
2. When you click the Browse button, the operating system's open file selection box will open to facilitate the file selection. Select the desired file as usual. The system will return you to the Agency Info tab and the file name will appear in the box next to the Browse button.
3. Click the Add Document button to attach the document to the request. The system will display the document information in the document table.

Click on the document icon next to a line in the table to view the document.

To delete the attachment from the fiscal note, click on the delete icon located next to a line. The item will then disappear from the list.



Attachments appear after the fiscal note, in the order in which you attached them.

If you include attachments, make sure that you reference them clearly in the fiscal note narrative and that you label or title the attachments in a way that will aid the reader.

4.7 COPYING INFORMATION FROM ANOTHER SOURCE DOCUMENT

The Cash Receipts, Expenditures, FTEs, and Capital tabs of the Fiscal Note screen each have a Paste from Spreadsheet button to facilitate pasting data contained in a spreadsheet into the system.

You can transfer text to the text boxes in the system using the standard copy and paste method, section by section. To copy/paste from a spreadsheet into a section:

1. Make sure your spreadsheet has the same column layout as the system section and follow the formatting protocols noted in the Template Formatting Guide, below.
2. Click on the Paste from Spreadsheet button in the desired section. This will open up a paste box.
3. Switch back to the spreadsheet by clicking on that program's button in the task bar. Drag the cursor over the information you want to select. On the Edit menu, click Copy.
4. Switch back to the FNS and click on the text box. On the Edit menu, click Paste.
5. Click the Save button. If the copy/paste was successful, the system will return you to the selected tab and you will be able to see the data you just pasted. You will receive a message if there was a data or format error in the pasted information. If so, you may click the Clear button to clear the data, correct the spreadsheet formatting, and try the process again.

One-step copy/paste method
A template is available that allows you to make just one copy/paste step to enter all of the financial and FTE data into the system. The Fiscal Note Copy/Paste template is available on the OFM website at:

http://www.ofm.wa.gov/budget/forms.asp.

Many agencies use spreadsheets to develop the financial estimates included in a fiscal note. The Excel spreadsheet copy/paste template provides an easy way for agencies to transfer information developed in spreadsheets into the FNS. By populating this template, agencies can transfer all the financial table information required in a fiscal note into the system with just one copy/paste action.

The Paste from Spreadsheet Get Spreadsheet template is also available on the FNS log in screen.

IMPORTANT: The application will NOT accept blank rows. If you have modified the template provided by OFM, you must delete any row in the Expenditures/Cash Receipts/FTE's portion that does not contain data.

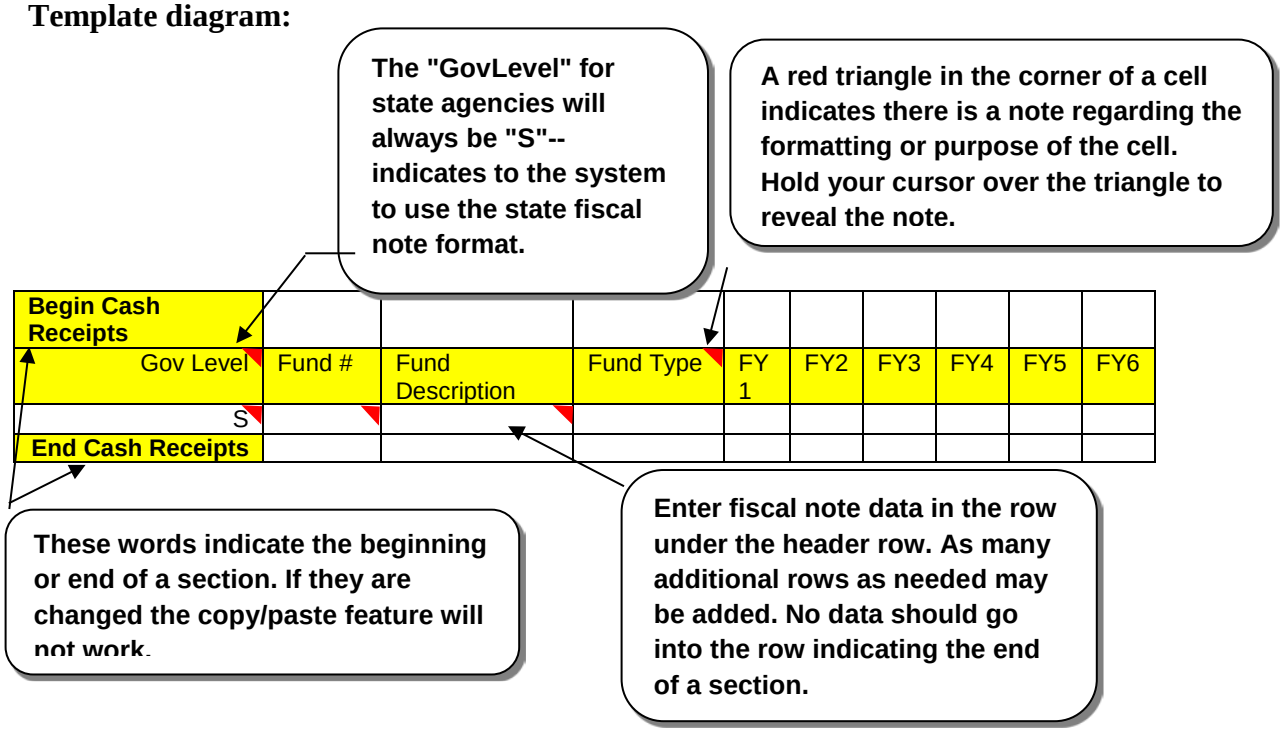
Template Design
The template has a very simple format. There are six sections, one for each of the possible financial data tables in the fiscal note form:

- Cash receipts
- Expenditures by fund
- Expenditures by object
- FTEs
- Expenditures by program
- Capital costs

Each section is set up as a table which includes the required data columns for that portion of the fiscal note. Each section is bordered by cells labeled "Begin -----" and "End -----." The system

will read these tags to determine the beginning and end of the data for each section. If you change these cells or the column headers in any way, the copy/paste function will not work.

Template diagram:



Preparing the template:

- In most of the sections, you may insert as many rows within the boundaries of the sections as needed making sure to put an "S" in the "Gov Level" column of each row. The Expenditures by Object and Capital sections are fixed row sections, with the rows being pre-defined in the template. You should not add rows to these sections.

- Follow the formatting rules listed below. These formatting notes are also contained in the template. Any cell with a red triangle in the corner contains a note. Place the cursor on the triangle to reveal the note.

- You may put formulas or links to other spreadsheets in the cells, but be sure to format the cell so that it displays the numerical result of the formula or link.

- The system will ignore empty sections, blank lines, and rows with all zero amounts. If you plan to link another spreadsheet to this template, you may add rows to the template in the appropriate sections to match the number of rows of data you wish to link to in the other spreadsheet. If the values returned are zero, the system will simply ignore them.

Template Formatting Guide

Cell Type	Sections Where Included	Formatting Requirements
Fund Number	• Cash Receipts • Expenditures by Fund	• Fund number must be a valid fund or the word "NEW" • 3 characters are allowed • Format as text so that "001" does not become "1"
Fund Description	• Cash Receipts • Expenditures by Fund	• This is needed only if the fund is NEW • Up to 80 characters allowed
Fund Type	• Cash Receipts • Expenditures by Fund	Valid values are: • 1 for State • 2 for Federal • 6 for Nonappropriated • 7 for Private/Local
Fiscal Year Financial Data	• Cash Receipts • Expenditures by Fund • Expenditures by Object • Expenditures by Program • Capital Costs	• Use whole dollars without formatting (commas, dollar signs, etc.) • Use a dash to indicate a negative number • Empty cells or zeros will be ignored
Object Codes and Object Descriptions	• Expenditures by Object	• Do not alter. These are already entered and formatted in the template
Job Class Descriptions	• FTEs	• Up to 50 characters allowed
Salary	• FTEs	• Use whole dollars without formatting (commas, dollar signs, etc.)
FTEs by Fiscal Year	• FTEs	• Up to two decimal points allowed
Program Code	• Expenditures by Program	• Up to three characters allowed
Program Description	• Expenditures by Program	• Up to 80 characters allowed

Copying and pasting from the template

1. Open the appropriate Excel spreadsheet copy/paste template for the fiscal note you are working on.
2. In the FNS, go to bottom of the Summary tab and click the Paste All Fiscal Note Data button. This will open up a text box for pasting. (To switch between the FNS and the Excel spreadsheet template, click the desired program's button on the taskbar.)
3. Switch to the Excel spreadsheet copy/paste template. Select the entire spreadsheet template for copying by clicking on the cell in the upper left-hand corner of the spreadsheet, the cell above Row 1 and left of column A. On the Edit menu, click Copy.

4. Switch back to the FNS by clicking on the system button on the taskbar. Click on the text box. On the Edit menu, click Paste. Scroll to the bottom of the screen and click the Save button.

If the copy/paste was successful, the system will return you to the Summary tab and you will be able to see all of the data in the correct places on the other tabs. If there is an error in the data, the system will return an error message noting the problem that you need to be correct. You may then click the Clear Paste Screen button to remove the data in the system. Then switch back to the Excel spreadsheet copy/paste template, make the necessary changes, and repeat the copy/paste steps 2-4 above.

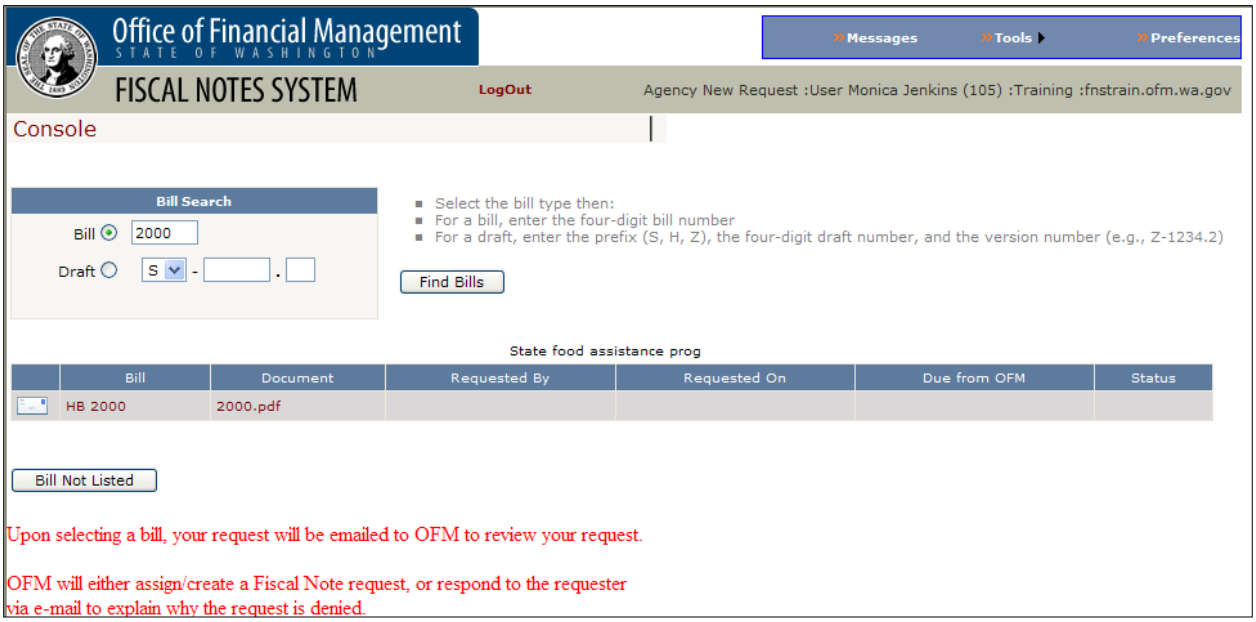
4.8 INITIATING AN UNSOLICITED FISCAL NOTE REQUEST

To ensure fiscal notes are relevant and too keep the fiscal note workload manageable, please refrain from creating unsolicited "no impact" fiscal notes. Agencies should also limit the release of unsolicited fiscal notes to those bills with significant fiscal impact scheduled for a hearing. If you believe your agency should prepare a fiscal note on a requested bill, ask OFM to add your agency to the request.

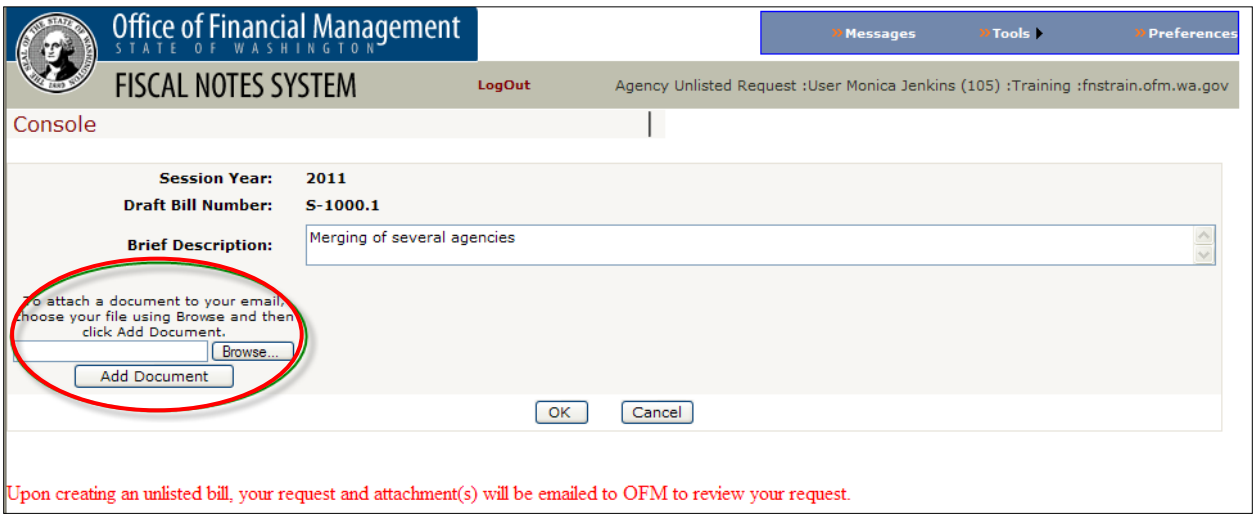
To develop unsolicited fiscal notes during the legislative session, agencies must first initiate a request for a fiscal note. This will alleviate system problems and timing issues, and will result in more timely delivery of fiscal notes to hearings.

1. Starting on the Console screen, click on the Create Unsolicited FN Request button:

2. Enter the bill or draft number and click the "Find Bills" button. This will bring up a list of possible bills to choose from.
3. Select the applicable bill by clicking on the mail icon to the left of the bill number. A dialog box will come up and once you click on the "ok" button, the system will send an email to OFM, who will assign the request to all affected agencies.



4. If the request pertains to draft legislation, attach the bill language in a PDF file to the email template before sending it to OFM:



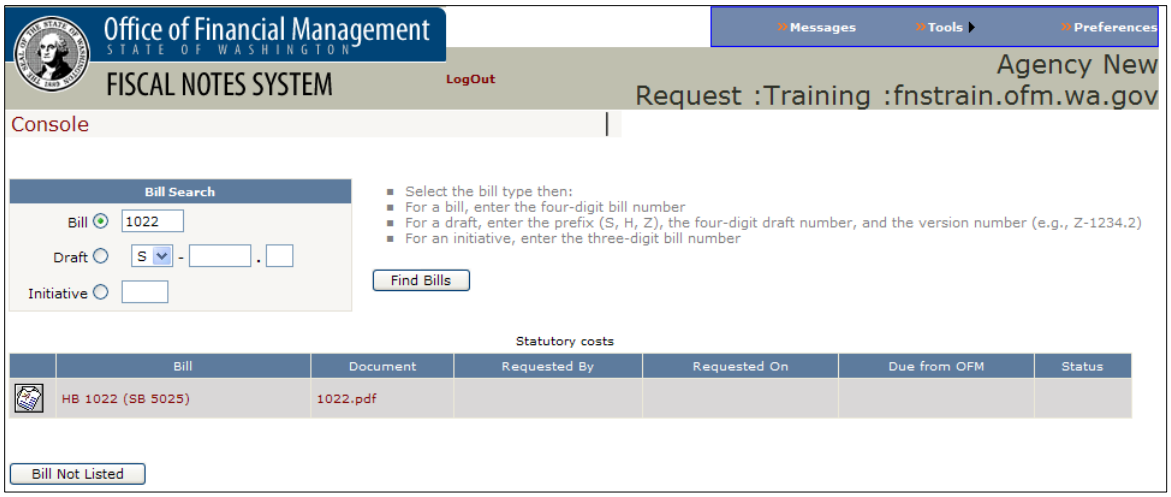
After receiving and reviewing the email, OFM will assign the request to all affected agencies.

Outside of the legislative session, there may be times when your agency wants to create unsolicited fiscal notes without having to submit a request to OFM. For example, agencies are required to prepare a fiscal note to include with agency request legislation packages. Approximately 30 days after the end of a legislative session, the “Create Unsolicited FN Request” button will change to “Create Unsolicited Fiscal Note.”

1. From the Console, click on the Create Unsolicited Fiscal Note button.
2. Enter the bill number or draft number and click the List Bills button to display a list of valid versions of the bill identified.

3. Choose the version of the bill you want to prepare a fiscal note on and click the Modify Fiscal Note icon. This takes you to the Fiscal Note screen where you can prepare the fiscal note.
4. If the version of the bill or draft is not listed, click the Bill Not Listed button. Enter the appropriate information and click OK. This should take you to the Fiscal Note screen where you can then prepare the fiscal note.

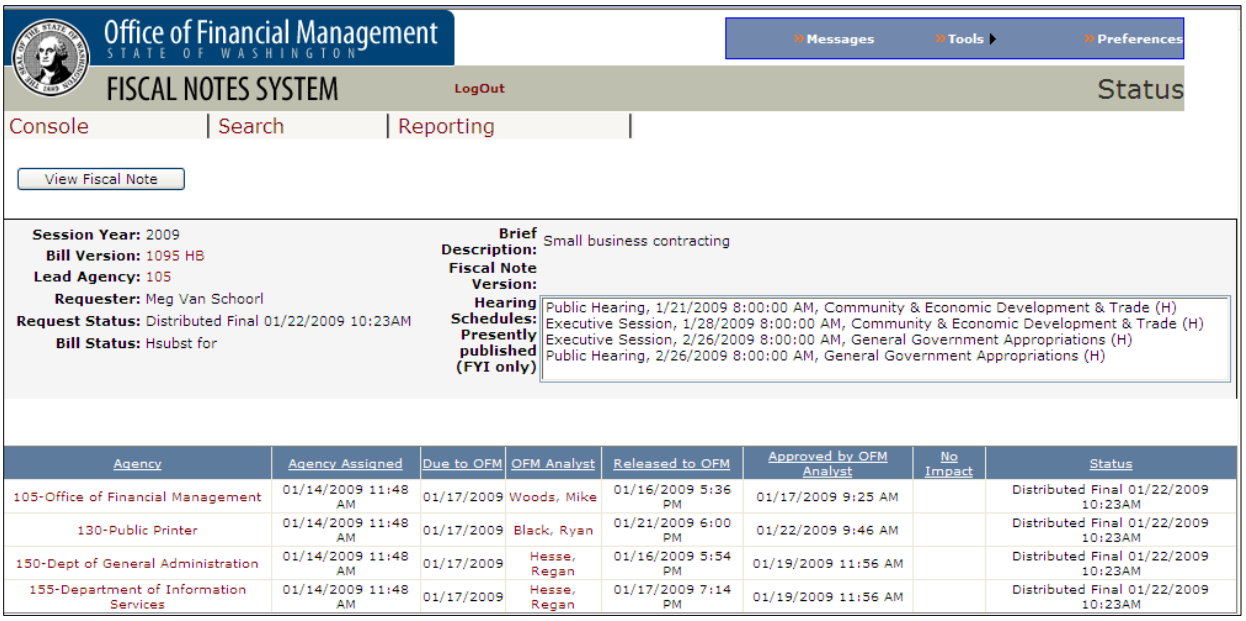
If you are preparing an unsolicited fiscal note on a proposed substitute bill, use the bill number rather than the bill draft number. Attach the bill language when you release the fiscal note to OFM.



4.9 How to view a distributed fiscal note

Once OFM distributes a fiscal note, system users can view the entire package through the agency console.

1. From the Console, click the View Status icon for the distributed bill.
2. The next screen displays the status of the fiscal note request. Click the View Fiscal Note button to view a distributed fiscal note package.



Agency	Agency Assigned	Due to OFM	OFM Analyst	Released to OFM	Approved by OFM Analyst	No Impact	Status
105-Office of Financial Management	01/14/2009 11:48 AM	01/17/2009	Woods, Mike	01/16/2009 5:36 PM	01/17/2009 9:25 AM		Distributed Final 01/22/2009 10:23AM
130-Public Printer	01/14/2009 11:48 AM	01/17/2009	Black, Ryan	01/21/2009 6:00 PM	01/22/2009 9:46 AM		Distributed Final 01/22/2009 10:23AM
150-Dept of General Administration	01/14/2009 11:48 AM	01/17/2009	Hesse, Regan	01/16/2009 5:54 PM	01/19/2009 11:56 AM		Distributed Final 01/22/2009 10:23AM
155-Department of Information Services	01/14/2009 11:48 AM	01/17/2009	Hesse, Regan	01/17/2009 7:14 PM	01/19/2009 11:56 AM		Distributed Final 01/22/2009 10:23AM

The package consists of a rollup page labeled Multiple Agency Fiscal Note Summary followed by the individual agency fiscal notes, including the Local Government Fiscal Note and/or Judicial Impact Note, if applicable.

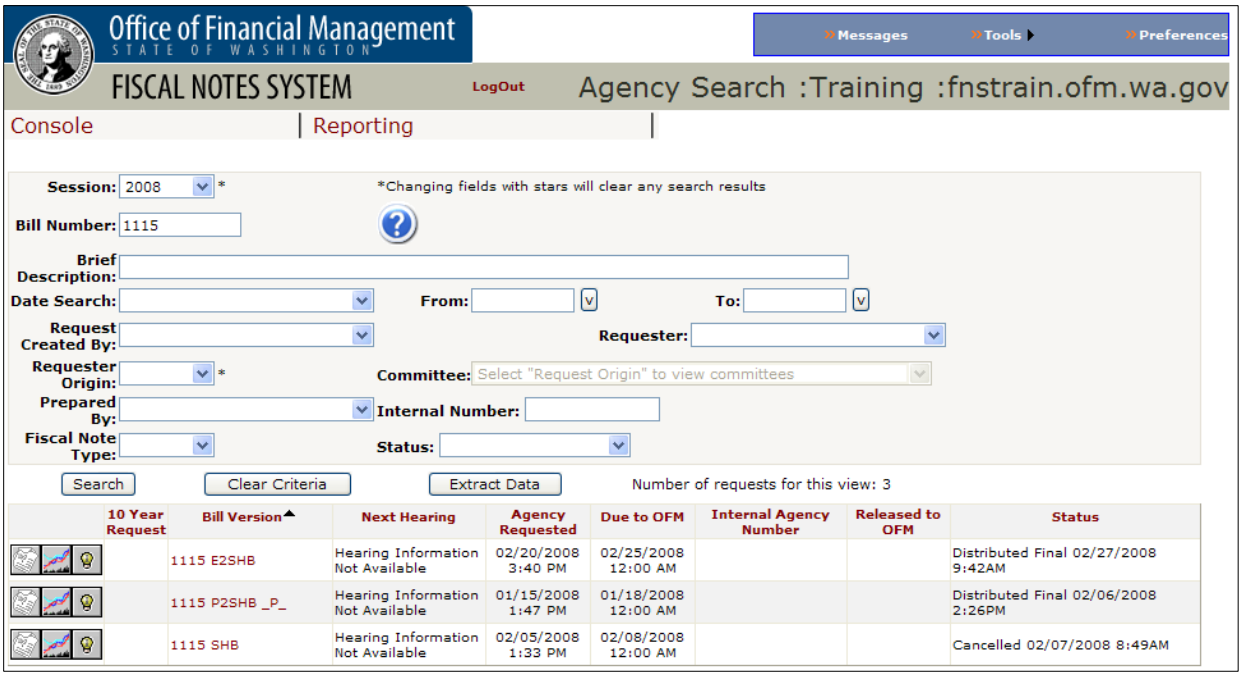
The screen also allows the user to print the package. Be sure to use the print icon on the lower toolbar.

You can also view distributed fiscal notes on the OFM Fiscal Notes website.

4.10 USING THE SEARCH FUNCTION

1. From the Console, click the Search button to go to the Search screen.
   - The Search screen enables the user to search fiscal note requests by bill number, brief description, type of date, requester, committee, type, prepared by, or status.
2. Select the desired parameters and click the Search button.
   - The search will produce a table of results. An icon next to each request will enable the user to link to the Status and Fiscal Note screens.
3. Click on the underlined column heading to sort the results by those column criteria. This feature is available on the tables on the other screens.
   - The Clear Criteria button clears the search settings.

The list will indicate the companion bill of the bill number requested, if one exists.



4.11 DELETING A VERSION OF A FISCAL NOTE

Only certain system users have the ability to delete agency versions of a fiscal note. If you need to delete a version, check with your agency's security officer to see if you have system permissions to do so. You may delete fiscal notes that your agency has not released to OFM.

If you have system permissions to delete a version, on the Console click the Delete icon to the left of the fiscal note version you want to delete. There is no way to restore a fiscal note once you delete it.

4.12 EXTRACTING DATA FROM THE FNS

The system restricts access to export functionality and OFM does not provide support beyond the creation of a tab-delimited file. To make effective use of FNS data, users should have a high level of programming and data relationship knowledge. The extract data is limited to the user's agency.

1. From the Console, click the Search button to go to the Search screen.
2. Select the desired parameters and click the Search button to produce a table of results.
3. If you have access to the extract feature, the Extract Data button will appear on the search results screen.
4. Click the Extract Data button. Select the extract you want to perform. Click the Generate Extract button. Save the extract to a file.
5. Import the tab delimited text file into Excel or Access software and manipulate the data

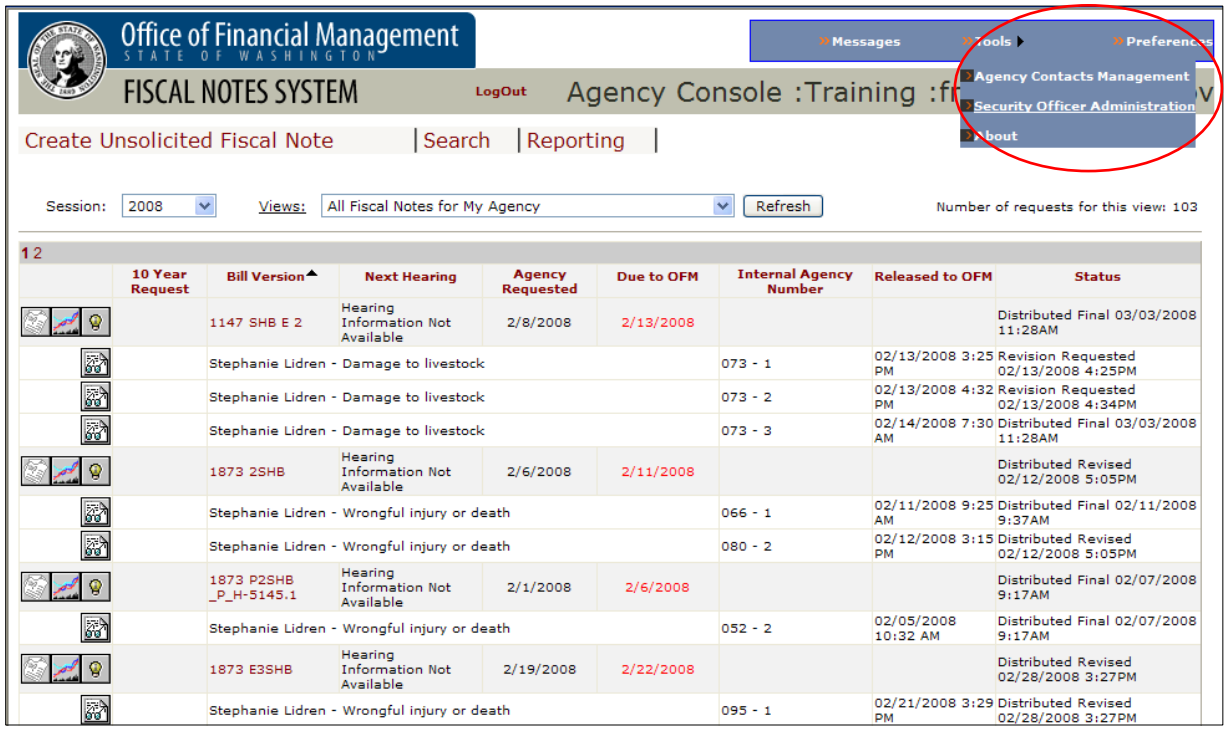
4.13 System Password Maintenance

At log in portal select “Change your Password.” Enter your User ID, Prior Password, and New Password (Reenter New Password) then select “Save Password.”

The password can be no less than 5 characters and no greater than 15. Your password must have a minimum of one upper case and one lower case character, one number, AND one special character. Valid special character choices are: ! ~ # $ %

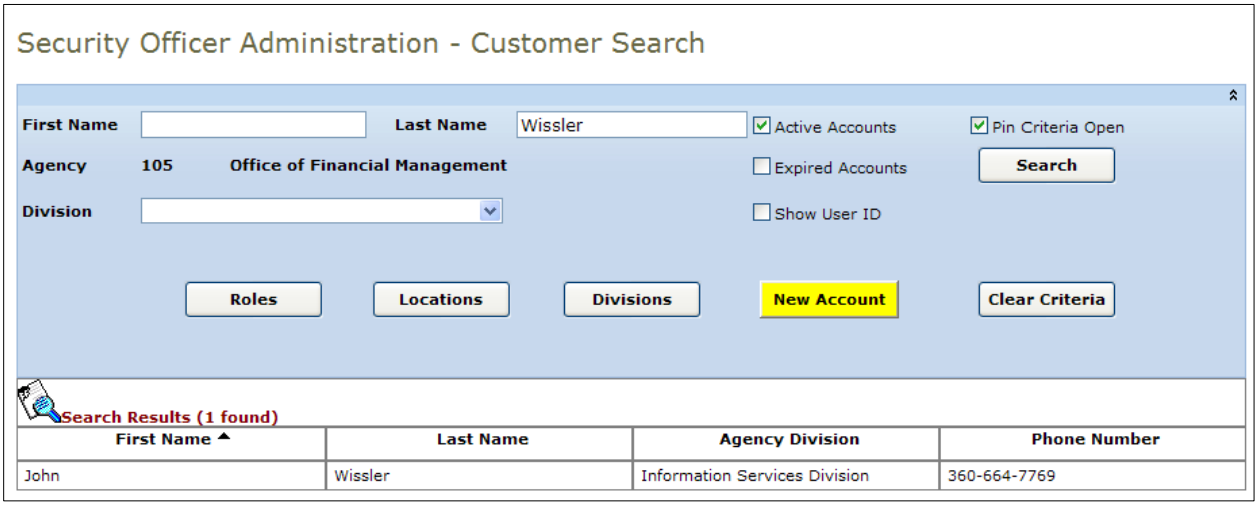
4.14 Security Officer Administration

Agency security officers use the Security Officer Administration portion of the system to add, expire, and update user settings and information. To access this section you must have Security Officer Rights. If you have security officer rights, hover over the “Tools” link at the top of the FNS, and click on “Security Officer Administration.”



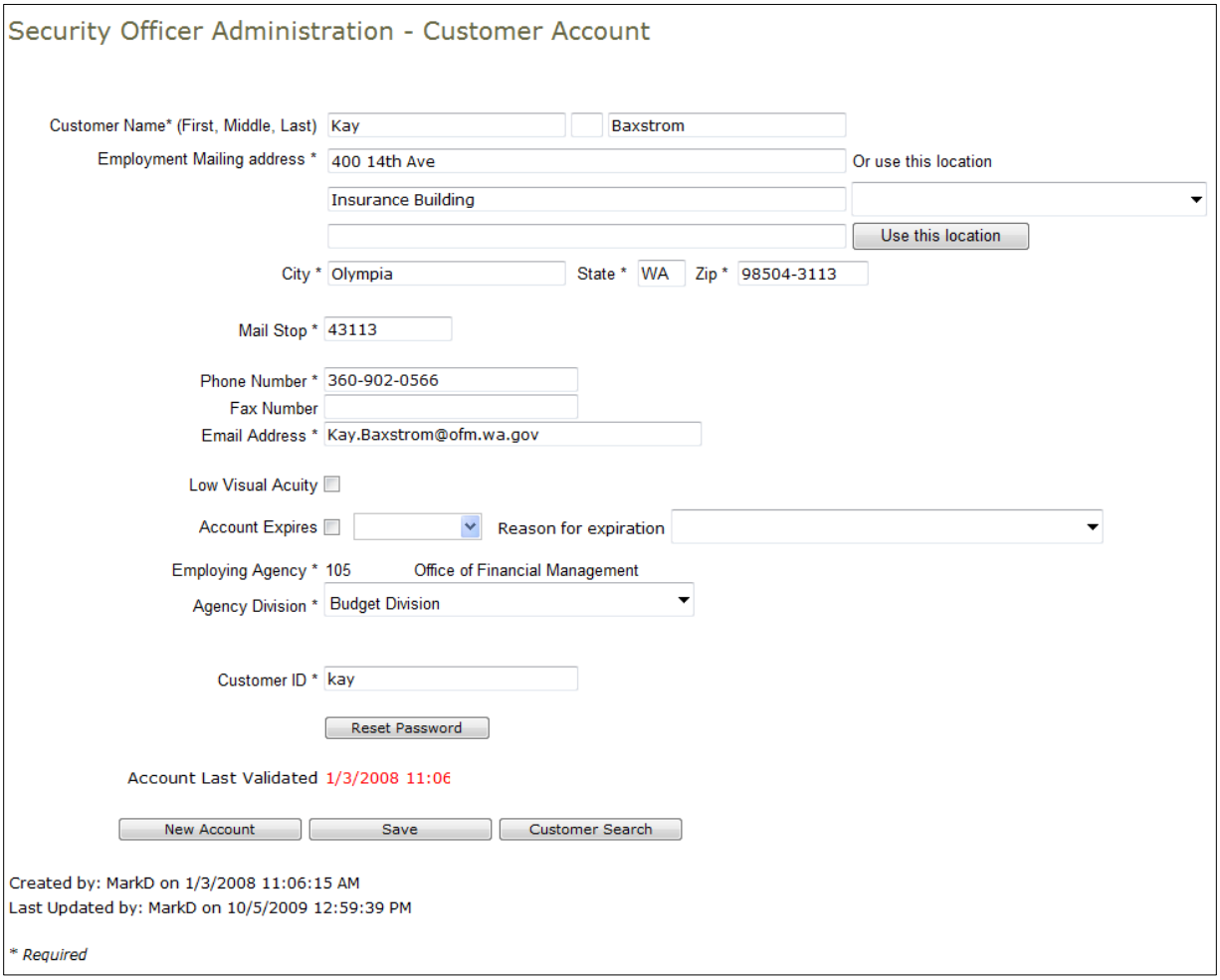
The Security Officer Administration page loads to the Customer Search screen, pictured on the next page. The Security Officer can create new accounts and assign and manage roles, locations and division assignments for users (customers).

Customer (User) Search screen:



To find or update an existing account enter the user's name and click the Search button. The system displays search results in a grid. Click on the user's name to launch the **Customer (user)**

Account screen:

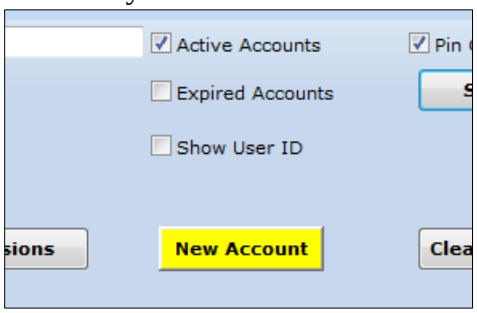


On this screen, you can modify an existing account as necessary. You can also reset a user's password on this screen. Clicking the Reset Password button will reset a user's password. The system will send the user an email notice stating that their password was reset. The email includes a temporary password. The user will need to change their password to a "Hardened" password before logging into the system.

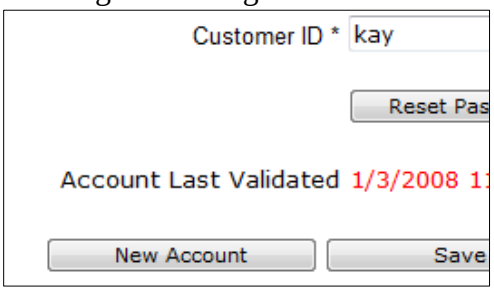
Creating a new account

There are two ways to create a new account:

1. Click the yellow New Account button on the customer search screen.



2. Click the New Account button at the bottom of the customer account screen when viewing an existing user's account.



When creating a new account the system will display the customer account screen with blank fields. You must provide the following user information to set up an account:

- First Name
- Last Name
- City
- Zip
- Mail Stop
- Phone Number
- Email Address
- Agency Division
- User (Customer) ID
    - A minimum of 8 characters and maximum of 13 characters and must be unique throughout the system.

You may select a location to automatically populate the Mailing Address/City/State/Zip/Mail Stop by using the dropdown menu below the text **"**Or use this location," and clicking the Use this location button.

You can set an account to automatically expire by selecting the checkbox next to "Account Expires" and selecting a date.

The Low Visual Acuity function is not currently operational. For now, disregard this option and the associated check box. Checking the box will not affect the display.

Click the save button to save a new account or to save changes made to an existing user account.

Click the customer search button to navigate back to the Customer Search page.

Roles

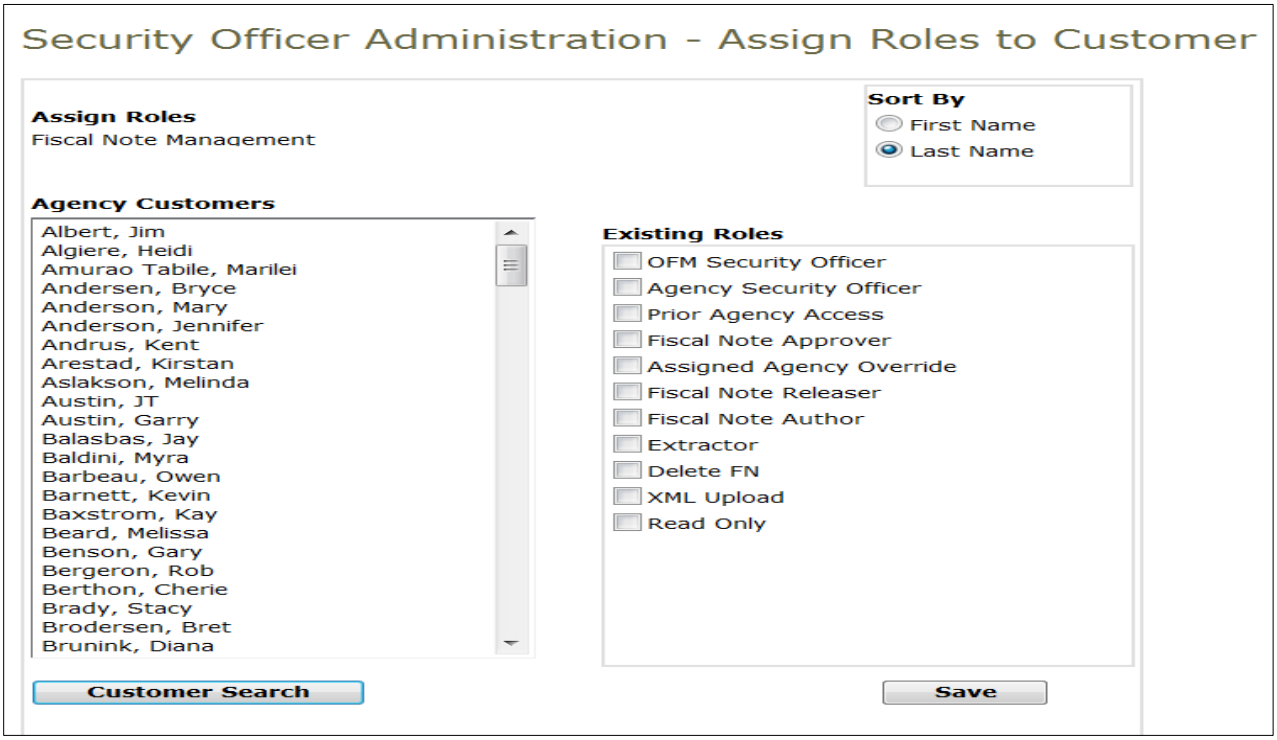
Click the Roles button on the Customer Search page to launch the Roles management screen, pictured below. When the page opens there will be a list of all current, active users. If you select a user, the system will display the roles currently assigned to that user. Assign all of the appropriate roles for each user by checking the box next to the desired roles.

- Agency Security Officer: Manages users of the system by assigning roles and access to the FNS.
- Allows delete of an unreleased Fiscal Note: Authorized to delete versions of unreleased fiscal notes.
- FN Releaser: Authorized to release agency-approved fiscal notes to OFM.
- Approver: Authorized to approve a fiscal note for the agency
- Author: Authorized to create and change a fiscal note for the agency, can also view a fiscal note.
- XML transfer: Restricted access, used by specific agencies to transfer fiscal notes electronically from an in-house system to the FNS.
- Read Only: Authorized to only view fiscal notes and status information.
- Extract Data: Allows user to extract raw data from the database.

If a user is no longer with your agency or no longer has a role in developing fiscal notes, you should "expire" the users account rather than removing all his or her roles.

Click the Save button to save any changes made before selecting another user to update or before closing the page.

User Roles Screen:



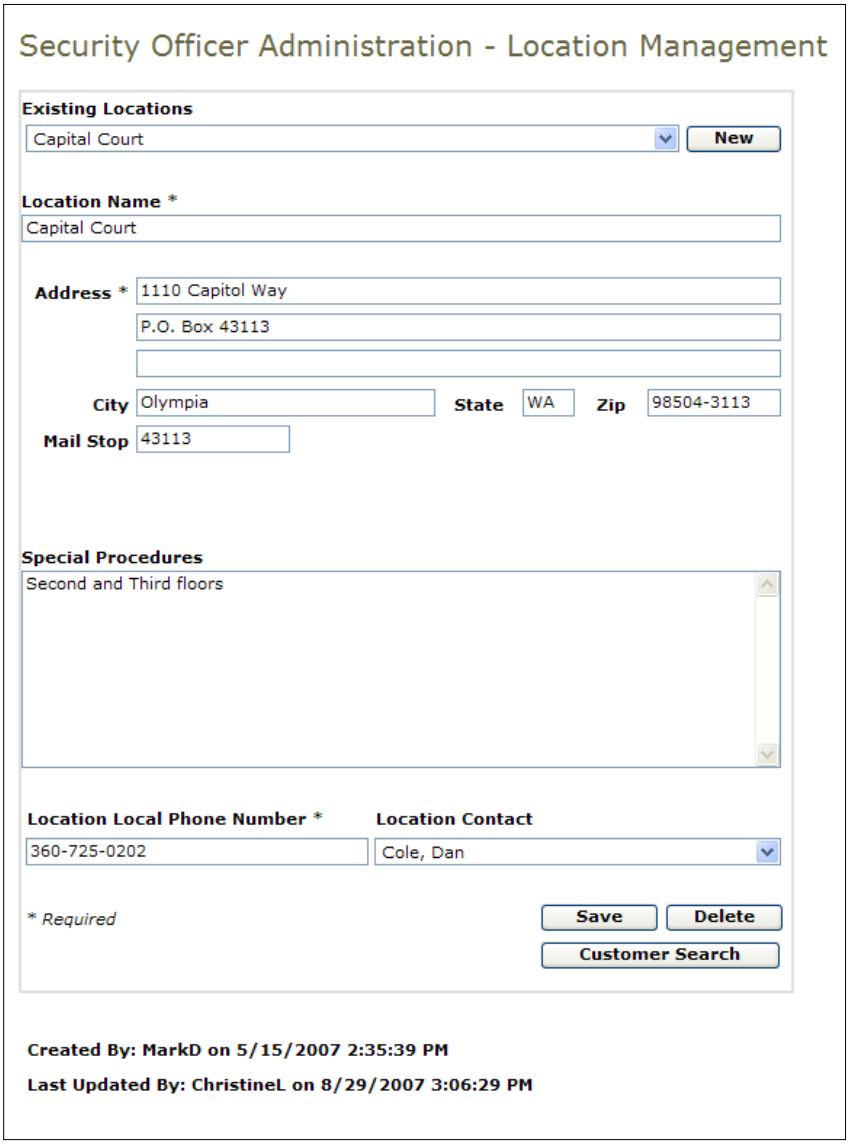
Manage locations

Click the Locations button on the Customer Account page to launch the Location Management screen.

Use the Location Management screen to manage locations that will appear in the pull down menu on the Customer Account screen, or to update existing locations. Enter any special procedures that may apply and a location contact, if desired.

Click save when you finish creating a new location or updating an existing location. This will automatically appear in the “Locations” list on the Customer Account page.

Location Management screen:



Manage Divisions

Click the Divisions button to launch the Divisions Management screen.

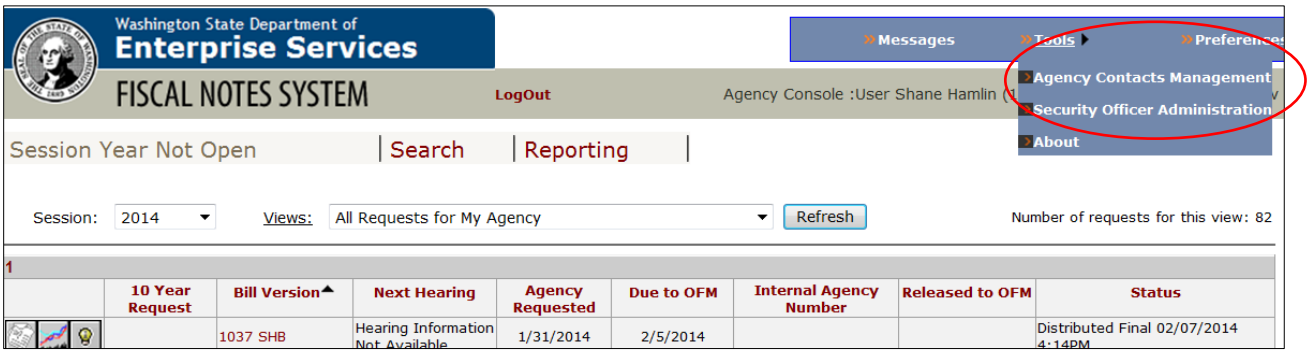
Use the Division Management screen to manage your agency's divisions so you can select them from a dropdown list on the Customer Account page. After selecting Division a new page will display. Either select a division to update from the drop list, or create a new division.

Enter all available information and Save. This will automatically appear in the "Division" list on the Customer Account page.

Division Management screen:

4.15 Agency Contacts Management

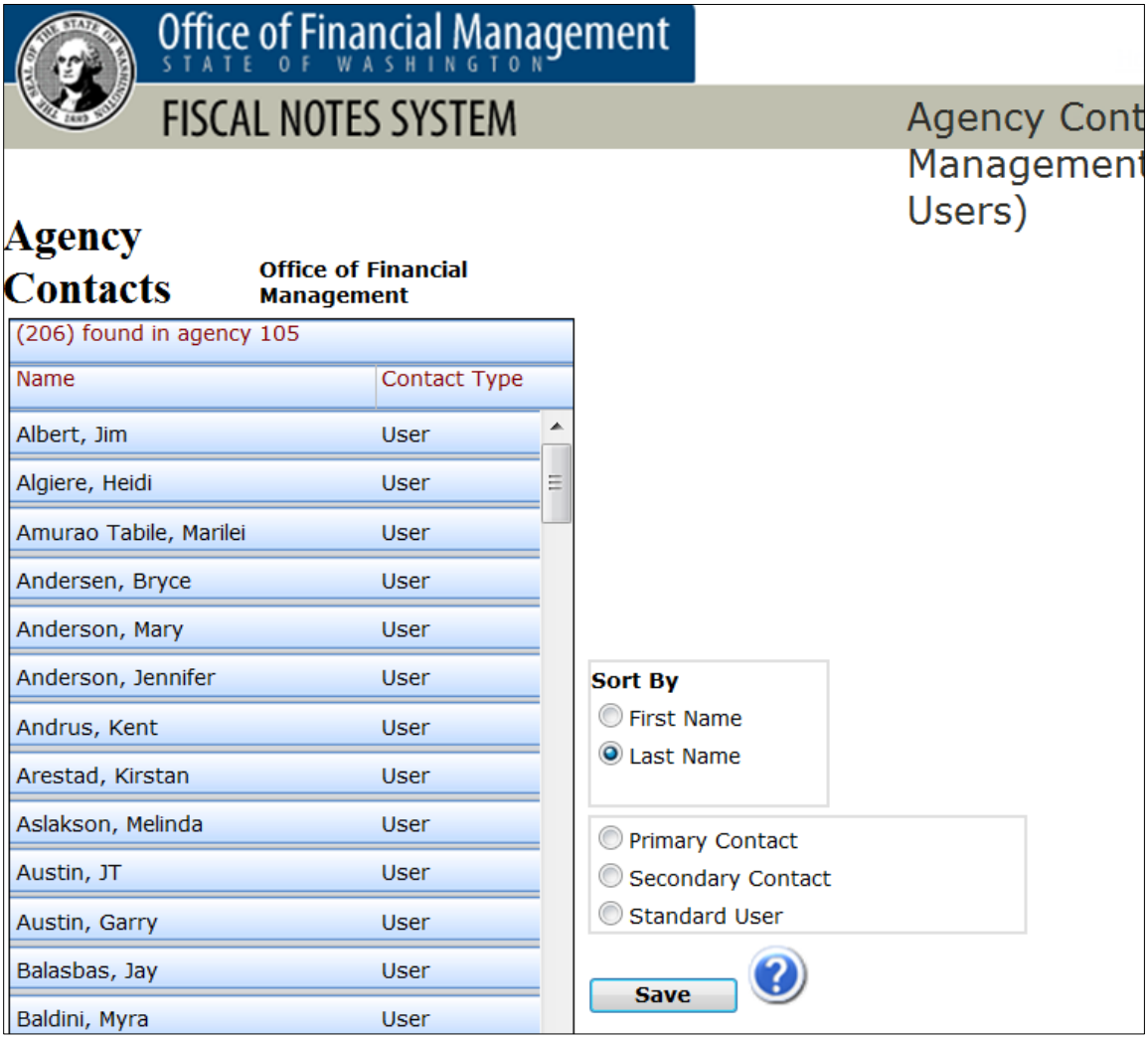
Use the Agency Contacts Management feature to assign primary, secondary and user notifications for active users in the Fiscal Notes System. You must have Security Officer rights to access this section of the system. Hover over the "Tools" link at the top of the FNS, and Click on "Agency Contacts Management."



The Agency Contacts Management screen will load with a list of all current active users in your agency and their current contact level. You can change the level of contact by selecting a user's name and selecting:

- Primary Contact. These users will receive all emails from the system.
- Secondary Contact. These users will be copied on all emails from the system.
- Standard User. Standard agency user.

Agency Contacts Management screen:



If you need technical assistance using the Fiscal Note System, contact the WaTech Solutions Center at (360) 407-9100 or solutionscenter@watech.wa.gov.

SECTION 5
Bills that would increase taxes or fees

5.1 PREPARING A 10-YEAR ANALYSIS

RCW 43.135.031 (Initiative 960) requires that OFM determine the 10-year cost to tax and fee payers of any proposed legislation that would raise taxes, impose new fees, or increase current fees. OFM must communicate the most up-to-date 10-year cost projection to each member of the Legislature, the news media, and the public through email. OFM asks agencies to develop 10-year cost analyses, which OFM then uses to formulate the 10-year cost projections. OFM uses the FNS to request a 10-year analysis, usually in conjunction with a fiscal note request. The FNS supports the request, preparation and review of 10-year analyses.

Identifying the need for a 10-year analysis
OFM will review every bill and bill amendment introduced during the legislative session. It will request a 10-year cost analyses and, typically, a fiscal note on all bills or amended bills that would create or raise taxes or fees.

Only OFM staff can request 10-year analyses. Agencies cannot submit unsolicited 10-year analyses. If you believe that a bill contains a new or increased tax or fee, but OFM has not requested a 10-year cost analysis, contact your OFM analyst *before* submitting the fiscal note and analysis.

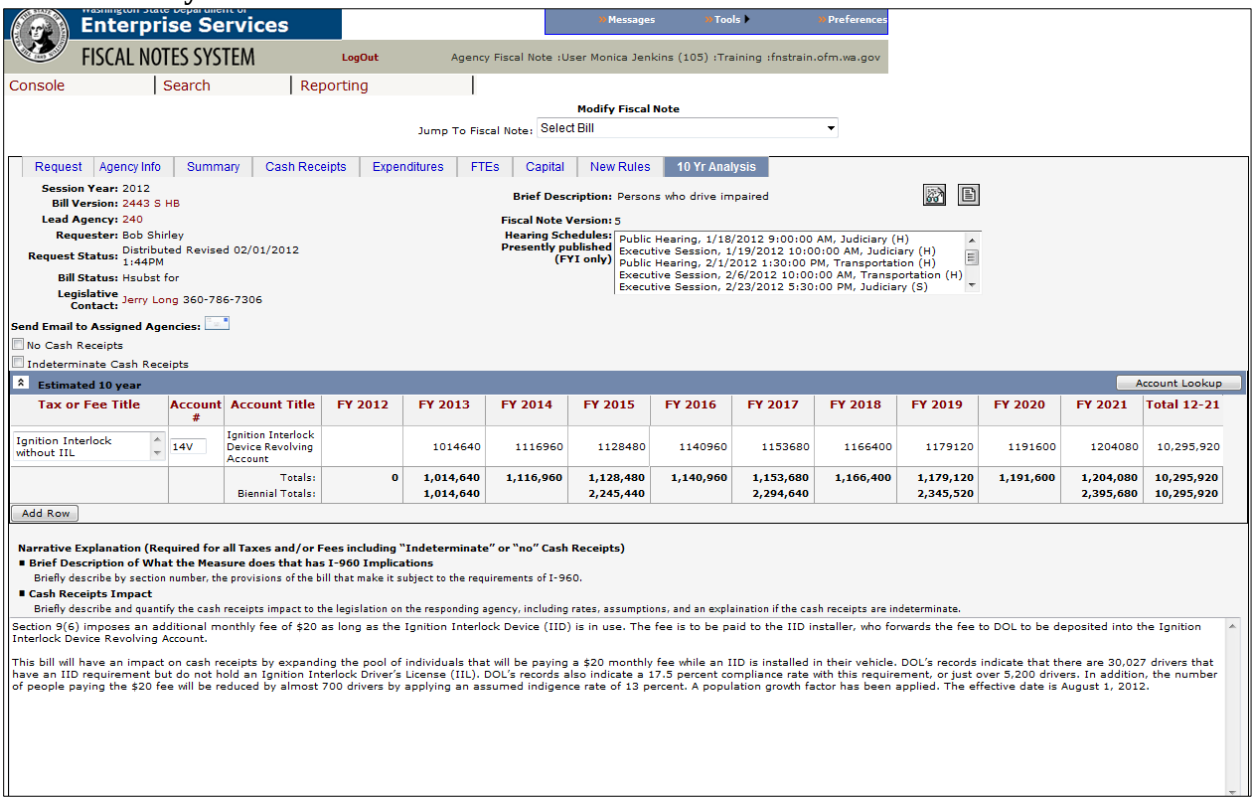
Refer to the OFM Implementation Criteria for Initiative 960 to learn more about how OFM determines whether a bill contains a new or increased tax or fee.

Preparing the 10-year analysis
The FNS will include a notation on bills that require a 10-year analysis. OFM will also include special instructions for completing the analysis. The 10-year analysis should take precedence over all fiscal note requests.

You will prepare the 10-year cost analysis on a separate tab in FNS, pictured below. The format is similar to the table in Part 1 of the fiscal note section, but displays 10 years of cash receipt estimates. RCW 43.135.031 requires "a year-by-year breakdown" for each of the 10 years, which is more detail than required for fiscal notes.

In some cases, the estimates for the first six years on the 10-year analysis tab will match those in Part I on the fiscal note. However, not all cash receipts generated by a bill are taxes or fees for the purposes of RCW 43.135.031. The 10-year analysis should only include cash receipts associated with the tax or fee increase. For example, penalties and late charges are not considered fees under the law; therefore, the cash receipts associated with penalties or late fees should not be included in the 10-year cost analysis. If you are not sure whether cash receipts from a bill are considered a new or increased tax or fee, contact your OFM analyst for clarification prior to preparing the 10-year analysis.

10-Year Analysis tab screen:



Enterprise Services
FISCAL NOTES SYSTEM
Messages | Tools | Preferences
LogOut
Agency Fiscal Note :User Monica Jenkins (105) :Training :fnstrain.ofm.wa.gov
Console | Search | Reporting

Modify Fiscal Note
Jump To Fiscal Note: Select Bill

Request | Agency Info | Summary | Cash Receipts | Expenditures | FTEs | Capital | New Rules | 10 Yr Analysis

Session Year: 2012
Bill Version: 2443 S HB
Lead Agency: 240
Requester: Bob Shirley
Request Status: Distributed Revised 02/01/2012 1:44PM
Bill Status: Hsubst for
Legislative Contact: Jerry Long 360-786-7306

Brief Description: Persons who drive impaired
Fiscal Note Version: 5
Hearing Schedules: Presently published (FYI only)
Public Hearing, 1/18/2012 9:00:00 AM, Judiciary (H)
Executive Session, 1/19/2012 10:00:00 AM, Judiciary (H)
Public Hearing, 2/1/2012 1:30:00 PM, Transportation (H)
Executive Session, 2/6/2012 10:00:00 AM, Transportation (H)
Executive Session, 2/23/2012 5:30:00 PM, Judiciary (S)

Send Email to Assigned Agencies:
No Cash Receipts
Indeterminate Cash Receipts

Estimated 10 year
Account Lookup

Tax or Fee Title	Account #	Account Title	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	Total 12-21
Ignition Interlock without IIL	14V	Ignition Interlock Device Revolving Account		1014640	1116960	1128480	1140960	1153680	1166400	1179120	1191600	1204080	10,295,920
		Totals:	0	1,014,640	1,116,960	1,128,480	1,140,960	1,153,680	1,166,400	1,179,120	1,191,600	1,204,080	10,295,920
		Biennial Totals:		1,014,640		2,245,440		2,294,640		2,345,520		2,395,680	10,295,920

Add Row

Narrative Explanation (Required for all Taxes and/or Fees including "Indeterminate" or "no" Cash Receipts)
- Brief Description of What the Measure does that has I-960 Implications
  Briefly describe by section number, the provisions of the bill that make it subject to the requirements of I-960.
- Cash Receipts Impact
  Briefly describe and quantify the cash receipts impact to the legislation on the responding agency, including rates, assumptions, and an explaination if the cash receipts are indeterminate.

Section 9(6) imposes an additional monthly fee of $20 as long as the Ignition Interlock Device (IID) is in use. The fee is to be paid to the IID installer, who forwards the fee to DOL to be deposited into the Ignition Interlock Device Revolving Account.

This bill will have an impact on cash receipts by expanding the pool of individuals that will be paying a $20 monthly fee while an IID is installed in their vehicle. DOL's records indicate that there are 30,027 drivers that have an IID requirement but do not hold an Ignition Interlock Driver's License (IIL). DOL's records also indicate a 17.5 percent compliance rate with this requirement, or just over 5,200 drivers. In addition, the number of people paying the $20 fee will be reduced by almost 700 drivers by applying an assumed indigence rate of 13 percent. A population growth factor has been applied. The effective date is August 1, 2012.

Source of Revenue

For the purposes of RCW 43.135.031, each source of revenue is a separate fee or tax and you should identify each one on a separate line. The revenue source is derived by ***who*** is paying the fee or tax and for what purpose. Agencies can group paying entities together as a single revenue source if there is a close subject matter or statutory connection among the entities paying the fee or tax, or the purpose for which it is paid.

For example, if the bill authorizes fee increases for all health professional licenses, do not group all these increases together. You can group all licenses of professions regulated by the same board or commission under the same chapter of law.

As another example, the Gambling Commission would not group together as one fee all gambling-related licenses, but could group together (in a single fee) all licenses that relate to bingo activity.

A fiscal note doesn't distinguish between different fees if the account and revenue source code are the same. In contrast, agencies should make this distinction on the 10-year analysis form, using a descriptive title for the tax or fee based on the information in the bill. Note that the 10-year cost analysis must include the tax or fee name and the account code where your agency will deposit the revenue and cash receipts, but does not require revenue source codes or associated titles.

Tax or Fee Title
OFM will use the title of the tax or fee from the 10-year cost analysis in the email press release it sends to citizens requesting notifications under RCW 43.135.031.

Do not use account names as fee titles. They rarely describe the source of revenue. "License Fee" does not provide adequate information about what the fee is for, but "Insurance Provider and Broker License Fee" does. Use a descriptive title.

With one exception, if a tax or fee is deposited into multiple accounts, use the exact same tax or fee title for each account. While OFM wants to know into what accounts taxes and fees are deposited, the law does not require that accounts be identified and the revenue will be combined for purposes of the notice. Using the exact same tax or fee title allows this combination to happen automatically. See the Netting of Increases and Decreases instructions for the exception to this rule.

Account Codes
All account codes must be three characters. Enter new accounts as "NEW" in the space for Account Code. If there is more than one new account created, identify each account as N01, N02, etc. At this time, the system will not allow users to enter anything other than an existing account code or NEW, N01, N02, etc.

Netting of Increases and Decreases
Some bills contain both an increase and decrease. You may not net fee increases and decreases against each other. Only the increase should appear in the grid, but discuss the decrease and the amount of the decrease in the comments section.

You can net taxes in certain circumstances:

> If the tax being raised and the tax being lowered are deposited into the same fund or account and the net effect is negative or zero, then RCW 43.135.031 does not apply since the state law defines "raises taxes" to mean actions by the legislature that increase state revenue deposited in any fund or account. If OFM requested a 10-year analysis, please contact us to discuss this before you submit the fiscal note and 10-year analysis.
>
> If the tax being raised and the tax being lowered are deposited into the same fund or account and the net effect is positive, RCW 43.135.031 does apply. Show the increases and decreases on separate lines in the 10-year table, even if the increases and decreases are for the same tax. You will need to identify the components separately within the tax titles when different components of the same tax are increased and decreased. This will ensure that the system does not combine the increases and decreases in the notice. This is a change from previous years when agencies could combine positives and negatives within the same account and for the same tax. This is also an exception to the rule of using the exact same tax title when revenue is deposited into more than one account. Positive and negative changes to different components of, for example, the B&O tax, now must display separately.

If the revenue from the tax being raised is deposited into a different fund or account than the tax that is being lowered, RCW 43.135.031 only applies to that portion of the bill that raises the tax. Show the increase in the table, and provide information about the decrease in the narrative.

Refunds

The 10-year analysis needs to show how much people are paying for the new tax or fee. Sometimes refunds are available, but do not subtract these from the gross estimate of the additional amounts that paid as a result of the new tax or fee. Refunds are a separate transaction and are outside the realm of RCW 43.135.031. Discuss refunds in the narrative, however.

Narrative Explanation

A narrative explanation is required for all cash receipts estimates, indeterminate estimates, and no-cash-receipts estimates for the administering agency. It is not required for no-cash-receipts estimates for non-administering agencies.

First, provide an explanation of what the bill does that makes it subject to RCW 43.135.031and indicate the section numbers that contain taxes or fees.

Second, describe and quantify the cash receipts impact of the legislation on your agency—including rates, assumptions, and an explanation if the cash receipts are indeterminate.

The fiscal note narrative is a good starting point for this information, but may not be complete or sufficient on its own. Explain any significant changes in revenue that occur beyond the six year scope of the fiscal note. Remember, the fiscal note includes all revenue and some of the fiscal note explanation may not be relevant to the 10-year analysis. Ensure that the narrative for the 10-year analysis actually addresses the 10-year analysis revenue or cash receipts.

No Cash Receipts and Indeterminate

When OFM has identified a bill as requiring a 10-year analysis, all agencies required to prepare a fiscal note will also be required to submit a 10-year cost analysis. While multiple agencies may have responsibilities under the bill, only one agency might be responsible for collecting and administering the tax or fee contained in the bill. For agencies with no cash receipts, the system provides a check box to indicate “No Cash Receipts.” If it is not obvious why your agency has no cash receipts resulting from the bill, provide an explanation.

If you cannot estimate the total amount of revenue that the state will receive from a proposed fee or tax by applying reasonable assumptions, include in the narrative portion the rates or the cost to the individual tax or fee payer. For example, if the bill provides a new fee for a new license and sets the fee, but the agency cannot determine how many people will apply for the license, the narrative should discuss the license cost in each of the ten years and any other known factors or reasonable assumptions.

Please make a concerted effort to estimate costs to fee or tax payers before making a 10-year analysis as indeterminate; there should be very few 10-year analyses that have indeterminate costs.

For partially indeterminate estimates:

1. Check the partially indeterminate box.
2. Include numbers in the grid for the part that can be determined.
3. Provide an explanation in the narrative for the piece that cannot be determined.
4. Clearly identify which costs you can estimate and which costs you cannot estimate.

All agencies requested to prepare a 10-year analysis must:

1. Fill in the table with fee and cash receipt information, or
2. Check the No Cash Receipts box, or
3. Check the Indeterminate Cash Receipts box.

Agencies may not submit fiscal notes without taking one of these actions within the 10-Year Analysis Tab of the FNS.

Due Date

By law, 10-year analysis must take precedence over all other fiscal notes. OFM will set a due date for each analysis. Agencies should give each 10-year cost analysis and its associated fiscal note top priority, completing it before other fiscal note requests if possible.

Except for the unique requirements described in this section, please follow the same guidelines and instructions for regular fiscal notes on the 10-year analyses required by RCW 43.135.031.

Need help?

Please contact Derek Rutter at (360) 902-0409 or derek.rutter@ofm.wa.gov if you have questions about a request for a 10-year analysis.

Please contact the WaTech Solutions Center at (360) 407-7900 or solutionscenter@watech.wa.gov if you need technical assistance with the FNS.

Appendix

A-1 Definitions

Amended: Any change in a bill, resolution, or memorial. A committee amendment is an amendment proposed in a committee meeting. A floor amendment is an amendment proposed on the Senate or House floor.

Bill: A proposed change to current law presented to the Legislature for consideration ("SB" = Senate Bill, "HB" = House Bill).

Carryover Bill: A bill that is taken up again the second year of the biennium.

Cutoff Dates: Certain times set by the Legislature for specified actions such as bill introduction, committee action, or passage of bills by either house.

Draft Fiscal Note: An unsigned fiscal note released by OFM before review by OFM staff. This approach is occasionally taken to enable the legislative committee to review the agency submittal before the hearing.

Draft Legislation: Code Reviser draft of proposed law that may be introduced as a bill or resolution. The Code Reviser draft number is preceded by an "H," "S," or "Z" that identifies where the draft originated. H indicates House member or staff; S indicates Senate member or staff; and Z indicates other, usually a state agency, board, or commission.

Engrossed: Reflects all amendments made to a bill, resolution, or memorial in its house of origin (indicated by an "E").

Fiscal Note: A reasonable estimate of the cost of a piece of legislation based on stated assumptions.

Initiative: The procedure by which citizens can propose a law by petition to the Legislature or the electorate.

Joint Memorial: A message or petition addressed to the President and/or Congress of the United States or the head of any other branch of the federal government asking for consideration of some matter of concern to the state or region.

Joint Resolution: An act of the Legislature that proposes to the voters an amendment to the state constitution.

Preliminary Fiscal Note: Approved fiscal notes released by OFM as part of a package on a multi-agency fiscal note. This usually happens when certain fiscal notes in the package have not yet been received or reviewed by OFM.

Re-engrossed: Additional amendment in original house after bill has passed on second reading (indicated by an "R").

Substitute: Replaces the entire bill, resolution, or memorial. (An "S" precedes "SB" or "HB"; "2S" indicates second substitute.)

Unsolicited Fiscal Note: A fiscal note created by an agency that has not been requested by OFM.

10-Year Analysis: An agency's estimate of the cost to affected tax or fee payers of legislation that would raise taxes, impose new fees or increase current fees. OFM uses the 10-year cost analysis to carry out its responsibilities under RCW 43.135.031 (Initiative 960).