

Multiple Agency Fiscal Note Summary

Bill Number: 1895 S HB	Title: Statewide energy efficiency
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Estimated Cash Receipts

Agency Name	2005-07		2007-09		2009-11	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of General Administration	0	507,000	0	507,000	0	507,000
Total \$	0	507,000	0	507,000	0	507,000

Local Gov. Courts *						
Local Gov. Other **	Fiscal note not available					
Local Gov. Total						

Estimated Expenditures

Agency Name	2005-07			2007-09			2009-11		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Washington Economic Development Finance Authority	Fiscal note not available								
Department of General Administration	11.0	0	2,028,108	11.0	0	2,028,108	11.0	0	2,028,108
Total	11.0	\$0	\$2,028,108	11.0	\$0	\$2,028,108	11.0	\$0	\$2,028,108

Local Gov. Courts *									
Local Gov. Other **	Fiscal note not available								
Local Gov. Total									

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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

Individual State Agency Fiscal Note

Bill Number: 1895 S HB	Title: Statewide energy efficiency	Agency: 150-Dept of General Administration
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2006	FY 2007	2005-07	2007-09	2009-11
General Administration Service Account-Non-Appropriated 422-6	253,500	253,500	507,000	507,000	507,000
Total \$	253,500	253,500	507,000	507,000	507,000

Estimated Expenditures from:

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years	11.0	11.0	11.0	11.0	11.0
Fund					
General Administration Service Account-Non-Appropriated 422-6	1,014,054	1,014,054	2,028,108	2,028,108	2,028,108
Total \$	1,014,054	1,014,054	2,028,108	2,028,108	2,028,108

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

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

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Agency Preparation: Keith Williams	Phone: 360 902-7222	Date: 03/08/2005
Agency Approval: Grant Fredricks	Phone: 360-902-7203	Date: 03/08/2005
OFM Review: Tristan Wise	Phone: 360-902-0546	Date: 03/09/2005

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

The intent of the legislation is that conservation measures be implemented across all levels of government and that the savings created from implementing conservation measures be retained to produce more efficient government operation.

Section 6 will require the department of General Administration (GA) to conduct energy audits of state and local-owned facilities.

Section 5 says the joint committee on energy supply and energy conservation will review the energy audit information obtained by GA. After having reviewed the energy audits, the committee will identify conservation measures that can be implemented by all levels of state and local governments.

Section 7 says that local governments may implement conservation measures identified by the committee. If local governments choose to implement the conservation measures, they shall report to GA on the progress of those projects. If local governments choose not to implement the conservation measure, then they would be required to report that decision to GA.

If a local government chooses to implement the conservation measures identified by the committee, then section 6 would require GA (if necessary) to provide technically qualified personnel, at a fee, to assist with contracting for implementation of conservation measures. Additionally, GA would collect information regarding the local government's implementation progress.

GA would then prepare a report summarizing the local governments that implement the conservation measures and their progress, and those local governments that choose not to implement conservation measures.

The joint committee on energy supply and energy conservation would review reports from GA regarding requests for proposals to identify conservation measures , costs to implement the measures, and proposed contractors to implement the conservation measures. The committee would also have to approve the contractors GA selects to implement the measures.

Funding for the conservation measure projects and the fees charged by General Administration for technical services would be provided by bonds issued by the Washington economic development finance authority. General Administration would be required to provide technical assistance to local governments as they attempt to secure funding through the issuance of bonds.

Section 8 (2) (b) says that GA would identify an amount equal to the difference between the cost of energy consumed by state and local governments before conservation measures are implemented and the cost of energy consumed by state and local governments after conservation measures are implemented. The difference in cost would be collected and applied toward payment of the bonds.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

Section 6 (2) says we can charge a fee for providing technically qualified personnel to assist with contracting for implementation of conservation measures. We estimate that one quarter of our total yearly expenditures (\$1,014,054) will be attributable to assistance with contracting. These costs (\$253,500) would be recoverable through reimbursable agreements with the government requesting assistance.

The legislation does not provide any other mechanism through which to recover the other costs associated with implementing the bill. For these costs, (\$760,554) we would need a direct cash appropriation.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

We estimate there are about 10,000 state-owned facilities that will need to be audited for energy conservation measures. We assume there are at least that many more locally-owned facilities in need of the same audits. The legislation does not contain any direction as to how quickly everything needs to be accomplished, but based on our estimate of at least 20,000 total facilities being considered for conservation measure projects, we could completely cycle through the workload within 25 years by devoting an additional 10 energy engineer 3's and an additional Management Analyst 3 to the work. At that level of effort we would only complete about 4% of the available audits/projects each year.

The energy engineers would be involved with audits for all the facilities, compiling and submitting reports to the joint committee on energy supply and energy conservation on RFPs, implementation costs and proposed contractors for projects. In addition, the engineers would provide technical assistance with financing, provide assistance with contracting and identification of energy savings.

The Management Analyst 3 would provide direct support to the engineers, assisting them with reports, scheduling, data management, etc.

With the exception of salaries, expenditure information is based on the Management Reports (July, 2003 through January, 2005) for the division's Energy Group with an emphasis on comparative weighting of specific categories of expense. No provision was made for future Cost of Living Adjustments (COLA) or changes in health benefits.

Section 6 (2) says we can charge a fee for providing technically qualified personnel to assist with contracting for implementation of conservation measures. We estimate that one quarter of our total yearly expenditures (\$1,014,054) will be attributable to assistance with contracting. These costs (\$253,500/year) would be recoverable through reimbursable agreements with the government requesting assistance.

The legislation does not provide any other mechanism through which to recover the other costs associated with implementing the bill. For these costs, (\$760,554/year) we would need a direct cash appropriation.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2006	FY 2007	2005-07	2007-09	2009-11
FTE Staff Years	11.0	11.0	11.0	11.0	11.0
A-Salaries and Wages	675,564	675,564	1,351,128	1,351,128	1,351,128
B-Employee Benefits	140,990	140,990	281,980	281,980	281,980
C-Personal Service Contracts					
E-Goods and Services	120,400	120,400	240,800	240,800	240,800
G-Travel	25,000	25,000	50,000	50,000	50,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	52,100	52,100	104,200	104,200	104,200
Total:	\$1,014,054	\$1,014,054	\$2,028,108	\$2,028,108	\$2,028,108

III. B - Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part I and Part IIIA*

Job Classification	Salary	FY 2006	FY 2007	2005-07	2007-09	2009-11
Energy Engineer 3	63,192	10.0	10.0	10.0	10.0	10.0
Management Analyst 3	43,644	1.0	1.0	1.0	1.0	1.0
Total FTE's		11.0	11.0	11.0	11.0	11.0

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.