Multiple Agency Fiscal Note Summary

Bill Number: 1303 2S HB PL	**Title:** Cleaner energy

Estimated Cash Receipts

Agency Name	2007-09		2009-11		2011-13	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost. Please see discussion."					
Department of Community, Trade, and Economic Development	0	284,651	0	1,562,941	0	2,902,617
Washington State University	800,000	800,000	0	0	0	0
Total $	800,000	1,084,651	0	1,562,941	0	2,902,617

Local Gov. Courts *						
Local Gov. Other **	Non-zero but indeterminate cost. Please see discussion.					
Local Gov. Total						

Estimated Expenditures

Agency Name	2007-09			2009-11			2011-13		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Department of Community, Trade, and Economic Development	3.5	800,665	800,665	3.0	651,687	651,687	2.7	571,334	571,334
Department of Revenue	.0	0	0	.0	0	0	.0	0	0
Department of General Administration	2.7	518,616	518,616	.6	201,822	201,822	.6	251,822	251,822
Utilities and Transportation Commission	.0	0	0	.0	0	0	.0	0	0
Superintendent of Public Instruction	.0	0	8,000,000	.0	0	8,000,000	.0	0	8,000,000
University of Washington	18.7	3,188,170	3,188,170	.0	0	0	.0	0	0
Washington State University	4.2	800,000	800,000	.0	0	0	.0	0	0
Western Washington University	Fiscal note not available								
Department of Transportation	.0	0	1,290,000	.0	0	1,290,000	.0	0	1,290,000
Department of Ecology	.4	487,390	487,390	.0	0	0	.0	0	0
State Conservation Commission	Fiscal note not available								
Department of Agriculture	.0	0	0	.0	0	0	.0	0	0
Total	29.5	$5,794,841	$15,084,841	3.6	$853,509	$10,143,509	3.3	$823,156	$10,113,156

Local Gov. Courts *									
Local Gov. Other **	Non-zero but indeterminate cost. Please see discussion.								
Local Gov. Total									

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

** See local government fiscal note

FNPID: 18122

Prepared by: Mike Woods, OFM	Phone: 360-902-9819	Date Published: Preliminary 4/30/2007

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

** See local government fiscal note

FNPID: 18122

Individual State Agency Fiscal Note

Bill Number: 1303 2S HB PL	Title: Cleaner energy	Agency: 090-Office of State Treasurer

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
Fund					
Total $					

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

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:		Phone:	Date: 04/23/2007
Agency Preparation:	Dan Mason	Phone: 360-902-9090	Date: 04/24/2007
Agency Approval:	Dan Mason	Phone: 360-902-9090	Date: 04/24/2007
OFM Review:	Theo Yu	Phone: 360-902-0548	Date: 04/24/2007

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.

E2SHB 1303 PL creates the green energy incentive account.

Assumption: Earnings from investments will be credited to the general fund.

Earnings from investments:
The amount of earnings by an account is a function of the average daily balance of the account and the earnings rate of the investment portfolio. The average daily balance is a function of the beginning balance in the account and the timing & amount of receipts, disbursements, & transfers during the time period in question. Accordingly, even with a beginning balance of zero, two accounts with the same overall level of receipts, disbursements, and transfers can have different average balances, and hence different earnings.

There will be an impact to the earnings; however, the actual earnings will be determined more by the impact to the average daily balance than the amount of increases or decreases in receipts, disbursements, and transfers. Currently, estimated earnings are indeterminable. Without projected monthly estimates of receipts, disbursements, and transfers, OST is unable to estimate the changes to the average balance of the account and the impact to earnings.

Based on the March 2007 Revenue Forecast, the net rate for estimating earnings for FY 08 is 4.41% and FY 09 is 4.40%. Approximately $44,100 in FY 08 and $44,000 in FY 09 in net earnings and $5,000 in OST management fees would be gained or lost annually for every $1 million increase or decrease in average daily balance.

Debt Limit:
There may be an impact on the debt service limitation calculation. Any change to the earnings credited to the general fund will change, by an equal amount, general state revenues.

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.

E2SHB 1303 PL creates the green energy incentive account.

Assumption: Earnings from investments will be credited to the general fund.

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.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years					
Total:					

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.

Individual State Agency Fiscal Note

Bill Number: 1303 2S HB PL	**Title:** Cleaner energy	**Agency:** 103-Community, Trade & Economic Develop

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

FUND	FY 2008	FY 2009	2007-09	2009-11	2011-13
ENERGY FREEDOM ACCOUNT-State NEW-1	225,940	58,711	284,651	1,562,941	2,902,617
Total $	225,940	58,711	284,651	1,562,941	2,902,617

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	3.2	3.7	3.5	3.0	2.7
Fund					
General Fund-State 001-1	371,327	429,338	800,665	651,687	571,334
Total $	371,327	429,338	800,665	651,687	571,334

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

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☒ Capital budget impact, complete Part IV.

☒ Requires new rule making, complete Part V.

Legislative Contact:		Phone:	Date: 04/23/2007
Agency Preparation:	Cory Plantenberg	Phone: 360-956-2101	Date: 04/24/2007
Agency Approval:	Tony Usibelli	Phone: 360-725-3110	Date: 04/30/2007
OFM Review:	Mike Woods	Phone: 360-902-9819	Date: 04/30/2007

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.

Bill Description:

This bill provides for the means to encourage cleaner energy thereby providing for healthier communities by reducing emissions.

Section 202(1) requires state agencies and local jurisdictions to purchase 100% of their fuel needs from electricity or bio-fuels starting June 15, 2015. The Department of Community, Trade and Economic Development (CTED) has no fleet of its own and uses motor pool vehicles. CTED may incur limited increases in fuel costs but at this time they are unknown and would occur beyond the timeframe of this fiscal note. Therefore, no fiscal impact is reported for this section.

Section 204 requires CTED to adopt rules, by June 1, 2010, to define the practicability and clarify how state agencies and local governments will be evaluated in determining whether they have met the goals of Section 202(1).

Section 205 directs CTED to appoint a coordinator, who shall be responsible for:
a) Managing and directing efforts to develop a biofuels market in Washington;
b) Developing, coordinating, and overseeing the implementation of a plan, or series of plans, for the development of a complete supply chain that allows for the production, transport, distribution, and delivery to public sector end users of biofuels produced exclusively from recycled products or Washington feedstocks;
c) Working with the Departments of Transportation and General Administration, or other applicable state and local governmental entities, to ensure the development of biofuel fueling stations for use by state and local motor vehicle fleets;
d) Coordinating with Western Washington University alternative automobile program to support technology for converting fossil fuel fleets to alternative fuel propulsion;
e) Coordinating with the University of Washington's College of Forest Management to identify barriers to using the state's forest resources for fuel production; and
f) Coordinating with the Department of Agriculture and the University of Washington to identify barriers to biofuels development.

Section 301 moves the Energy Freedom Program (Chapter 15.110 RCW) from the Department of Agriculture to CTED. The result is that CTED would be responsible for implementing all future program grants and loans issued by this program. The bill explicitly provides in section 307(1) that the Department of Agriculture will be responsible for servicing any loan agreements that have been signed and disbursed prior to July 1, 2007 by the Department of Agriculture.

Through amendment changes to RCW 15.110 that are included in Sections 301 and 302, this bill also expands the Energy Freedom Program to include assistance for alternative fuel refueling facilities in "green highway zones" (in proximity to Interstates 5, 90 and 82) and expands the definition of the types of energy producing projects to be assisted to include cellulose-based energy generation. Alternative refueling projects would be eligible for grants or loans of up to $50,000 each, provided that such assistance was limited to no more than 50% of the total project cost.

Section 304 adds a new section to the Energy Freedom Fund code to describe the criteria for awarding funding assistance to refueling projects.

Section 305 amends RCW 15.110.050 to set up a sub-account in the Energy Freedom Fund to be called the "green energy incentive account". Moneys in the account may only be spent after appropriation. Expenditures from this sub-account are to be used only for refueling projects, pilot projects for plug-in hybrids (described in the electrification program under Section 408 of the bill), demonstration projects involving the University of Washington or a science museum, and programs to reduce truck stop idling. Section 305 also limits administrative spending by any state agency receiving funding from the Energy Freedom Account to 3% of the funding provided (unless this provision is waived in writing by the CTED director); the similar spending limit for universities, institutes and non-state agency entities is 15%. The state attorney general's office interprets this restriction to apply to all related program spending, not just agency overhead. Section 305(5) specifically excludes projects funded under RCW15.110.020(3) from these provisions. These projects are the projects originally funded by the 2006 Energy Freedom legislation.

Section 306 adds to the information to be reported in the annual report on the Energy Freedom Program by the Department (now CTED) to include an assessment of the availability of alternative fuels in the state and the primary process and geographic sources of such fuels being used in the state. The report would also now be expected to recommend appropriate incentive, tax and regulatory strategies to help and encourage Washington farmers and businesses to compete in an economically viable and sustainable manner in this market. The report also includes information on Energy Freedom Program projects that have been funded, the status of these projects, and their environmental, energy savings, and job creation benefits.

Section 401 requires the Departments of Ecology (ECY) and CTED to develop a vehicle electrification analysis and provide a report to the Legislature by March 1, 2008. This will be done as a part of the workgroup for Executive Order (EO) 07-02 and no additional funds will be required.

Section 403 requires CTED and ECY to develop and recommend a framework for the State of Washington to participate in emerging regional, national, and global markets to mitigate climate change on a multi-sector basis and provide a report to the Legislature by December 1, 2008. This will be done as a part of the workgroup for Executive Order (EO) 07-02 and no additional funds will be required.

Section 404 requires ECY and CTED, in cooperation with the University of Washington climate impacts group, to develop a comprehensive state climate change assessment and provide a report by December 1, 2007. This will be done as a part of the workgroup for Executive Order (EO) 07-02 and no additional funds will be required.

Section 408 requires CTED to develop a vehicle electrification demonstration grant program.

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 301:

The estimate below is solely for the $7.75 million to be reappropriated for projects selected in FY07. (Please see attached 2007 Energy Freedom Analysis):

FY08	$225,940
FY09	$58,711
FY10	$434,054
FY11	$1,128,887
FY12	$1,421,508
FY13	$1,481,109

The only cash receipts that would result from this proposed legislation would be loan repayments and interest on the fund balance in the Energy Freedom Fund account. The assumption made for purposes of estimating receipts is that the majority of the loans will go out in FY08 and the remainder will be re-awarded or issued in FY09, that each is granted a two-year deferment on initial loan payments, that each is repaid on a 6-year term (a five year term for the second wave of loans) after the initial two-year deferment at an interest rate of 1.0% (the level which the Department of Agriculture set when the process was initiated in FY2007). The assumed net investment interest income on the bioenergy account (after the State Treasurer's Office service fund charge) is 4.4%; this is shown in the first column under cash receipts. An 8%

rate of missed loan payments due to default or delinquency is assumed for these calculations.

There is no language in the bill allowing the charging of loan fees on the issuance of these loans. Therefore the assumption made is that such fees are not allowed. In commercial lending the typical loan fees are 1-2% of the loan amount.

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.

Section 204 requires CTED to adopt rules to define the practicability and clarify how state agencies and local governments will be evaluated in determining whether they have met the goals of Section 202 by June 1, 2010.

FTE, Salaries and Benefits: $43,641 for 0.5.0 FTE for each year in FY09 and FY10.

We estimate that this section will require 0.5 Senior Energy Policy Specialist (EMS Band 2) each year.

Personal Service Contracts: We estimate that we will hire contractors to assist with the rules. The total cost for the contractor is $35,000 in split between FY09 and FY10.

Goods and Services (G&S):

FY09: $16,670
-standard G&S: $13,588
-space and utilities: $1,082
-non-standard G&S $2,000 for Attorney General services, printing, and meeting room rental

FY10: $19,170
-standard G&S: $13,588
-space and utilities: $1,082
-non-standard G&S $4,500 for Attorney General services, printing, and meeting room rental

Travel: We assume travel for one rule making meeting. The cost for travel is $42 in FY10.

Capital Outlay: Costs include a one-time purchase of office equipment for the additional staff at a cost of $4,900 in FY09.

Section 205 establishes the position of an Energy Freedom Coordinator.

FTE, Salaries and Benefits: $157,354 for 2.0 FTE for each fiscal year from FY08-FY13.

We estimate that this section will require 1.0 Senior Energy Policy Specialist (EMS Band 2) and 1.0 Energy Policy Specialist (EMS Band 1) each year. In addition, there is .2 FTE each year for agency administration. Costs for this FTE are covered as part of standard goods and services below.

The Energy Freedom Coordinator, the EMS Band 2 FTE, is responsible for:
-Managing, directing, inventorying, and coordinating state efforts to develop and promote a biofuels market in Washington;
-Developing, coordinating, and overseeing the implementation of plans for the production, transport, distribution, and delivery of biofuels;
-Working with the departments of Transportation, General Administration, and other governmental entities to develop biofuel fueling stations for use by state and local motor vehicle fleets.
-Coordinating with Western Washington University alternative automobile program to support technology for conversion

of fleets to biofuel, hybrid, or alternative fuel propulsion;
-Coordinating with the University of Washington's College of Forest Management to identify economic, transportation, and other barriers to using the state's forest resources for fuel production; and
-Coordinating with the Department of Agriculture and the University of Washington to identify barriers to biofuels development and to further the penetration of the fossil fuel market with Washington produced biofuels.
The EMS Band 1 position is needed to assist the coordinator in accomplishing the mandated responsibilities.

Goods and Services (G&S):

FY08-13: $58,587 for each fiscal year
-standard G&S: $54,260
-space and utilities: $4,327
-non-standard G&S $0

Travel: We assume travel for meetings with experts in the field. The cost for travel is $1,235 for each fiscal year from FY08-13. The cost is greater than the previous fiscal note because of the travel required to coordinate with other agencies and universities.

Capital Outlay: Costs include a one-time purchase of office equipment for the additional staff at a cost of $9,800 in FY08.

Section 306 requires CTED to report on the Energy Freedom Program annually.

FTE, Salaries and Benefits: $43,641 for 0.50 FTE for each fiscal year from FY08-FY13

We estimate that this section will require 0.50 Senior Energy Policy Specialist (EMS Band 2) each year.

Personal Service Contracts: We estimate that we will hire a contractor to assist with the report. The cost for the contractor is $20,000 in FY08 and $10,000 in FY09-FY13.

Goods and Services (G&S):

FY08-13: $14,670 for each fiscal year
-standard G&S: $13,588
-space and utilities: $1,082
-non-standard G&S $0

Capital Outlay: Costs include a one-time purchase of office equipment for the additional staff at a cost of $2,450 in FY08.

Section 408 establishes the Vehicle Electrification Grant Program. For purposes of sizing the staff and resources needed to administer the grant program, we assume a program of 10 grants each year of the biennium averaging $25,000 each. However, no grant amounts are included in this fiscal note.

FTE, Salary and Benefits: We estimate that this section will require .50 Senior Energy Policy Specialists (EMS Band 2) in FY08 and FY09, costing $43,641.

Goods and Services (G&S):

FY08 & FY09: $16,670
-standard G&S $ 13,588
-space and utilities $ 1,082
-non-standard G&S $ 2,000 for attorney general expenses

Travel: We assume at least five trips in FY08 and FY09. The cost for travel is $649 for FY08 and FY09.

Capital Outlay: Costs include a one-time purchase of office equipment for the additional staff at a cost of $2,450 in FY08.

Grants: No grants are included in this note. The size of the grant program is determined by the legislative appropriation.

Note: Standard goods and services costs include supplies and materials, employee development and training, agency administration, mandatory state seat of government and Department of Personnel charges, and CTED agency administration. CTED agency administration costs are allocated to programs depending on the complexity and/or volume of work required for each program. The cost indicators used to determine complexity and volume of work are: the number of contracts administered, the number of FTEs working on a program, and the number of separate budget reporting codes (i.e., separate cost centers or accounts). CTED administration provides general standard governmental services including, but not limited to: budgeting, accounting, payroll, and purchasing services; personnel and employee services; internal information technology systems, desktop and network support services; facilities management services; legislative and public affairs services; policy and risk management services; and other support services.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	3.2	3.7	3.5	3.0	2.7
A-Salaries & Wages	188.320	221,890	410,210	343,070	309,500
B-Employee Benefits	56.496	66,567	123,063	102,921	92,850
C-Personal Serv Contr	20.000	27,500	47,500	37,500	20,000
E-Goods and Services	89.927	106,597	196,524	165,684	146,514
G-Travel	1.884	1,884	3,768	2,512	2,470
J-Capital Outlays	14.700	4,900	19,600		
M-Inter Agency Fund Transfers					
N-Grants, Benefits Services					
P-Debt Service					
S-Interagency Reimburesement					
T-Intra-Agency Reimbursement					
Total:	$371,327	$429,338	$800,665	$651,687	$571,334

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 2008	FY 2009	2007-09	2009-11	2011-13
EMS Band 1	54,040	1.0	1.0	1.0	1.0	1.0
EMS Band 2	67,140	2.0	2.5	2.3	1.8	1.5
EMS Band 3	80,118					
Various Administrative Services	55,515	0.2	0.2	0.2	0.2	0.2
WMS Band 2	67,140					
WMS Band 3	80,118					
Total FTE's		3.2	3.7	3.5	3.0	2.7

III. C - Expenditures By Program (optional)

Program	FY 2008	FY 2009	2007-09	2009-11	2011-13
Agency Administration (100)	66,882	78,029	144,911	122,617	111,470
Energy Policy (500)	304,445	351,309	655,754	529,070	459,864
Total $	371,327	429,338	800,665	651,687	571,334

Part IV: Capital Budget Impact

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and dexcribe potential financing methods

Construction Estimate	FY 2008	FY 2009	2007-09	2009-11	2011-13
Acquisition					
Construction					
Other	5,230,000	2,543,111	7,773,111	140,293	133,882
Total $	5,230,000	2,543,111	7,773,111	140,293	133,882

Total Cost Summary:

FY 08: $5,230,000
-Capital Loans: $5,230,000
-Administrative Costs: $166,591
-Portion of Administrative Costs from 3% Allowance: -$166,591
-FTEs: 1.4 (includes 0.1 FTE for agency administration)

FY 09: $2,543,111
-Capital Loans: $2,490,000
-Administrative Costs: $119,020
-Portion of Administrative Costs from 3% Allowance: -$65,909
-FTEs: 1.0 (includes 0.1 FTE for agency administration

FY 10: $70,102
-Administrative Costs: $70,102
FTEs: 0.6 (includes 0.1 FTE for agency administration)

FY 11: $70,191
-Administrative Costs: $70,191
-FTEs: 0.6 (includes 0.1 FTE for agency administration)

FY 12 and FY 13: $66,941
-Administrative Costs: $66,941
-FTEs: 0.6 (includes 0.1 FTE for agency administration)

Note 1: Section 305(3) states that any state agency receiving funding from the Energy Freedom Account is prohibited from retaining greater than three percent for administrative overhead. This subsection also provides for a waiver by the director of CTED. The waiver is not assumed in this fiscal note. The impacts for each fiscal year reflected above represent the amounts needed after deduction of the available 3% Energy Freedom Account dollars. Funding from General Fund-State or some other source will be needed to cover the additional (net) administrative needs.

Note 2: The FTEs identified above are not included in the tables in Parts I and III of this fiscal note.

Background and Assumptions

Background:

In 2006, the Legislature created the $17 million Energy Freedom Program (Program) within the Department of Agriculture. The purpose of the Program is to support projects that convert agricultural waste into energy. Five alternative energy projects (totaling $10.25 million) were earmarked by the Legislature as part of the 2006 Supplemental Capital Budget and the remaining funds ($6.75 million) were allocated according to a competitive loan process.

The result of these two selection processes was that eight projects were selected to receive low-interest loans. Six of the projects involved oilseed processing for biodiesel, and the remaining two were for anaerobic digestion. At the current time, two of these eight projects are drawing down monies to implement their projects; two have declined the offer of a loan and appear unlikely to go forward; two of the legislatively selected projects never applied for a loan and are presumed to be discontinued; and two are still negotiating final contractual details with the Department of Agriculture.

At the time of this analysis, both the House and Senate capital budget bills include a reappropriation of $14.5 million for the 2007-2009 Biennium to the Energy Freedom Fund for the purpose of making funding available to the seven of these projects most likely to be completed ($2.5 million and one earmarked project was deleted in the 2007 supplemental budget). The House and Senate budgets reappropriated $5.97 million for projects selected by Agriculture. However, money from this reappropriation may be awarded to other or new applicants if not used by the projects previously selected by Agriculture. The House and Senate budgets also include a reappropriation of $8.53 million for legislatively selected projects.

Key Assumptions:
A) This bill does not include an appropriation clause. For purposes of this fiscal note, the House and Senate proposed capital budget re-appropriations to the Energy Freedom Fund (totaling $14.5 million) are assumed. Under provisions of this bill CTED will assume responsibility for the negotiation and issuance of the remaining $7.75 million, including any new process necessary to award any of the estimated $5.97 million in reappropriated "competitive" loans/grants monies that might remain after the loan contracting negotiations are completed.
B) The Department of Agriculture had available to it both a funded bioenergy coordinator position and the 3% program and administrative allowance in RCW 15.110.050 and found that their costs exceeded those limits in the first year of the program. Most of the 3% monies were used to allow the public applicants some administrative cost coverage

Breakdown of Expenditures:

Section 2
1) New Loan Issuance and Repayment ($7.75 million to be issued for projects selected, but not yet contracted, by Agriculture and the legislature)

Assumptions:
--This portion of the analysis assumes that the five approved but not yet contracted loans have some financial and contractual issues that have delayed their acceptance of the Department of Agriculture loan award and that these issues will require some significant staff time to revisit the history to date and reinstitute negotiations:
a) About 40-60 hours on each project providing technical assistance including the preliminary financial and on-site screening (to be primarily done by the Business/Project Development and Business Finance outstationed staff).
b) An additional 40-60 hours analyzing the lending situation and writing up a preliminary staff recommendation on each project, detailing the strong and weak points of the proposal, consulting with the Attorney General's Office, providing a financial analysis and proposing the structuring of the financing deal
c) 10+ hours of review of each proposal by CTED's Energy staff.
d) Another 15-20 hours per loan proposal will be spent by the Business Finance underwriting staff to identify and resolve key other issues prior to presentations to any committees for review; this will require at least 5-10 hours per proposal in meeting time and answering questions on the part of the technical assistance staff.
--Since there are five already designated loan/assistance proposals to review, this technical assistance and due diligence portion therefore would require approximately 800 "hard" staff hours (or 0.6 FTE when vacations, sick leave, meetings, etc. are factored in). (CTED's experience in tracking "hard" hours versus other, more general hours for federal timesheets shows the appropriate multiplier is approximately 1.6; this mirrors the billing experience of private legal and accounting firms.) The totals shown for staff time approximate those currently spent by Business/Project Development staff (12 projects per year) for general obligation projects like those brought to the Community Economic Revitalization Board and Business Finance specialists (7-9 financings per year) for private lending projects.
--For the underwriting and loan issuance stage we have assumed the process of negotiating, reviewing, and issuing new contracts and associated documents will require about 0.4 FTEs worth of staff time over the course of the next year. This estimated amount of time is based on the current workload for the portfolio staff; the five anticipated bioenergy lending projects represent five of the 13 loans projected to be issued through our underwriter in the next year.
--In addition to this very direct staff time spent on underwriting 0.1 FTE have been added for unit supervision and program work on this program for year one; 0.1 FTE is included for secretarial support and the CTED cost allocation formula adds another 0.1 FTE.
--For the loan portfolio management function in FY08, 0.1 FTEs are charged to cover the cost of putting together the new loan accounts where repayments will go, entering the loans into the loan reporting system, the process of verifying cost expenditures and issuing reimbursements on a scheduled basis, registering collateral, etc.
--The costs of technical assistance or underwriting are assumed to be zero in FY09, with only 0.2 FTE in loan portfolio servicing and any necessary—this presumes that all loans are completed and fully disbursed by the end of FY08 and no repayments are anticipated in FY09. Primarily, the unit will be in a minimal monitoring and reporting mode.

--In FY10 (the first likely year of repayments coming in) loan portfolio costs are ramped back up to 0.5 FTEs. The reason for the difference is that we anticipate the first of a wave of new negotiations on the part of the borrowers to extend terms and adjust collateral as they approach the first loan repayment dates. This is much more probable if a default is likely or cash flow is tight.
--This level of loan portfolio cost (0.5 FTEs) is projected to continue through the remainder of the loan repayment period until we reach the final year of the loan contracts (FY16) when final payments are due. In order to handle these potentially increased collections and do contract closeouts, loan portfolio staffing is increased to 0.6 FTEs for that year.
--Costs for travel and goods and services are based on costs currently incurred by outstationed Business Finance staff.
--It is assumed that there will be incidental costs as well for Attorney General review of proposed rules, contracts and providing legal assistance (as needed) on collections; for loan filing fees, loan collection costs, UCC filings, etc. These are estimated based on past Business Finance experience.

Salaries and Benefits:
FY08: $101,015 for 1.4 FTE
FY09: $18,619 for 0.2 FTE
FY10-FY13: $41,357 for 0.5 FTE for each fiscal year

Goods and Services G&S

FY08: $49,647
-standard costs: $37,965
-space and utilities: $3,182
-non-standard: 8,500 ($8,000 for attorney general; $500 for printing)

FY09: 12,031
-standard costs: $8,144
-space and utilities: $2,387
-non-standard: $1,500 ($1,000 for attorney general; $500 for printing)

FY10: $23,166
-standard costs: $16,279
-space and utilities: $2,387
-non-standard: $4,500 ($4,000 for attorney general; $500 for printing)

FY11-FY13: $20,666 for each fiscal year
-standard costs: $16,279
-space and utilities: $2,387
-non-standard: $2,000 ($1,500 for attorney general and $500 for printing)

Travel:
FY08: $11,129
FY09: $3,477
FY10: $5,579
FY11-FY13: $4,918 for each fiscal year

Capital Outlay: $4,800 in FY08 for office and computer equipment; $3,250 for replacement of computer equipment

2) New Awards Costs:

Assumptions:
Some of the five remaining and already chosen loan projects (not yet contracted) will decide not to take out a loan. This will make approximately $2.5 million of the $5.97 million reappropriated for “competitive” Energy Freedom Funds

available for new awards. This amount of money is enough to fund 1-2 more projects with a loan offer similar in size to those first made in FY2007 by the Department of Agriculture. The decision to do this will be made in FY2009, after efforts to work out an acceptable loan contract have failed with one or more of the current 5 potential borrowers. The cost of running a new competitive process and issuing new loans to the winning applicants will be approximately 50% of the costs detailed in the new loan award costs section above for a similar process. Future costs of loan collection and portfolio administration are projected to remain the same.

Salaries and Benefits:
FY09: $54,465 for 0.8 FTE

Goods and Services G&S

FY09: $24,482
-standard costs: $18,987
-space and utilities: $995
-non-standard: $4,500 ($4,000 for attorney general and $500 for printing)

Travel: $5,946 for FY09 only

3) 3% Administrative Funds

The costs of program services are assumed to come from the Energy Freedom Account to the limit allowed by RCW 15.110.050. Costs beyond that point would have to be funded from General Fund State or some other source. These additional costs appear in FY09 when CTED's accumulated program costs are projected to exceed 3% of $7.75 million ($232,500). It is assumed that $166,591 in FY08 and $65,909 in FY09 of Energy Freedom Account funds are available for administrative costs and are deducted from the needs identified above.

4) Energy Freedom Loans Disbursed

The initial impact to the capital budget is an outflow of $5.23 million in FY08 and another 2.49 million in FY09. These amounts are adjusted for administrative costs and interest on fund balance (see attachment). Loan repayments and interest on account are estimated to eventually total nearly $8.1 million by FY16, even after subtracting all administrative costs (both those charged to the Energy Freedom Fund and those charged to the state general fund) and an estimated 8% default rate. This is based on charging a 1% interest rate on the loans and receiving an average of 4.4% interest on repaid monies in the Energy Freedom Fund account.

FY 08: $5,230,000
FY 09: $2,490,000

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.

Section 204 requires CTED, by June 1, 2010, to adopt rules to define the practicability and clarify how state agencies and local governments will be evaluated in determining whether they have met the goals of Section 202.

Section 418 will impact the CTED Energy Policy Division and the Energy Facility Site Evaluation Council (EFSEC) with the requirement for ECY to adopt rules by June 30, 2008. CTED will be working with ECY to develop these rules.

Department of Revenue Fiscal Note

Bill Number: 1303 2S HB PL	Title: Cleaner energy	Agency: 140-Department of Revenue

Part I: Estimates

☒ **No Fiscal Impact**

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

Check applicable boxes and follow corresponding instructions:

☐ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:		Phone:	Date: 04/23/2007
Agency Preparation:	Ray Philen	Phone: 360-570-6078	Date: 04/24/2007
Agency Approval:	Kim Davis	Phone: 360-570-6087	Date: 04/24/2007
OFM Review:	Doug Jenkins	Phone: 360-902-0563	Date: 04/24/2007

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.

Note: This fiscal note reflects the bill as adopted by the Legislature.

Requires the Office of the Superintendent of Public Instruction to implement a school bus replacement incentive program.

Moves the Energy Freedom Authority from the Department of Agriculture to the Department of Community, Trade and Economic Development.

Requires all state and local fleets to satisfy their fuel needs with biofuels by the year 2015, unless the mandate is deemed impracticable by the Energy Freedom Coordinator.

Requires a number of studies and reports.

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.

REVENUE ESTIMATE

This legislation does not impact revenue sources administered by the Department of Revenue.

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.

The Department of Revenue will not incur any costs with the implementation of this legislation.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE.

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.

No rule-making required.

Individual State Agency Fiscal Note

Bill Number: 1303 2S HB PL	Title: Cleaner energy	Agency: 150-Dept of General Administration

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

FUND					
Total $					

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	2.7	2.7	2.7	0.6	0.6
Fund					
General Fund-State 001-1	271,308	247,308	518,616	201,822	251,822
Total $	271,308	247,308	518,616	201,822	251,822

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

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:		Phone:	Date: 04/23/2007
Agency Preparation:	Zayne Elrod	Phone: 360-902-7217	Date: 04/26/2007
Agency Approval:	Fay Bronson	Phone: 360-902-7336	Date: 04/27/2007
OFM Review:	Rochelle Klopfenstein	Phone: 360-902-9820	Date: 04/27/2007

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.

Section 201 amends 43.19 RCW:
(3) Changing the reporting requirement from quarterly to biannual. As the Department of General Administration (GA) will still need to gather the data we do not see a significant change in fiscal impact.

Section 202 adds a new section to chapter 43.19 RCW:
(1) By 2015 100% of public vehicle, vessel and construction equipment fuel needs are met with either electricity or biofuel to the extent determined practicable in accordance with criteria to be established per section 204. We assume the variables cited to be considered in section 204 used to determine practicability allow for a fiscally responsible implementation. For that reason we assume no operations fiscal impact. The fiscal impact described for section 205 is assumed to be the cost of fulfilling the GA statewide role to provide fueling locations for vehicles and construction equipment. GA assumes a continuation of our current work with the Department of Transportation and vessel fuel suppliers to meet the requirement for vessels, not resulting in additional fiscal impact. (2) Stating that for vehicles not owned or operated by the state patrol tires must be replaced by tires with the same or better rolling resistance. If tire replacement turned out to be a significant cost premium for the GA fleet we would use our contracting office to attempt to secure better prices. Our best assumption is there would be minimal or no fiscal impact for the tire replacement so none is assumed here.

Section 203 adds a new section to chapter 43.19 RCW:
(1) Allowing GA to contract in advance with a variety of parties for biofuel. It is assumed contracting in advance would have a significant fiscal impact, as no infrastructure to participate in the fuel futures market currently exists.
(2) Allowing the department to aggregate volumes of state and local government alternative fuel needs to secure a sufficient and stable supply. GA is already very involved in aggregating fuel needs, so assumes no additional fiscal impact to aggregate needs per this section.

Section 205 is assumed to add a new section to chapter 43.19 RCW defining the responsibilities of a Department of Community Trade and Economic Development (CTED) coordinator. Included in those responsibilities is:
(3) Working with the state Department of Transportation, GA and other government entities to develop biofueling availability for state and local government fleets and to provide greater access to public sector fueling capacity for biofuel. We assume the word ‘sector’ in this sentence is unintended and this section would have a significant fiscal impact on GA to contract as necessary to retrofit or install biofuel pumps at existing government facilities and for fueling services.

Section 206 adds a new section to chapter 43.01 RCW with subsection 2 citing:
(2) As deemed necessary by the GA director, and if the GA director determines there is a significant cost then GA shall report to the governor and appropriate legislative committees on the cost and number of plug-in electric vehicles using state offices and locations to charge vehicles. It is assumed GA will need to, at minimum, conduct an analysis to determine if reporting is necessary. It is assumed this will be a fiscal impact that is difficult to determine so will be very roughly estimated.

Section 302 amends 15.110 RCW:
(2) Requires the energy freedom program to include appropriate agencies in the review of applications. GA may be called upon in this review process and we assume a modest fiscal impact for that role.

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.

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.

Section 202 no fiscal impact (beyond what is described in section 205 impacts here).

Section 203 impact assumes: a personal services contract for fuel futures market expertise (object C) with FY 2008 implementation costs of $50,000 and ongoing management fees increasing annually with assumed volume increases; annual transaction costs estimated to begin in FY 2009 assumed to increase with volume (object E); and an ongoing .5 of a department WMS Band 2 FTE (objects A & B) to manage the activity of contracting in advance. Object E also includes an additional estimate of 10% of salary and benefits.

Section 205 is estimated to be FY 2008 and 2009 cost for 1 WMS Manager and 1 Contract Specialist 3 to support the CTED coordinator by contracting as necessary to retrofit or install biofuel pumps at existing government facilities or contract for government fueling services, depending on the approach determined by the coordinator. To support the coordinator to provide greater access for public biofueling capacity we assume costs to develop a pilot program, contract for the service and insure the data points necessary to evaluate the pilot are included in the activity and reported. Object E is estimated to be 10% of total salaries and benefits cost. Object G is for travel to determine appropriate fueling point placement intervals and conduct site visits. This cost is also assumed to establish the necessary infrastructure to support implementation of section 202.

Section 206 is estimated to require 80 hours of Management Analyst 4 time to determine if a report should be deemed necessary. Another 80 hours would be required to research and write the report. This very rough estimate is probably a one time cost in FY 2009 or FY 2010.

Section 302 is assumed to require an ongoing 80 hours per year of Management Analyst 4 time to assist the CTED coordinator evaluate applications for alternative fuel programs.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	2.7	2.7	2.7	0.6	0.6
A-Salaries and Wages	162.829	162,829	325,658	69,682	69,682
B-Employee Benefits	37.451	37,451	74,902	8,570	8,570
C-Personal Service Contracts	50.000	25,000	75,000	80,000	115,000
E-Goods and Services	20.028	21,028	41,056	43,570	58,570
G-Travel	1.000	1,000	2,000		
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	$271,308	$247,308	$518,616	$201,822	$251,822

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 2008	FY 2009	2007-09	2009-11	2011-13
Contract Specialist 3	55,716	1.0	1.0	1.0		
Management Analyst 4	51,816	0.2	0.2	0.2	0.1	0.1
WMS Band 2	64,500	1.5	1.5	1.5	0.5	0.5
Total FTE's		2.7	2.7	2.7	0.6	0.6

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.

Individual State Agency Fiscal Note

Bill Number: 1303 2S HB PL	Title: Cleaner energy	Agency: 215-Utilities and Transportation Comm

Part I: Estimates

- [X] **No Fiscal Impact**

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact:		Phone:	Date: 04/23/2007
Agency Preparation:	Michael Young	Phone: 360-664-1155	Date: 04/24/2007
Agency Approval:	Carole Washburn	Phone: 360-664-1174	Date: 04/27/2007
OFM Review:	Garry Austin	Phone: 360-902-0564	Date: 04/27/2007

Individual State Agency Fiscal Note

Bill Number: 1303 2S HB PL	Title: Cleaner energy	Agency: 350-Supt of Public Instruction

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

FUND					
Total $					

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
Fund					
Clean Energy Incentive Account-State NEW-1	4,000,000	4,000,000	8,000,000	8,000,000	8,000,000
Total $	4,000,000	4,000,000	8,000,000	8,000,000	8,000,000

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

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:		Phone:	Date: 04/23/2007
Agency Preparation:	Randy Newman	Phone: 360-725-6283	Date: 04/24/2007
Agency Approval:	Melissa Beard	Phone: (360) 725-6019	Date: 04/25/2007
OFM Review:	Denise Graham	Phone: 360-902-0572	Date: 04/25/2007

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.

Section 101 (1) creates a school bus replacement incentive program administered by the Office of the Superintendent of Public Instruction (OSPI) to fund up to 10% of the purchase cost of a bus which replaces a 1994 or older bus.

Section 101 (2) Directs OSPI to ensure buses being purchased under the replacement incentive program are scrapped and not purchased for road use. School districts will be required to provide written documentation to OSPI showing that buses replaced were rendered unusable.

Section 202 would require school districts beginning June 1, 2015, to use only biofuel or electricity as sources of fuels in the operation of its vehicles, including buses to the extent determined practicable by rules adopted by the Department of Community, Trade, and Economic Development.

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.

No impact to cash receipts.

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.

OSPI Impact

The bill creates the school bus replacement incentive program which would reimburse districts up to ten percent of the purchase price of a school bus that replaces a model year 1994 or older bus. OSPI estimates the cost of the replacement program is $4.0 million per fiscal year starting in fiscal year 2008 and ending in fiscal year 2013. This is based on historical data of bus replacements and the average costs of new buses (500 pre 1994 school buses replaced annually X $80,000 average cost of a new bus X 10% = $4.0 million). OSPI projects that it would take over 6 fiscal years to replace all pre 1994 model buses statewide (3,140 pre 1994 buses / 500 replacements per year).

The cost of ensuring that the pre 1994 models are surplused according to this bill, OSPI will rely on its regional transportation coordinators to fulfill the requirements of the new program.

Local School District Impact

School districts that choose to replace pre 1994 model buses will receive up to $8,000 for each bus replaced ($80,000 average cost of new bus X 10% state reimbursement rate = $8,000). This will offset the purchase cost of a new bus.

As districts replace pre 1994 model buses, they will not be able to "trade in" these buses when purchasing a new bus. It's assumed that the "scrap value" of the bus will offset the loss of the "trade in" value that the district would have received when purchasing a new bus. Also, it’s assumed that the "scrap value" of the bus will cover all costs of salvaging and rendering the bus unusable.

The impact of section 202 is indeterminate because the rules to be adopted by the CTED is unknown and the future volume of biofuel and electricity to be used and the price these energy sources are also unknown.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	4.000.000	4,000,000	8,000,000	8,000,000	8,000,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	$4,000,000	$4,000,000	$8,000,000	$8,000,000	$8,000,000

Part IV: Capital Budget Impact

No impact to the capital budget.

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.

No required rule changes.

Individual State Agency Fiscal Note

Bill Number: 1303 2S HB PL	Title: Cleaner energy	Agency: 360-University of Washington

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

FUND					
Total $					

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	18.7	18.7	18.7	0.0	0.0
Fund					
General Fund-State 001-1	1,594,085	1,594,085	3,188,170	0	0
Total $	1,594,085	1,594,085	3,188,170	0	0

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

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:		Phone:	Date: 04/23/2007
Agency Preparation:	Jessica Thompson	Phone: (206) 685-9955	Date: 04/24/2007
Agency Approval:	Gary Quarfoth	Phone: (206) 616-2425	Date: 04/25/2007
OFM Review:	Marc Webster	Phone: 360-902-0650	Date: 04/30/2007

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.

Section 202 of amended engrossed second substitute house bill 1303 establishes goals for reducing emissions from the state's vehicle fleets. This section requires that by June 1, 2015 all state agencies satisfy one hundred percent of their fuel needs for publicly owned vehicles from electricity or biofuel, and that tires must be replaced with tires that have the same or better rolling resistance.

Section 205 states CTED coordinate with the University of Washington's college of forest resources for the identification of barriers to using the state's forest resources for fuel production, including barriers to bringing forest biomass to the market.

Section 404 instructs CTED and the department of ecology to work with the climate impacts group at the University of Washington to produce an anlysis of the potential human health impacts of climate change on the state of washington, and to produce a fifty-year comprehensive state climate change assessment.

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.

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.

Reported expenditures associated with the research and analysis that the bill instructs the Climate Impacts Group (CIG) to conduct and report to the legislature by December 15, 2008. (Section 405) are as follows:

$966,063 in salaries and $241,423 in benefits per year
$171,736 in personal services contracts per year (including a web designer and a $100,000 subcontract with a lab)
$53,500 in goods and services per year (including software, computers and servers for data storage)
$10,000 per year for in-state trvael to conduct research and attend meetings
$64,080 per year in graduate operating fees associated with graduate student workers

Total project costs = $1,506,802 per year.

Reported expenditures associated with the research and analysis that the bill instructs the college of forest resources to conduct are as follows:

For Section 205(5):

$55,766 in salaries and $11,625 in benefits per year
$5,000 in person service contracts per year
$2,500 in goods and services per year
$1,500 in travel per year
$10,892 per year in graduate operating fees associated with graduate student workers

Total project costs = $87,283 per year.

Also please note that expenditures related to Section 202 are not included in the expenditure detail because the requirements outlined would not take effect until after FY 2013. However, we will report estimates for expected expenditures related to these requirements in narrative form here:

Section 202: Requirement to satisfy one hundred percent of fuel needs from biofuel by 2015. Assuming B100 and E85 biofuel levels, the fiscal impact of this section on the university would include approximately $1,000,000 to replace university vehicles that were not already flex fuel vehicles, and approximately $250,000 to retrofit diesel vehicles to run on B100.

The requirements regarding tire replacements would lead to indeterminate fiscal impact.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	18.7	18.7	18.7		
A-Salaries and Wages	1.021.829	1,021,829	2,043,658		
B-Employee Benefits	253.048	253,048	506,096		
C-Personal Service Contracts	176.736	176,736	353,472		
E-Goods and Services	56.000	56,000	112,000		
G-Travel	11.500	11,500	23,000		
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Graduate Operating Fees	74.972	74,972	149,944		
Total:	$1,594,085	$1,594,085	$3,188,170	$0	$0

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 2008	FY 2009	2007-09	2009-11	2011-13
Faculty	168,000	1.8	1.8	1.8		
Faculty, Bioresource Science	85,200	0.1	0.1	0.1		
Faculty, Research Center Director	145,692	0.1	0.1	0.1		
Graduate Students	20,965	6.0	6.0	6.0		
Graduate Students, 2	19,488	1.0	1.0	1.0		
Post Doctoral Researchers	45,000	5.0	5.0	5.0		
Professional Staff	71,394	4.5	4.5	4.5		
Project Coordinator	70,092	0.3	0.3	0.3		
Total FTE's		18.7	18.7	18.7		0.0

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.

Individual State Agency Fiscal Note

Bill Number: 1303 2S HB PL	Title: Cleaner energy	Agency: 365-Washington State University

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

FUND		FY 2008	FY 2009	2007-09	2009-11	2011-13
General Fund-State	001-1	400,000	400,000	800,000		
	Total $	400,000	400,000	800,000		

Estimated Expenditures from:

		FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years		4.2	4.2	4.2	0.0	0.0
Fund						
General Fund-State	001-1	400,000	400,000	800,000	0	0
	Total $	400,000	400,000	800,000	0	0

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

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:		Phone:	Date: 04/23/2007
Agency Preparation:	Trina Mahoney	Phone: 509-335-0907	Date: 04/27/2007
Agency Approval:	Trina Mahoney	Phone: 509-335-0907	Date: 04/27/2007
OFM Review:	Marc Webster	Phone: 360-902-0650	Date: 04/30/2007

Request # 115-1

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.

Section 402 of E2SHB 1303 as passed by the legislature directs Washington State University to analyze the availability of biofuels in the state and to make best estimates to indicate, by percentage, the types and geographic origins of biofuel feedstock sources that contribute to biofuel production and use in the state, and to recommend models for possible implementation by the legislature or the executive office for at least the following potential biofuels incentive programs:

- Market incentives to encourage in-state production of brassica-based biodiesel, and cellulosic ethanol, including such market methods as direct grants, production tax credits, contracting preferences and the issuance by the state of advance guaranteed purchase contracts;

- Possible preferred research programs, grants, or other forms of assistance for accelerating the development of in-state production of cellulosic ethanol and in-state biodiesel crops and their co-products;

An interim report on the work required under this section must be provided to the legislature and governor by December 1, 2007. A final report must be provided to the legislature and governor by December 1, 2008. Washington State University shall work closely with the Department of Community, Trade, and Economic Development on these reports.

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 127(41) of the Operating Budget bill for the 2007-09 Biennium (Substitute House Bill 1128) identifies funding for the Department of Community, Trade, and Economic Development for implementation of Second Substitute House Bill 1303. Included in this funding is $800,000 to Washington State University for "analyzing options for market incentives to encourage biofuels production".

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.

The detailed analysis outlined in Section 402 will require the combined effort of a strong team of economists, with assistance from biofuels, cropping systems, and other technical experts, plus assistance from Washington State University's energy policy personnel at the Extension Energy Program. Washington State University has a robust economics faculty with particular expertise in resource and transportation economics and policy development. By utilizing these members of the faculty, its technical experts in the area of biofuels and cropping systems as well as feedstock production and conversion processes, its energy policy personnel, and additional staff to assist the scientists for the duration of the project, Washington State University anticipates that it will be able to deliver the requested analyses and models by the delivery dates indicated in Section 402. The estimated fiscal impact of meeting the requirements of Section 402 is $800,000 including $743,410 in salaries and benefits and $56,590 for goods, services and travel.

Note that the detailed budget estimate assumes that no overhead will be charged by Washington State University or the Department of Community, Trade, and Economic Development.

NOTE: The Fiscal Note System rounds all FTE to the nearest 10th, however the salary estimate included in this fiscal note is based on the following:

$53,203 x 0.200000 = $10,641 (Energy Program Coordinator)
$151,200 x 0.166666 = $25,200 (Faculty - BSE)

$96,000 x 0.083333 = $ 8,000 (Faculty - Crop)
$156,000 x 0.291666 = $45,500 (Faculty - SES)
$84,577 x 0.029358 = $ 2,483 (Manager)
$48,000 x 0.750000 = $36,000 (Post-Doctoral Fellow BSE)
$48,000 x 0.750000 = $36,000 (Post-Doctoral Fellow Crop)
$60,000 x 0.750000 = $45,000 (Post-Doctoral Fellow SES a)
$60,000 x 0.750000 = $45,000 (Post-Doctoral Fellow SES b)
$28,200 x 0.050000 = $ 1,410 (Program Coordinator - Energy)
$51,155 x 0.200000 = $10,231 (Resource Specialist)
$36,000 x 0.166666 = $ 6,000 (Support Staff)

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	4.2	4.2	4.2		
A-Salaries and Wages	271.465	271,465	542,930		
B-Employee Benefits	100.240	100,240	200,480		
C-Personal Service Contracts					
E-Goods and Services	20.295	20,295	40,590		
G-Travel	8.000	8,000	16,000		
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	$400,000	$400,000	$800,000	$0	$0

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 2008	FY 2009	2007-09	2009-11	2011-13
Energy Program Coordinator	53,203	0.2	0.2	0.2		
Faculty - BSE	151,200	0.2	0.2	0.2		
Faculty - Crop	96,000	0.1	0.1	0.1		
Faculty - SES	156,000	0.3	0.3	0.3		
Manager	84,577	0.0	0.0	0.0		
Post-Doctoral Fellow BSE	48,000	0.8	0.8	0.8		
Post-Doctoral Fellow Crop	48,000	0.8	0.8	0.8		
Post-Doctoral Fellow SES a	60,000	0.8	0.8	0.8		
Post-Doctoral Fellow SES b	60,000	0.8	0.8	0.8		
Program Coordinator - Energy	28,200	0.1	0.1	0.1		
Resource Specialist	51,155	0.2	0.2	0.2		
Support Staff	36,000	0.2	0.2	0.2		
Total FTE's		4.2	4.2	4.2		0.0

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.

Individual State Agency Fiscal Note

Bill Number: 1303 2S HB PL	Title: Cleaner energy	Agency: 405-Department of Transportation

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

FUND					
Total $					

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
Fund					
Motor Vehicle Account-State 108-1	645,000	645,000	1,290,000	1,290,000	1,290,000
Total $	645,000	645,000	1,290,000	1,290,000	1,290,000

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

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:		Phone:	Date: 04/23/2007
Agency Preparation:	Mia Waters	Phone: 206-440-4541	Date: 04/24/2007
Agency Approval:	Don Nelson	Phone: 360-705-7101	Date: 04/26/2007
OFM Review:	Rich Struna	Phone: 360-902-9821	Date: 04/27/2007

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.

This bill requires several measures intended to reduce of the use of fossil fuels in vehicles and vessels used by state agencies. Section 202(1) would impact the department of transportation.

Section 202(1) would require, when determined practicable by rules established through the department of community, trade and economic development, all publicly owned vessels, vehicles, and construction equipment to use electricity and 100 percent biofuel by June 1, 2015. If the department of community, trade and economic development rules call for the June 1, 2015, date, the department will be required to implement actions to eliminate the use of petroleum-based diesel and gasoline fuel on an accelerated time frame and compress the standard vehicle replacement schedule to accommodate the fuels starting in 2011. It would require all motor vehicles and ferry vessels operated by the department to be equipped to use 100% electricity and biofuel.

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.

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.

The following discusses the fiscal impact of Section 202(1) of the bill as it affects anticipated fleet vehicles, equipment, and ferry vessel biofuel costs for fuel acquisition and equipment replacement for fuel compatibility.

If the department of community, trade and economic development deems practical and adopts rules for the goal of 100% biofuel or electric vehicle by June 1, 2015, the department of transportation will need to equip/change-out some motor vehicles and heavy duty equipment. Given the standard replacement cycle for department fleet vehicles and equipment at the end of their "economic life", the most cost effective timing for the change-outs would start in fiscal year 2008 and continue through 2014 to meet the 2015 deadline.

For diesel powered highway maintenance and fleet vehicles, it is assumed there would be no significant additional costs during the next six years for the transition to meet 100% biofuel consumption. However, in addition to diesel powered vehicles, the department's fleet includes 800 heavy duty gasoline powered vehicles (8,400 GVW and greater) and 1,100 light vehicles (less than 8,400 GVW) that are not equipped to operate with biofuel.

For gasoline vehicles, approximately 80 of the heavy duty vehicles and 110 of the light vehicles are scheduled for replacement each year. For the heavy duty vehicles, "flex-fuel' vehicles that can use biofuel are not currently available. As a result it would be necessary to replace them with diesel powered vehicles, at an added cost per vehicle of $6,000 at current prices. The light vehicles would be replaced with flex-fuel vehicles at an estimated added cost of $1,500 per vehicle. The total additional equipment acquisition costs per year for vehicles that can use biofuel over the next six-years would be $645,000. Remaining costs of replacing vehicles to equip the total vehicle fleet to use biofuel would be incurred in the 2013-15 biennium. Costs in that biennium would be substantially greater than those incurred in prior biennia because they would include replacements of vehicles not scheduled for replacement until later biennia.

If the department replaces light-duty vehicles with electric instead of biofuel compatible vehicles, the price would likely be even higher than the costs listed in this fiscal note. However, at this time there are no commercially available 100%

electric or hybrid electric/biofuel (ethanol) vehicles available for state purchase.

Based on previously adopted legislation incorporated into RCW 43.19.642 and 2006 c 338 s 10 and Governor's Executive Order 05-01, the ferries program currently is making a determination of the changes in vessel engine systems that will be required to use a twenty-percent biodiesel fuel blend in ferry vessels by the end of FY 2009. If the determination is also made that vessel engines systems can accommodate the use of 100% biofuel, there would be no additional costs over the six years covered by this fiscal note. However, beginning in the 2013-15 biennium, there would be significant additional costs if current price differences between biodiesel fuel and diesel fuel continue. The added fuel costs would range between $3.5 million if the current $1 gallon tax credit for biofuel is continued to $21 million per year without the credit. Ferries would also incur an estimated $1 million in costs to convert vessels to use 100% biodiesel fuel.

The department recognizes that there may be other alternatives to implement the provisions in Section 202 of the bill. The department could also hold off on the change-out to electric or biofuel compatible vehicles until department of community, trade and economic development finalizes the rules set forth in Section 204 that designate what is practicable to achieve in Section 202. If the department delays until the rules are finalized, then the costs for vehicle and equipment change-outs may be more compressed and thus lead to greater costs in the outlying years between 2011 and 2014.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services					
G-Travel					
J-Capital Outlays	645.000	645,000	1,290,000	1,290,000	1,290,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	$645,000	$645,000	$1,290,000	$1,290,000	$1,290,000

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.

Individual State Agency Fiscal Note

Bill Number: 1303 2S HB PL	Title: Cleaner energy	Agency: 461-Department of Ecology

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

FUND					
Total $					

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	0.7	0.0	0.4	0.0	0.0
Fund					
General Fund-State 001-1	487,390	0	487,390	0	0
Total $	487,390	0	487,390	0	0

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

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 04/23/2007
Agency Preparation: Paige Boule	Phone: (360) 407-6646	Date: 04/24/2007
Agency Approval: Pat McLain	Phone: (360) 407-7005	Date: 04/25/2007
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 04/29/2007

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.

Section 102 would allow the Department of Ecology to use existing, dedicated resources to fund retrofits of privately-owned diesel equipment.

Section 202 would require state agencies and local government subdivisions of the state to satisfy 100% of their fuel usage from electricity or biofuel by June 1, 2015, and would require replacement tires on state fleets to be low resistance tires.

Section 401 would require that the Departments of Community, Trade and Economic Development and Ecology include an analysis of vehicle electrification in their implementation of Executive Order 07-02. A report would be due to the Legislature by March 1, 2008.

Section 403 would require that the Departments of Community, Trade and Economic Development and Ecology develop a framework for the state to participate in emerging markets to mitigate climate change and to use the Executive Order 07-02 stakeholder process. A report would be due to the Legislature by December 1, 2008.

Section 404 would require that, in preparing for the impacts of climate change consistent with EO 07-02, the Departments of Community, Trade, and Economic Development and Ecology work with the climate impacts group at the University of Washington to produce a comprehensive state climate change assessment and an analysis of the potential human health impacts of climate change on the state of Washington. A report would be completed by December 1, 2007.

Sections 401, 403 and 404 of this bill would direct Ecology to participate in the Executive Order stakeholder process for Washington's Climate Change Challenge. The following is a brief description of the requirements of the Executive Order that have cost implications for Ecology:

- In Part 1, the Executive Order establishes greenhouse gas emissions reduction and clean energy economy goals.

- In Part 2, the Executive Order lists steps necessary to fully implement “significant policy actions taken in 2005 and 2006 to reduce greenhouse gas emissions." These actions, many of which are still in their early stages of development and in need of significant further funding, are assumed to be requirements under current law, and therefore not specifically driven by this bill.

- In Part 3, the Executive Order identifies specific new actions which this bill is assumed to require through Section 404 of this bill:

--3A and 3B: The Directors of the Departments of Ecology and CTED are required to develop a climate change initiative named the Washington Climate Change Challenge. They are required to "...include representatives from business, including transportation, forestry and energy sectors, agriculture, local, county and regional governments, institutions of higher education, labor unions, environmental groups and other interested residents as appropriate in the development of [the] Washington Climate Change Challenge." Cabinet agencies are required to provide their full support; other agencies are invited to participate; and representatives of interested Washington groups and sectors are expected to be included in the development of this climate change initiative.

--3C identifies specific elements and process steps with workload impacts for Ecology:
--- i. “Consider the full range of policies and strategies…” to achieve the bill’s goals;
--- ii. and iii. “Determine [what] specific steps [we]…should take to prepare for the impact of global warming….”
--- iv. “Initiate active involvement by the state…in the development of regional and national climate policies and coordination with British Columbia;”

--- v. Recommend how the generation of greenhouse gas emissions in state operations can be reduced;
--- vi. Coordinate local and state climate initiatives;
--- vii. Provide public education and outreach.

--3D: The formal report and recommendations resulting from this inclusive process would be due to the Governor in one year (February, 2008).

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.

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.

Section 102 would grant authority to Ecology and Local Air Authorities to use existing, dedicated funding for school buses and public fleets for retrofits of privately owned vehicles. No new, additional costs would be incurred from this section. However, fewer school buses and publicly-owned engines would be completed if some of the available funding were used for privately-owned diesel equipment retrofits.

Section 202 would require state agencies and local government subdivisions of the state to satisfy 100% of their fuel usage from electricity or biofuel by June 1, 2015, and would require replacement tires on state fleets to be low resistance tires. Ecology assumes these costs are absorbable.

Section 401 would require that the Departments of Community, Trade and Economic Development and Ecology include an analysis of vehicle electrification in their implementation of EO 07-02. Costs for this section are included in costs to implement the Governor's Executive Order (Section 404).

Section 403 would require that the Departments of Community, Trade and Economic Development and Ecology develop a framework for the state to participate in emerging markets to mitigate climate change and must use the EO 07-02 stakeholder process. The Department of Ecology will continue to participate in the multi-state registry workgroup. The Department of Ecology will continue to absorb these costs through FY08. Once we know more about the costs of participating in this framework, we will include those costs in future budget requests.

Section 404 would require that, in preparing for the impacts of climate change consistent with EO 07-02, the Departments of Community, Trade, and Economic Development and Ecology work with the climate impacts group at the University of Washington to produce a comprehensive state climate change assessment and an analysis of the potential human health impacts of climate change on the state of Washington. A report would be completed by December 1, 2007. Implementation would require:

Project coordination:
--- A new, single point of coordination, jointly shared with the Department of Community, Trade and Economic Development, would be required to formulate a detailed interagency plan and timetable leading to the preparation of the final report, based on direction from the Directors of the two lead agencies. This person would have to ensure that the activities and contributions of dozens of people expected to contribute to the report were coordinated, and that the pieces of the final report would be coherently integrated. We assume that at a minimum, one person would need to work full time in this focal capacity, to staff the effort, including assisting with research, logistics, and writing and editing reports. This project FTE would also provide support to the agency in regional efforts to develop climate policies. This position is estimated at the Environmental Planner 4 level, full-time from July to February, 2008, for 0.7 FTE in FY 2008. This position would be shared with CTED, but funded at Ecology.

--- Additional project leadership, coordination, and support: Ecology anticipates that additional, high-level staff time would be required to oversee the interagency strategic planning process and the involvement of representatives of multiple interest groups and the public, leading to the analysis of policy alternatives and strategy options in the final report. It will also be necessary to devote new and concentrated high-level staff time to coordinate with other state agencies on specific policy and strategy issues as they emerge, coordinate with other state and national green house gas processes, conduct research, and communicate with policymakers and the public. Ecology estimates this additional high-level staff requirement at more than 2.0 FTEs. Since responding to climate change is an agency priority, Ecology is not requesting additional funding for these 2+ FTEs. Instead, Ecology will re-direct primary assignments from key senior staff. As a result, other work related to air, water, shorelines and other priorities, will be delayed until this key work, which will engage their areas of expertise with climate change, is accomplished. No new costs.

Conducting multiple stakeholder meetings and interdisciplinary, multi-agency technical meetings:

--- A consultant/facilitator would be used to conduct and document the meetings with stakeholders identified in 3A and 3B of the Executive Order. Their involvement would be required for the development of the Washington Climate Change Challenge policy analysis, strategy options analysis, and recommendations specified in 3C. Based on the agency's prior public involvement efforts at this scale, we estimate that $200,000 in contracting costs would be required for conducting and documenting the results of these meetings.

--- We also assume that in order to have the involvement of representatives from the diverse groups identified in 3B, some assistance with the travel and per diem costs for non-governmental participants in work sessions and formal meetings would be needed. Based on our experience with prior large stakeholder processes and the broad range of interests to include, we estimate that approximately $50,000 would be required.

--- Public development and dissemination of information being generated by the Climate Change Challenge stakeholder team and the various work groups in order to communicate direction, generate comment and garner feedback is expected to require additional resources. Based on previous experience with large public processes, it is assumed that $100,000 would be needed for this activity.

Technical studies:
--- Conducting the required analysis of job creation/growth and fuel use reductions and efficiencies would require contracting with consultants with expertise in these specialized areas. Based on our prior experience with this scale of study, we estimate $50,000 would be required in FY 2008.

--- Additional scientific and technical expertise is anticipated for the technical analysis of individual emission reduction strategies. It is assumed that Ecology will pursue funding for this work outside the state budget, with private support.

Notes on costs by Object:
Salary costs are on based Environmental Planner 4, Step K
Employee Benefits for direct program staff are calculated at the agency average of 28.2% of salaries.

Contract (object C) costs include:
---$200,000 in FY08 for a consultant to conduct the stakeholder meetings (section 404)
---$50,000 in FY08 for a consultant to conduct technical analyses related to clean fuels/alternative fuels and job creation/growth (section 404)

Goods and Services costs include:
---Standard costs calculated at the agency average of $4,388 per direct FTE
---Standard indirect at the agency standard of 38.95% of salaries and benefits
---$100,000 in FY08 for public information development and dissemination by Climate Change Challenge stakeholder team (section 404)

Travel costs include:
---agency average of $1,716 per direct program FTE
---$50,000 in FY08 for travel and per diem for stakeholder group (section 404)

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	0.7		0.4		
A-Salaries and Wages	43.050		43,050		
B-Employee Benefits	16.768		16,768		
C-Personal Service Contracts	250.000		250,000		
E-Goods and Services	126.371		126,371		
G-Travel	51.201		51,201		
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	$487,390	$0	$487,390	$0	$0

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 2008	FY 2009	2007-09	2009-11	2011-13
Environmental Planner 4	61,500	0.7		0.4		
Total FTE's		0.7		0.4		0.0

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.

Individual State Agency Fiscal Note

Bill Number: 1303 2S HB PL	**Title:** Cleaner energy	**Agency:** 495-Department of Agriculture

Part I: Estimates

- [X] **No Fiscal Impact**

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact:		Phone:	Date: 04/23/2007
Agency Preparation:	Lee Faulconer	Phone: 360-902-1804	Date: 04/24/2007
Agency Approval:	David Hecimovich	Phone: 360-902-1989	Date: 04/24/2007
OFM Review:	David Giglio	Phone: 360-902-0654	Date: 04/24/2007

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.

Section 205: Community Trade and Economic Development (CTED) will coordinate with the Department of Agriculture (WSDA) to identify other barriers for future biofuels development and development of strategies for furthering the penetration of the Washington state fossil fuel market with Washington produced biofuels, particularly among public utilities.

Section 302: Participate in reviewing applications submitted under the energy freedom program.

Section 307: Directs all Energy freedom program projects for which the department of agriculture has signed contracts and disbursed funds prior to June 30, 2007 shall continue to be serviced by the department of agriculture.

This version of the bill does not add or remove any workload as estimated in the previous no fiscal impact version (1303 E2SHB AMS WM S3359.1). This workload will be conducted using existing resources within the department.

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.

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.

Part III: Expenditure Detail

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.

LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

Bill Number: 1303 2S HB PL	**Title:** Cleaner energy

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

Legislation Impacts:

- [X] Cities: Mandates conversion of all local government vehicle fleets; new authority and requirements for municipal electric utilities; new grant and loan programs
- [X] Counties: Mandates conversion of all local government vehicle fleets; new grant and loan programs
- [X] Special Districts: Mandates conversion of all local government vehicle fleets; new authority and requirements for electric utilities; new grant and loan programs
- [ ] Specific jurisdictions only:
- [ ] Variance occurs due to:

Part II: Estimates

- [ ] No fiscal impacts.
- [X] Expenditures represent one-time costs: Costs for fleet conversion and application for grant or loan funds
- [ ] Legislation provides local option:
- [X] Key variables cannot be estimated with certainty at this time: Total number of vehicles owned by all local governments and the change in operating costs are unknown

Estimated revenue impacts to:

Indeterminate Impact

Estimated expenditure impacts to:

Indeterminate Impact

Part III: Preparation and Approval

Fiscal Note Analyst: Anne Pflug	Phone: 425 785 8557	Date: 04/24/2007
Leg. Committee Contact:	Phone:	Date: 04/23/2007
Agency Approval: Steve Salmi	Phone: (360) 725 5034	Date: 04/24/2007
OFM Review: Mike Woods	Phone: 360-902-9819	Date: 04/24/2007

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

SUMMARY
-- Mandates 100% use of bio-fuel or electrical vehicles, vessels and construction equipment by all local government subdivisions by 2015 modified by rule making authority of the Department Community, Trade and Economic Development (CTED) under defined conditions;
-- Expands the authority of public and municipal electric utilities, conservation districts and public development authorities to enter into crop purchase contracts, produce and distribute bio-fuels;
-- Authorizes local governments to purchase bio-fuels on advance fuel contracts;
-- Creates a vehicle electrification demonstration grant program and study for local government use of hybrid electric vehicles; and
-- Expands the Energy Freedom Program to allow state provided local government grants or loans for a wider range of fuels and projects including refueling facility projects in the I-90, I-82 and I-5 corridors.

SECTIONS THAT IMPACT LOCAL GOVERNMENT
PART I
Expands the use of air pollution control agency funding for diesel fleet conversion to include both public and private fleets (Sec 102); changes the funding authority and use of pollution control facilities that affect fleet emission reduction by port districts.

PART II

Section 202 and 204, amending RCW 43.19.642, requires all state and local vessels, vehicles, and construction equipment to satisfy 100 percent of their fuel needs with electricity or bio-fuels by June 1, 2015, unless the mandate is deemed impracticable by the State Energy Freedom Coordinator.

Section 203 permits local governments to purchase bio-fuel on advance fuel contracts. Defines bio-fuels as: "Biofuel includes, but is not limited to, biodiesel, ethanol, and ethanol blend fuels and renewable liquid natural gas or liquid compressed natural gas made from biogas. "Biogas" includes waste gases derived from landfills and wastewater treatment plants and dairy and farm wastes.

Section 207 to 210 authorizes municipal electric utilities, public utility districts, conservation districts and public development authorities to purchase crops, produce and sell bio-diesel.

PART III

Expands the Energy Freedom Program grants and loans to local government to cover a wider range of alternative fuels and projects including refueling facilities along the I-90, I-82 and I-5 corridors.

PART IV

Section 401 -- Requires a CTED study of local government use of hybrid electric "plug in" vehicles and use of the existing electrical grid for re-fueling.

Section 408 -- Establishes a vehicle electrification demonstration program administered by CTED for public utility districts and other local governments. Funds purchase or conversion to hybrid electric or battery electric fleets. Includes funding criteria, match requirements and evaluation requirements.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

SUMMARY
This measure could have a substantial (greater than $1M) to major (greater than $100M) although indeterminate impact on local government expenditures. The measure would impact all cities (281); counties (39) and special districts (over 1,400) that have one or more vehicles or vessels. The range of impact is indeterminate and broad because the size of the impact of fleet conversion to bio-fuels is not completely known. There may be costs related to fleet replacement, operation and fueling station infrastructure.

Potential local government expenditure impacts include:
-- All local governments with vehicle or vessel fleets (around 1,700) would be required to convert those fleets from fossil fuels to 100% bio-fuel or electric by 2015. The majority of local governments effected are small and have limited budgets. Many of the local governments would not be planning to replace, or accumulating funds to replace, vehicles costing $50,000 or more with long life cycles (25 to 30 years) during the seven-year window between 2008 and 2015. Conversion of city and county fleets (not special districts) is estimated to cost

approximately $118M between 2008 and 2015 or on average $14.75M per year.
-- Special district fleets are likely to be at least the size of city fleets which would add an additional $84M, or an average of $10.5M per year.
-- It is not clear whether vehicle operating costs would increase with conversion to bio-fuels. As an example, If operating costs increased by just 10% then impacts would be significant statewide since fuel costs are an essential element of many local government services. If the average vehicle was driven 10,000 miles per year and the average mileage per gallon of fuel was 15 at $3 per gallon then each vehicle would cost $200 more per year to drive for approximately 81,000 vehicles or $16.2M. In addition, many jurisdictions maintain fuel stations for emergency and essential service vehicles in case of large scale emergencies or a disaster and to reduce operating costs of off-site fueling. These fueling stations, at an average of one per agency (1,700), would need to be converted or replaced to accommodate different fuel requirements. Capital costs could be significant although indeterminate. As an example, if on average each fuel station cost $10,000 to modify then the total cost would be $17M.
-- Reduced costs to local governments due to advance fuel contracts or bulk purchase contracts through the state (unknown discount); reduced costs to local governments from public corporation production/distribution of bio-fuels and reduced impacts from fossil fuel consumption would offset by an unknown amount cost impacts.

LOCAL GOVERNMENT FLEET CONVERSION TO BIOFUEL AND ELECTRIC VEHICLES/VESSELS
Section 202 would require all state and local vessels, vehicles, and construction equipment to satisfy 100 percent of fuel needs with electricity or bio-fuels by June 1, 2015, unless the mandate is deemed impracticable by the State Energy Freedom Coordinator. The word bio-fuel is not explicitly defined. If all local governments with vehicle or vessel fleets (around 1,700) are required to convert those fleets from fossil fuels to 100% bio-fuel or electric over eight years the impact would be major (greater than $100M by 2015). The majority of local governments impacted are small and have limited budgets. Many of the local governments would not be planning to replace, or accumulating funds to replace, vehicles costing $50,000 or more with long life cycles (25 to 30 years) during the eight-year window between 2008 and 2015. Conversion of city and county fleets (not special districts) is estimated to cost approximately $118M between 2008 and 2015 or on average $14.75M per year.

Based on fiscal note data from the Washington State Patrol (WSP) and the Department of Transportation (DOT) and responses from seven counties, a large portion of passenger cars and light trucks would be replaced by 2015 through the normal life-cycle for such vehicles in public ownership. DOT estimates that replacing the smaller vehicles with electrical or bio-fuel equivalents will average $1,500 more per vehicle. CTED is not required to specify compliance guidelines until 2010 (Sec 204), which may force many local governments to make from 30% to 50% of their fleet replacement decisions during the three-year window before guidelines are available.

Heavy trucks such as fire engines, buses and road maintenance vehicles typically have longer life cycles of 15 to 25 years, so it is assumed that only one third of these would be replaced by 2015, with the remaining vehicles retrofitted to meet Section 202 requirements. Additional costs of replacing heavy trucks and construction equipment would average $6,000 more per vehicle. Retrofitting still usable equipment to Section 202 standards would also cost about $6,000 per unit, but would avoid the cost of purchasing new equipment, some of which is quite expensive, before the end of its normal life cycle. Some specialized equipment may not be able to be converted and would have to be replaced. Therefore the low end of the cost of bringing all heavy trucks and construction equipment up to Section 202 standards is estimated at $6,000 per unit.

Data from the seven responding counties extrapolated to the 39 counties gives an estimate of 7,000 autos and light trucks and 4,000 heavy trucks and construction equipment. The Department of Licensing (DOL) reports that as of March 19, 2007, there are 34,892 city-owned vehicles registered with DOL. It is assumed that 80 percent of these are passenger cars and light trucks (28,000 vehicles), 10 percent are heavy trucks (3,500 vehicles), and 10 percent are construction equipment (3,500).

Additional replacement costs for county vehicles (electric/bio-fuel over conventional) could be ($1,500 X 7,000 light vehicles) + ($6,000 X 4,000 heavy vehicles) = $34.5 million. Additional replacement costs for city vehicles (electric/bio-fuel over conventional) could be ($1,500 X 28,000 light vehicles) + ($6,000 X 7,000 heavy vehicles) = $84 million.

The 1,400 special district fleets are likely to be at least the size of city fleets, which would add an additional $84M or an average of $10.5M per year. Special district fleets include fire and emergency, utility, port and transit vehicles and vessels. Special district fleets would likely contain a high proportion of larger, long-lived, costly vehicles and a higher proportion of specialty vehicles for which conversion would not be possible.

Some jurisdictions are currently using flex fuel, hybrid or electric vehicles in parts of their fleet. However, there are likely no local governments that have converted to 100% bio-fuel or electricity use. If 100% is interpreted to mean that all vehicles must use solely bio-fuel or electric as assumed above -- no hybrid or blended fuels -- then the cost to local government will be greater. Fleets which were converted to vehicles that are hybrid and/or used blended fuels would be less costly.

The possibility that the State Energy Freedom Coordinator may ease requirements for local governments is unknown and difficult to judge since no definition for "practicality" is included in the legislation. There were a number of factors to be considered added to the bill in Sec 204. It is assumed that no reimbursement to local governments would be made at this time (since there is no provision for reimbursement currently in the state budget). The administrative and actual costs related to conversion would be significant, especially for the many small local government with limited budgets and high fiscal stress in southwest, northeast and south east Washington.

FLEET OPERATING COSTS
It is not clear whether vehicle operating costs would increase with conversion to bio-fuels. The Washington State Patrol fiscal note states that bio-fuel vehicles are 30% less fuel efficient. Offsetting these increases could be lowered life-cycle unit costs per vehicle and better fuel efficiency as manufacturers gain more experience with new technologies. If operating costs increased by just 10%, then impacts would be significant statewide since fuel costs are an essential element of many local government services. For example, if the average vehicle was driven 10,000 miles per year and the average mileage per gallon of fuel was 15 at $3 per gallon then each vehicle would cost $200 more per year to drive for approximately 81,000 vehicles or $16.2M.

In addition, many jurisdictions maintain fuel stations for emergency and essential service vehicles in case of large-scale emergencies or a disaster and to reduce operating costs of off-site fueling. These fueling stations, at an average of one per agency (1,700), would need to be converted or replaced to accommodate different fuel requirements. Capital costs could be significant although indeterminate. If on average each fuel station cost $10,000 to modify then the total cost would be $17M.

BULK AND ADVANCE PURCHASE OF FUELS COST SAVINGS
This measure authorizes local governments to enter into advance purchase and bulk purchase contracts (along with the state) for vehicle fuel. this authority combined with the authority for specific special districts and utilities to produce and distribute bio-fuels may assist in reducing the cost of fuel and result in a net cost savings over regular commercial prices of bio-fuel.

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

SUMMARY
This measure would have a significant (more than $1M per year) although indeterminate impact on local government revenue authority. The impact is indeterminate because it is unknown how many public utilities or other authorized special districts would develop bio-fuels sales and distribution programs or to what level grant programs will be funded.

AUTHORITY TO PRODUCE AND SELL BIO-FUEL
Public utility districts (28), municipal electric and gas utilities (19), "public development authorities" and conservation districts (approximately 20) would be authorized to purchase energy crops, and produce and distribute bio-fuel. It is assumed that the reference to "public development authorities" is a public corporation created under RCW 35.21.730 to 759. Public corporations include a broad range of economic development organizations who would be authorized to issue bonds and enter into bio-fuels production and distribution. If instead, the reference is only to "public development authorities" created by cities such as the Pike Street Market Public Development Authority, then the application is narrower and would apply to eight to 10 public corporations in larger cities. The new authority represents a new line of business for the special districts and would result in additional revenue authority to set sale prices or collect user fees. It is unknown how many local governments would use the new authorization and what revenue would be generated over time. Large investments in infrastructure and development of a long-term customer base to finance investments would be prerequisites to establishing new public bio-fuels programs.

GRANTS AND LOANS
The bill expands or creates two grant or loan programs -- the Energy Freedom Program created in 2006 and an electrical vehicle demonstration grant program. Local governments would be eligible to participate in both programs if funded. The budget as approved appears to contain no addiitional earmarked funding for Energy Freedom program loans/grants or the electric vehicle demonstration program. Local government mandatory expenditures to meet the bio-fuel vehicle fleet requirements of the bill are significantly above the budget proposal so it is assumed that local governments would not be reimbursed for implementation costs and that the demonstration grant program is not funded.

EXPENDITURE AND REVENUE SOURCES:
Washington State Patrol fiscal note
Washington State Department of Transportation fiscal note
Department of Revenue fiscal note on SB 6001
LGFN fiscal note on SB 6001
Local Government Fiscal Health Study, OFM and the Department of Community, Trade and Economic Development, December 2006
Department of Licensing
Department of Community, Trade and Economic Development, Energy Policy Office
Association of Washington Cities
Washington State Association of Counties
Washington State Public Utility Districts Association
Snohomish County
Chelan County

Adams County
Walla Walla County
Benton County
Kitsap County
Whitman County