Multiple Agency Fiscal Note Summary

Bill Number: 2147 HB	**Title:** Clean water investment

Estimated Cash Receipts

Agency Name	2001-03		2003-05		2005-07	
	GF-State	Total	GF-State	Total	GF-State	Total
Office of State Treasurer	Indeterminate					
Department of Revenue	0	186,543,026	0	210,753,000	0	227,951,000
Total:	**0**	**186,543,026**	**0**	**210,753,000**	**0**	**227,951,000**

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

Estimated Expenditures

Agency Name	2001-03			2003-05			2005-07		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Bond Retirement and Interest	Fiscal note not available								
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Department of Revenue	.0	66,500	66,500	.0	0	0	.0	0	0
Department of Health	3.7	0	1,543,000	6.2	0	2,584,000	6.2	0	2,584,000
Department of Ecology	18.5	0	3,251,329	24.0	0	4,022,720	24.0	0	4,022,720
Interagency Committee for Outdoor Recreation	Fiscal note not available								
State Conservation Commission	Indeterminate								
Department of Fish and Wildlife	Fiscal note not available								
Department of Agriculture	.0	0	0	.0	0	0	.0	0	0
Total:	**22.2**	**$66,500**	**$4,860,829**	**30.2**	**$0**	**$6,606,720**	**30.2**	**$0**	**$6,606,720**

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

Prepared by: Erik Fairchild, OFM	**Phone:** 360-902-0571	**Date Published:** Preliminary 3/16/2001

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

** See local government fiscal note

Individual State Agency Fiscal Note

Bill Number: 2147 HB	**Title:** Clean water investment	**Agency:** 090-Office of State Treasurer

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

Indeterminate Impact

Estimated Expenditures from:

	FY 2002	FY 2003	2001-03	2003-05	2005-07
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: 02/26/2001
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 02/27/2001
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 02/27/2001
OFM Review: Les Myhre	Phone: 360-902-0614	Date: 02/27/2001

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.

HB 2147 authorizes the sale of general obligation bonds and creates two new accounts in the state treasury.

Earnings:
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 quite different average balances, and hence differing earnings.

The earnings from the Clean Water Investment Account, 2001 will be credited to the General Fund.
The earnings from the Clean Water Investment Bond Redemption Fund will be credited to the General Fund.

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 balances of the accounts and the impact to earnings.

Based on the November 2000 Revenue Forecast, the net rate for estimating earnings for FY 2002 is 5.32% and for FY 2003 is 5.10%. The rate used for FY 2003 should also be used for subsequent fiscal years. Approximately $53,000 in FY 2002 and $51,000 in FY 2003 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 will be an impact on the Debt Service Limitation Calculation. Any increase to the earnings credited to the General Fund will increase, 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.

HB 2147 creates the Clean Water Investment Account, 2001 and the Clean Water Investment Bond Redemption 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

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.

Department of Revenue Fiscal Note

Bill Number: 2147 HB	Title: Clean water investment	Agency: 140-Department of Revenue

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

Fund	FY 2002	FY 2003	2001-03	2003-05	2005-07
Clean Water Investment Bond Redemption-State 01 - Taxes 01 - Retail Sales Tax	82,091,026	93,415,000	175,506,026	198,190,000	214,363,000
Clean Water Investment Bond Redemption-State 01 - Taxes 10 - Compensating Tax	5,115,000	5,922,000	11,037,000	12,563,000	13,588,000
Total	87,206,026	99,337,000	186,543,026	210,753,000	227,951,000

Estimated Expenditures from:

	FY 2002	FY 2003	2001-03	2003-05	2005-07
Fund					
GF-STATE-State	66,500		66,500		
Total	66,500		66,500		

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: 02/26/2001
Agency Preparation: Diana Tibbetts	Phone: 570-6085	Date: 03/08/2001
Agency Approval: Don Taylor	Phone: 360-570-6083	Date: 03/08/2001
OFM Review: Tristan Wise	Phone: 360-902-0546	Date: 03/08/2001

Request # 2147-1-1

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 1 declares a policy that funds water treatment and restoration within certain eligible areas.

Section 2 contains definitions applicable to the new Chapter RCW 90.

Section 3 identifies the types of activities eligible to receive proceeds from the bonds authorized in the chapter. Prior to being offered for sale, these bonds require legislative appropriation for the proceeds of the bonds to be sold.

Section 4 creates a new state treasury account, the clean water investment account, 2001, and outlines the legislative appropriation of the funds from that account.

Section 5 describes the administration of the proceeds of bond sales in the clean water investment account, 2001. Administering agencies are responsible for administration of the bond proceeds. Rules must be adopted by the administering agencies to govern the expenditure of the funds and the rules must include grant eligibility criteria. Administration costs shall be no more than four percent of the bond proceeds. This section also contains subsections that outline performance evaluations for the expenditure of funds from the clean water investment account, 2001.

Section 6 outlines the form, terms and conditions of the bonds.

Section 7 describes anticipation notes, pending the issuance of the actual bond.

Section 8 amends RCW 82.08.020. This levies an additional tax of one-tenth of one-percent sales tax to be deposited into the clean water investment bond redemption fund under Section 9.

Section 9 describes the retirement of the bonds and creates the clean water investment bond redemption fund in the state treasury.

Section 10 allows the legislature to provide additional means to raise money for the payment of the bonds.

Section 11 states that the bonds are a legal investment for all state funds under state control and all funds of any other public body.

Section 12 outlines the severability of the act.

Section 13 states the captions used in this chapter are not any part of the law.

Section 14 creates a new chapter in Title 90 that includes Section 1 through 7 and 9 through 13.

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.

ASSUMPTIONS/DATA SOURCES

There is no official existing forecast of sales tax collections beyond FY 2003. For purposes of the fiscal note, future growth is based on the average forecasted increases during the 2001-2003 biennium as predicted by the Forecast Council in the November 2000 forecast.

The revenue impacts in this fiscal note reflect only the increased sales/use tax rate in Section 8.

It should be noted that these estimates do not reflect any potential revenue loss for existing state or local sales taxes attributable to increased tax avoidance due to the increase sales tax rate. However, some reduction in existing state and local revenues would be likely.

It is assumed the bill would be effective about July 20, 2001.

AUDIT ASSESSMENTS (Impact resulting from recent audit activity)

This legislation did not result from any audit activity by the Department.

CURRENTLY REPORTING TAXPAYERS (Impact for taxpayers who are known or estimated to be currently paying the tax in question)

The 0.1% increase in the state retail sales/use tax would generate $87 million the first year and $186 million for the biennium for the clean water investment bond redemption fund.

TOTAL REVENUE IMPACT:

State Government (cash basis, $000):

FY 2002	-	$87,206
FY 2003	-	99,337
FY 2004	-	103,310
FY 2005	-	107,443
FY 2006	-	111,741
FY 2007	-	116,210

Local Government, if applicable (cash basis, $000): None.

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 will incur costs of approximately $66,500 in FY 2002 to implement this legislation. These costs include:

One special notice to all retailers in the State of Washington educating taxpayers of the new state sales tax rate at a cost of approximately $60,000.
0.08 FTE at an ITAS 4 level. Additional programming time will be necessary to program the new state sales tax rate.

Unless the Department receives an appropriation to cover the expenditure impact, the Department may not be able to fully implement this legislation.

Part III: Expenditure Detail

III. A - Expenditures By Object Or Purpose

	FY 2002	FY 2003	2001-03	2003-05	2005-07
FTE Staff Years	0.1				
A-	4,200		4,200		
B-	1,100		1,100		
E-	60,500		60,500		
J-	700		700		
Total:	66,500		66,500		

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

Job Classification	Salary	FY 2002	FY 2003	2001-03	2003-05	2005-07
INFO TECH APP SPEC 4		0.1				
Total		0.1				

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.

None.

Individual State Agency Fiscal Note

Bill Number: 2147 HB	Title: Clean water investment	Agency: 303-Department of Health

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

Fund					
Total					

Estimated Expenditures from:

	FY 2002	FY 2003	2001-03	2003-05	2005-07
FTE Staff Years	1.1	6.2	3.7	6.2	6.2
Fund					
Clean Water Investment Account, 2001-State NEW-1	134,000	1,409,000	1,543,000	2,584,000	2,584,000
Total	134,000	1,409,000	1,543,000	2,584,000	2,584,000

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: 02/26/2001
Agency Preparation: Janet Scheel	Phone: (360) 236-3015	Date: 03/02/2001
Agency Approval: Faye Olson	Phone: (360) 236-4530	Date: 03/07/2001
OFM Review: Gina Terry	Phone: 360-902-0579	Date: 03/12/2001

Request # 01-141-1

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 3 - Creates the Clean Water Investment Account, 2001, to be funded through the sale of state general obligation bonds in the sum of one billion dollars.

Section 4 - Thirty percent (30%) of the funds or 300 million dollars from the account are to appropriated for the planning, acquisition, construction and improvement of drinking water treatment, conservation and distribution facilities.

Section 5 directs proceeds from the sale of bonds be distributed to drinking water facilites through the administering agency for puposes of environmental restoration and improved health and safety. The administering agency will be appointed by the legislature upon initial appropriation of funds. No more than four percent of the proceeds of the bond issue may be used by the administering agency to pay for administrative costs, technical assistance and engineering support.

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 Department of Health (DOH) believes the fiscal impact is indeterminate because it is unclear if DOH would be selected as an administering agency for the funds associated with drinking water facilities. However, DOH has used the Department of Ecology assumption that DOH will be designated the lead agency and the fiscal impact would be as follows:

Up to four percent of 300 million dollars or $12,000,000 could be used for administering the program. DOH uses the Ecology assumption the program will last 10 years.

We would use 1.1 FTE for rule development in FY02. This would include:
.50 FTE - Public Health Advisor 3
.30 FTE - Administrative Assistant 2
.30 FTE - Economic Analyst 2

In the subsequent nine (9) years, DOH would would use the following FTE's to determine applicant and project eligibility and develop the prioritized list of projects eligible for assistance:
1.20 Environmental Planner 3
3.00 Environmental Engineer 3
1.00 Program Manager
1.00 Secretary Admin

DOH would provide an annual grant of $660,000 to the Public Works Board (PWB) and the Board's administrative agent, The Department of Community, Trade & Economic Development (CTED) for staff to determine if the project is ready to proceed, if the loan is secure, and if the applicant is able to repay the loan. PWB would also administer the loan contracts. DOH assumes PWB/CTED would also oversee the loan fund ($300 million less administrative costs).

.

Part III: Expenditure Detail

III. A - Expenditures By Object Or Purpose

	FY 2002	FY 2003	2001-03	2003-05	2005-07
FTE Staff Years	1.1	6.2	3.7	6.2	6.2
A-Salaries and Wages	51,000	340,000	391,000	680,000	680,000
B-Employee Benefits	12,000	82,000	94,000	164,000	164,000
C-Personal Service Contracts					
E-Goods and Services	69,000	262,000	331,000	396,000	396,000
G-Travel	1,000	4,000	5,000	8,000	8,000
J-Capital Outlays		53,000	53,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		660,000	660,000	1,320,000	1,320,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	1,000	8,000	9,000	16,000	16,000
Total:	$134,000	$1,409,000	$1,543,000	$2,584,000	$2,584,000

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

Job Classification	Salary	FY 2002	FY 2003	2001-03	2003-05	2005-07
Admin Asst 3 (39K)		.3		.2		
Economic Analyst 2 (54K)		.3		.2		
Environmental Engineer 3 (62K)	60,936		3.0	1.5	3.0	3.0
Environmental Planner 3 (55K)	51,240		1.2	.6	1.2	1.2
Program Manager (62K)	60,936		1.0	.5	1.0	1.0
Public Health Advisor 3 (55 K)		.5		.3		
Secretary Admin (39K)	34,536		1.0	.5	1.0	1.0
Total		1.1	6.2	3.8	6.2	6.2

III. C - Expenditures By Program (optional)

Program	FY 2002	FY 2003	2001-03	2003-05	2005-07
Environmental Health Programs (020)	119,000	1,324,000	1,443,000	2,428,000	2,428,000
Administration (090)	15,000	85,000	100,000	156,000	156,000
Total	$134,000	$1,409,000	$1,543,000	$2,584,000	$2,584,000

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.

Rule development would be required to allow DOH to administer the funds for drinking water facilities.

Individual State Agency Fiscal Note

Revised

Bill Number: 2147 HB	Title: Clean water investment	Agency: 461-Department of Ecology

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

Fund					
Total					

Estimated Expenditures from:

	FY 2002	FY 2003	2001-03	2003-05	2005-07
FTE Staff Years	13.0	24.0	18.5	24.0	24.0
Fund					
Clean Water Investment-State NEW-1	1,170,779	2,080,550	3,251,329	4,022,720	4,022,720
Total	1,170,779	2,080,550	3,251,329	4,022,720	4,022,720

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: 02/26/2001
Agency Preparation: Gordon Wiggerhaus	Phone: (360) 407-7544	Date: 03/14/2001
Agency Approval: Nancy Stevenson	Phone: (360) 407-7007	Date: 03/14/2001
OFM Review: Erik Fairchild	Phone: 360-902-0571	Date: 03/14/2001

Part II: Narrative Explanation

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

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

The bill would authorize the sale of $1,000,000,000 of bonds to fund water-related projects. The bonds would be paid off by an added 0.1 percent statewide sales and use tax.

Section 3 of the bill would authorize the sale of $1,000,000,000 of bonds. Sections 3 and 4 state that proceeds of the bonds would be used to fund grants to local governments for: 1) wastewater, stormwater, and wastewater reuse projects (30 percent); 2) irrigation projects (15 percent); 3) purchase of water rights (15 percent); 4) purchase of riparian areas (10 percent); and 5) drinking water projects (30 percent).

Section 8 would authorize an added 0.1 percent statewide sales and use tax to redeem the bonds.

Subsection 5(3) limits administration costs to no more than 4 percent of the bond issue.

Subsection 5(1) states that the Legislature shall designate the administering agencies when it appropriates the bond issues' funds.

Subsection 5(4) would require biennial performance reporting to the Legislature. Administering agencies would be required to report on how the funding had been expended. They would also be required to describe--using performance measures and environmental monitoring data--the environmental impact of the expenditures.

Carrying out this bill would impact both the capital and operating budgets. The added grant funding would be appropriated in the capital budget. The operating budget would contain additional funds and FTEs for the administration of the grant programs and for performance reporting. At least $960,000,000 of capital expenditures would be authorized by this bill. Most of these expenditures would be grants to local governments. Some of the expenditures could be purchases made by state agencies.

Grant funding would have to be distributed as follows:

1. $288,000,000 of the funding would have to be spent on wastewater treatment, stormwater control, and wastewater reuse facilities. It is assumed that this funding would be administered by the Water Quality Program of the Department of Ecology.

2. $96,000,000 of the funding would have to be be spent on acquiring, improving, and maintaining riparian areas. It is assumed that this funding would be administered by the Interagency Committee on Outdoor Recreation.

3. $144,000,000 of the funding would have to be spent on constructing and improving irrigation facilities. It is assumed that this funding would be administered by the Water Resources Program of the Department of Ecology.

4. $144,000,000 of the funding would have to be spent on acquiring water rights. It is assumed that this funding would be administered by the Water Resources Program of the Department of Ecology.

5. $288,000,000 of the funding would have to be spent on construction and improvement of drinking water treatment and conservation facilities. It is assumed that this funding would be administered by the Department of Health.

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.

The bill would have no impact on the Department of Ecology's 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.

Subsection 5(1) of the bill would require the Legislature to designate the administering agency for each of the bill's funding programs. In order to write this fiscal note, assumptions as to the administering agencies had to be made. Agencies already administering programs similar to those authorized by the bill were assumed to be the administering agencies. These agencies are noted below (see Overall Assumptions).

Under subsection 5(2) each of the administering agencies would have to adopt rules under which their programs would be administered. And they would have to hire staff and incur other expenses in order to administer the program. Subsection 5(3) of the bill would limit administration costs to no more that 4 percent of the bond issue.

1. Estimated costs of administering the wastewater and stormwater program by the Department of Ecology's Water Quality Program are based on the costs of administering its existing Centennial Grant Program, which is of similar size in terms of grant funds and number of potential grant recipients.

Water Quality estimates that it would need 12 FTEs to administer this program. These FTEs would be: four EE3s located in the regional offices; 4 ES3s located in the regional offices, and 4 ES3s in the headquarters grants management section. This staffing level and composition is similar to that used to administer the Centennial grant program. Non-FTE costs would be at the agency averages (supplies, travel); no extraordinary expenses, contracts, etc. would be needed.

2. Estimated costs of administering the two programs (irrigation and water rights) which would be administered by the Department of Ecology's Water Resources Program are based on its experience administering its existing Referendum 38 Water Supply Facilities program.

Water Resources estimates that it would need 3 FTEs for each of the two programs. The total number of FTEs needed would be six. These FTEs would be: one unit supervisor (Ecology Sup. 2B), one EE 4, one EP 3, one ES 3 and two ES 1s. Non-FTE costs would be at the agency averages (supplies, travel); no extraordinary expenses, contracts, etc., would be needed. Ecology Supervisor B - Unit supervisor for agricultural water supply grants and buying water programs. Job duties of Water Resources staff would be as follows:

Environmental Engineer 4 - Evaluate technical and engineering aspects of proposed agricultural water supply projects.

Environmental Planner 3 - Participate in agency rule-making on the grants programs and assist water users in preparing long term improvement plans for water systems. Evaluate the validity and quantity of water rights offered for sale or lease. Negotiate cost sharing agreements with federal agencies and other cooperators for water system improvements and buying water.

Environmental Specialist 3 - Develop and manage contracts for grants to agricultural water supply systems and for buying or leasing water.

Environmental Specialist 1 (2 FTEs) - Carry out field work and provide other assistance to the EE4, EP3 and ES3 and search for and investigate prospective opportunities for buying water rights.

3. Estimated costs of biennial performance reporting to the Legislature: These reports would describe the environmental benefits achieved by the grant-funded projects. In order to accurately report to the Legislature, more monitoring data (both discharge and ambient data) would have to be collected. This fiscal note assumes that data collection would be carried out by the grant recipients either as part of a larger grant, or as a seperate grant to an appropriate entity. Possibly up to five percent of the grant amount would have to be used for data collection (this funding would be in the capital budget).

Ecology's Environmental Assessment Program would administer the data collection effort. Administration would include planning to integrate the data collection and reporting requirements under this bill with other similar assessment and reporting requirements (such as the EPA 305b Statewide Assessment of Water Quality and existing watershed planning requirements).

Performance reporting would try to evaluate the impact of the grant-funded projects. This would require one FTE at the ES4 level to manage incoming data, and one FTE at the ES4 level to take on the statewide interagency assessment planning responsibilities, including writing the biennial report and coordinating with parallel endangered species assessment and reporting requirements.

Administration of statewide monitoring efforts associated with this bill's projects would include a quality assurance/quality control function to verify good data collection procedures and a technical assistance function help establish adequate procedures where necessary. This is assumed to require one FTE per region at the ES3 level--a total of four FTEs statewide.

OVERALL ASSUMPTIONS:

1. Agency Administration: The bill indicates that the administering agencies for each of the five funding programs would be subject to legislative appropriation. However, for the purposes of this fiscal note (based on existing agency functions and responsibilities) the following agencies should be identified as the administering agency:
>DOH - Drinking Water funding program (Section 3 (2))
> IAC - Riparian Area funding program (Section 3 (4))
> Dept. of Ecology - Wastewater, Irrigation facilities and Water Right Purchase funding programs (Section 3 (1),(3) and (5))

2. Ecology assumes that its grant funding would be appropriated evenly over the ten year period beginingFY 2002 for Water Resources grants and FY 2003 for Water Quality grants. Administrative costs would be phased-in during FY 2002 with the full staffing level being achieved in FY 2003. Actual grant amounts will be determined by legislative appropriation. Actual administrative costs may differ from estimates. This ten year spread assumption may change in subsequent fiscal notes as additional information on the bond sale process, bond sale limits, etc. are factored in.

3. Start-up: This program is assumed to start in FY 2002. Based on preliminary conversations with affected agencies, including the Office of the State Treasurer and the Department of Revenue, an earliest possible schedule would be built on these assumptions (which are still subject to confirmation).
a. Firm estimate of FY 2002 cash requirement: May, 2001
b. First expenditures: July, 2001
c. First Bond Sales: July or August, 2001
d. Rule Development: Assumed to occur July 1 to December 31, 2001 (Ecology).
e.   Initial grant application period: January to March, 2002 (Ecology).
f. Initial notification of grant awards and negotiation of terms for first round of grants: May, 2002 (Water Resources) to August, 2002 (Water Quality).

4. Debt limits and bond sales: Total grants per year would be subject to legislative appropriation and any applicable bond sales considerations.

In addition, Ecology would implement one of the following rules changes:

(1) write one rule to administer all of its three funding programs under the bill
(2) Or, Ecology could modify the rules that govern its existing grant programs.

Under either scenario, it would take two FTEs working 6 months to adopt (or amend) the rules needed to implement the programs. This work would take place in FY 2002.

After the rules were written, applications would be taken in FY 2002. Hiring of staff to administer the program would be phased-in during FY 2002. Hiring of all staff would be completed by the beginning of FY 2003.

Direct program salaries are calculated at step K.

Employee Benefits for direct program staff are calculated at the agency average of 22.4% of salaries.

Goods and Services are calculated at the agency average of $3,920 per direct FTE. Standard agency administrative overhead costs are also included in goods and services at 32.9% of direct salaries and benefits.

Travel Expenditures are calculated at the agency average rate of $1,240 per direct program FTE.

Capital Outlays (Equipment) Detail: $6,290 for start-up equipment is budgeted for each new direct FTE, based on current costs for an office chair, 1/5 motor pool vehicle, and basic computer equipment.

Part III: Expenditure Detail

III. A - Expenditures By Object Or Purpose

	FY 2002	FY 2003	2001-03	2003-05	2005-07
FTE Staff Years	13.0	24.0	18.5	24.0	24.0
A-Salaries and Wages	628,224	1,160,340	1,788,564	2,320,680	2,320,680
B-Employee Benefits	140,722	259,916	400,638	519,832	519,832
C-Personal Service Contracts					
E-Goods and Services	303,943	561,344	865,287	1,122,688	1,122,688
G-Travel	16,120	29,760	45,880	59,520	59,520
J-Capital Outlays	81,770	69,190	150,960		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	$1,170,779	$2,080,550	$3,251,329	$4,022,720	$4,022,720

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

Job Classification	Salary	FY 2002	FY 2003	2001-03	2003-05	2005-07
Ecy. Supv. 2B	53,844	1.0	1.0	1.0	1.0	1.0
Env. Eng. 3	60,936	2.0	4.0	3.0	4.0	4.0
Env. Eng. 4	67,272		1.0	.5	1.0	1.0
Env. Planner 3	51,240	1.0	1.0	1.0	1.0	1.0
Env. Spec. 1	33,684	1.0	2.0	1.5	2.0	2.0
Env. Spec. 3	44,184	6.0	13.0	9.5	13.0	13.0
Env. Spec. 4	51,240	2.0	2.0	2.0	2.0	2.0
Total		13.0	24.0	18.5	24.0	24.0

Part IV: Capital Budget Impact

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

Construction Estimate	FY 2002	FY 2003	2001-03	2003-05	2005-07
Acquisition					
Construction					
Other	28,800,000	57,600,000	86,400,000	115,200,000	115,200,000
Totals:	$28,800,000	$57,600,000	$86,400,000	$115,200,000	$115,200,000

Under Sections 3 and 4 of the bill, at least $960,000,000 of capital expenditures would be authorized by this bill. Most of these expenditures would be grants to local governments. Some of the expenditures could be purchases by state agencies. Sections 3 and 4 of the bill describe how the funding must be distributed among various types of projects:

1. $288,000,000 of the funding must be spent on wastewater treatment, stormwater control, and wastewater reuse facilities. It is assumed that this funding would be administered by the Water Quality Program of the Department of Ecology.

2. $96,000,000 of the funding must be spent on acquiring, improving, and maintaining riparian areas. It is assumed that this funding would be administered by Interagency Committee on Outdoor Recreation (IAC).

3. $144,000,000 of the funding must be spent on constructing and improving irrigation facilities. It is assumed that this funding would be administered by the Water Resources Program of the Department of Ecology.

4. $144,000,000 of the funding must be spent on acquiring water rights. It is assumed that this funding would be administered by the Water Resources Program of the Department of Ecology.

5. $288,000,000 of the funding must be spent on construction and improvement of drinking water treatment and conservation facilities. It is assumed that this funding would be administered by the Department of Health.

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 5(2) of the bill would require the adoption by administering agencies of rules to govern the expenditure of the proceeds of the bond sales. The rules would include grant eligibility criteria. Criteria would have to include environmental performance and the amount of local matching funds. The rules would have to be adopted within six months of the appropriation of the funds that would be authorized by the bill.

HB 2147

Assumed Grants Appropriation

March 9, 2001

Assumed Administering Agency/Program	Use of Funds	%	Funding for $ Grants	4% Ceiling on $ Admin.	Grants FY 2002	Grants FY 2003	Grants FY 2004	Grants FY 2005	Grants FY 2006	Grants FY 2007	Grants FY 2008	Grants FY 2009	Grants FY 2010	Grants FY 2011	Grants FY 2012	Grants FY 2013	Grants FY 2014	Grants FY 2015	Grants Total - All FYs
Ecology																			
Water Quality	Wastewater, stormwater, wastewater reus	0.30	288,000,000	12,000,000	0	28,800,000	28,800,000	28,800,000	28,800,000	28,800,000	28,800,000	28,800,000	28,800,000	28,800,000	28,800,000	0	0	0	288,000,000
Water Resources	Irrigation for conservation	0.15	144,000,000	6,000,000	14,400,000	14,400,000	14,400,000	14,400,000	14,400,000	14,400,000	14,400,000	14,400,000	14,400,000	14,400,000	0	0	0	0	144,000,000
Water Resources	Water rights for instream flow	0.15	144,000,000	6,000,000	14,400,000	14,400,000	14,400,000	14,400,000	14,400,000	14,400,000	14,400,000	14,400,000	14,400,000	14,400,000	0	0	0	0	144,000,000
Ecology Subtotal			576,000,000	24,000,000	28,800,000	57,600,000	57,600,000	57,600,000	57,600,000	57,600,000	57,600,000	57,600,000	57,600,000	57,600,000	28,800,000	0	0	0	576,000,000
Interag. Comm. for Outdoo	Riparian areas for habitat	0.10	96,000,000	4,000,000	0	19,200,000	0	19,200,000	0	19,200,000	0	19,200,000	0	19,200,000		0	0	0	96,000,000
Department of Health	Drinking water treatment, conservation	0.30	288,000,000	12,000,000	0	28,800,000	28,800,000	28,800,000	28,800,000	28,800,000	28,800,000	28,800,000	28,800,000	28,800,000	28,800,000	0	0	0	288,000,000
Total		1.00	960,000,000	40,000,000	28,800,000	105,600,000	86,400,000	105,600,000	86,400,000	105,600,000	86,400,000	105,600,000	86,400,000	105,600,000	57,600,000	0	0	0	960,000,000

Notes:

1. The above is a provisional assignment of duties to agencies. The Legislature will designate administering agencies when it appropriates funds.
2. Section 5(3) limits administration expenses to 4 percent of bonds sold. This is assumed to apply to the life of the program, so that start-up costs are included.
3. The bill authorizes $1,000,000,000 of bonds.
4. Agencies must adopt rules within 6 months of the appropriation of funds.
6. Assume that the 0.1 percent sales tax begins to be collected in FY 2002.
7. The above table is based on a ten year average grant appropriation schedule, with additional time as estimated by each program for start-up and phase-down. Individual agencies would revise this schedule as more information becomes available.

Maximum Average Administration Costs - Based on Grant Appropriations Above

Assumed Administering Agency/Program		%		4% Ceiling on $ Admin.	Avg. Max. Adm. FY 2002	Avg. Max. Adm. FY 2003	Avg. Max. Adm. FY 2004	Avg. Max. Adm. FY 2005	Avg. Max. Adm. FY 2006	Avg. Max. Adm. FY 2007	Avg. Max. Adm. FY 2008	Avg. Max. Adm. FY 2009	Avg. Max. Adm. FY 2010	Avg. Max. Adm. FY 2011	Avg. Max. Adm. FY 2012	Avg. Max. Adm. FY 2013	Avg. Max. Adm. FY 2014	Avg. Max. Adm. FY 2015	Avg. Max. Adm. Total - All FYs
Department of Ecology																			
Water Quality	Wastewater, stormwater, wastewater reus	0.30		12,000,000	0	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	0	0	0	12,000,000
Water Resources	Irrigation for conservation	0.15		6,000,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	0	0	0	0	6,000,000
Water Resources	Water rights for instream flow	0.15		6,000,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	600,000	0	0	0	0	6,000,000
ECY Subtotal				24,000,000	1,200,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	2,400,000	1,200,000	0	0	0	24,000,000
Interag.Comm.OutdoorRec	Riparian areas for habitat	0.10		4,000,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	400,000	0	0	0	0	4,000,000
Department of Health	Drinking water treatment, conservation	0.30		12,000,000	0	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	1,200,000	0	0	0	12,000,000
Total		1.00		40,000,000	1,600,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	2,400,000	0	0	0	40,000,000

Cash Disbursement Estimate - Preliminary

Assumed Administering Agency/Program					Cash Disb. FY 2002	Cash Disb. FY 2003	Cash Disb. FY 2004	Cash Disb. FY 2005	Cash Disb. FY 2006	Cash Disb. FY 2007	Cash Disb. FY 2008	Cash Disb. FY 2009	Cash Disb. FY 2010	Cash Disb. FY 2011	Cash Disb. FY 2012	Cash Disb. FY 2013	Cash Disb. FY 2014	Cash Disb. FY 2015	Cash Disb. Total - All FYs
Department of Ecology																			
WQ,WR&EA Admin.Disb.					1,170,779	2,080,550	2,011,360	2,011,360	2,011,360	2,011,360	2,011,360	2,011,360	2,011,360	2,011,360	2,011,360	1,508,520	502,840	502,840	23,867,769
Water Quality	Wastewater, stormwater, wastewater reuse				0	7,200,000	16,920,000	16,920,000	27,612,000	27,612,000	28,681,200	28,681,200	28,788,120	28,788,120	25,198,812	25,198,812	13,199,868	13,199,868	288,000,000
Water Resources	Irrigation for conservation				0	7,200,000	14,400,000	14,400,000	14,400,000	14,400,000	14,400,000	14,400,000	14,400,000	14,400,000	14,400,000	7,200,000	0	0	144,000,000
Water Resources	Water rights for instream flow				14,400,000	14,400,000	14,400,000	14,400,000	14,400,000	14,400,000	14,400,000	14,400,000	14,400,000	14,400,000	0	0	0	0	144,000,000
ECY Subtotal					15,570,779	30,880,550	47,731,360	47,731,360	58,423,360	58,423,360	59,492,560	59,492,560	59,599,480	59,599,480	41,610,172	33,907,332	13,702,708	13,702,708	599,867,769
Interag.Comm.Outdoor Rec.																			
Admin. Disb.					244,130	383,235	376,050	366,050	366,050	366,050	366,050	366,050	366,050	366,050	257,905	130,530			3,954,200
Riparian Grants	Riparian areas for habitat					1,000,000	6,000,000	8,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	10,500,000	10,500,000			96,000,000
IAC Subtotal					244,130	1,383,235	6,376,050	8,366,050	10,366,050	10,366,050	10,366,050	10,366,050	10,366,050	10,366,050	10,757,905	10,630,530			99,954,200
Department of Health																			
Admin. Disb.					134,000	1,190,000	1,072,000	1,072,000	1,072,000	1,072,000	1,072,000	1,072,000	1,072,000	1,072,000	1,072,000	1,028,000			12,000,000
Grants	Drinking water treatment, conservation				0	14,400,000	28,800,000	28,800,000	28,800,000	28,800,000	28,800,000	28,800,000	28,800,000	28,800,000	28,800,000	14,400,000			288,000,000
DOH Subtotal					134,000	15,590,000	29,872,000	29,872,000	29,872,000	29,872,000	29,872,000	29,872,000	29,872,000	29,872,000	29,872,000	15,428,000			300,000,000
Total					15,948,909	47,853,785	83,979,410	85,969,410	98,661,410	98,661,410	99,730,610	99,730,610	99,837,530	99,837,530	82,240,077	59,965,862	13,702,708	13,702,708	999,821,969

Individual State Agency Fiscal Note

Bill Number: 2147 HB	**Title:** Clean water investment	**Agency:** 471-State Conservation Commission

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

Fund					
Total					

Estimated Expenditures from:

Indeterminate 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: 02/26/2001
Agency Preparation: Vicki Flynn	Phone: 360-407-6202	Date: 03/02/2001
Agency Approval: Steve Meyer	Phone: (360) 407-6201	Date: 03/05/2001
OFM Review: Ann-Marie Sweeten	Phone: 360-902-0538	Date: 03/05/2001

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.

Sec. 2 (1) states that the legislature will identify agencies responsible for administering funds made available under this chapter. Assumption is that Department of Ecology and Department of Health will be primary administering agencies.

Sec. 4 specifies the formula for the legislature to appropriate funds from the clean water investment account, 2001. Assumption is that conservation districts will be likely recipients of funds for identifying, acquiring, improving, and maintaining riparian areas that currently have or will have value as fish and/or wildlife habitat. Administration of funds for these purposes to conservation districts may be handled by the Conservation Commission or the Department of Ecology.

Sec. 5(1) states that the legislature will designate administering agencies when it appropriates the funds made available from the clean water investment account, 2001.

Sec. 5(3) states that not more than four percent of the proceeds of the bond issue may be used to pay for the cost of administration.

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.

If the legislature designates the Conservation Commission as an administering agency for a portion of the clean water investment account, 2001, the Commission will have expenditures related to the administration of grants to conservation districts. The cost of administration will be not more than four percent of the appropriation, as specified in Sec. 5(3).

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.

Individual State Agency Fiscal Note

Bill Number: 2147 HB	Title: Clean water investment	Agency: 495-Department of Agriculture

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: 02/26/2001
Agency Preparation:	Linda Crerar	Phone: 360-902-1818	Date: 02/27/2001
Agency Approval:	Mark Johnson	Phone: 360-902-1986	Date: 03/07/2001
OFM Review:	Ann-Marie Sweeten	Phone: 360-902-0538	Date: 03/08/2001