

Multiple Agency Fiscal Note Summary

Bill Number: 2147HB

Title: Cleanwater investment

Estimated Cash Receipts

Agency Name	2001-03		2003-05		2005-07	
	GF-State	Total	GF-State	Total	GF-State	Total
Bond Retirement and Interest	0	200,000,000	0	200,000,000	0	200,000,000
Office of State Treasurer	Indeterminate					
Department of Revenue	0	186,543,026	0	210,753,000	0	227,951,000
Total:	0	386,543,026	0	410,753,000	0	427,951,000

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	.0	0	9,286,905	.0	0	38,425,825	.0	0	67,561,765
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	2.6	0	1,324,000	4.0	0	2,144,000	4.0	0	2,144,000
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	2.1	0	19,827,365	2.9	0	19,942,100	2.4	0	19,882,100
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:	23.2	\$66,500	\$33,756,099	30.9	\$0	\$64,534,645	30.4	\$0	\$93,610,585

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

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Prepared by: Gina Terry, OFM

Phone:

360-902-0579

Date Published:

Revised 3/16/2001

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

** See local government fiscal note

IndividualStateAgencyFiscalNote

BillNumber: 2147HB	Title: Cleanwaterinvestment	Agency: 010-BondRetirementand Interest
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PartI:Estimates

☐ NoFiscalImpact

EstimatedCashReceiptsto:

Fund	FY2002	FY2003	2001-03	2003-05	2005-07
CleanWaterInv.Acct.-State NEW-1- ----	100,000,000	100,000,000	200,000,000	200,000,000	200,000,000
Total	\$100,000,000	\$100,000,000	\$200,000,000	\$200,000,000	\$200,000,000

EstimatedExpendituresfrom:

	FY2002	FY2003	2001-03	2003-05	2005-07
Fund					
Debt-LimitReimbursableBondRetire Account-State 381-1	0	7,286,905	7,286,905	36,425,825	65,561,765
CleanWaterInv.Acct.-State NEW-1	1,000,000	1,000,000	2,000,000	2,000,000	2,000,000
Total	1,000,000	8,286,905	9,286,905	38,425,825	67,561,765

Thecashreceiptsandexpenditureestimatesonthispagerepresentthemostlikelyfiscalimpact.Factorsimpactingtheprecisionoftheseestimates, andalternateranges(ifappropriate),areexplainedinPartII.

Checkapplicableboxesandfollowcorrespondinginstructions:

- ☒ Iffiscalimpactisgreaterthan\$50,000perfiscalyearinthecurrentbienniumorinsubsequentbiennia,completeentirefiscalnote formPartsI-V.
- ☐ Iffiscalimpactislessthan\$50,000perfiscalyearinthecurrentbienniumorinsubsequentbiennia,completethispageonly(PartI).
- ☐ Capitalbudgetimpact,completePartIV.
- ☐ Requiresnewrulemaking,completePartV.

LegislativeContact:	Phone:	Date: 02/26/2001
AgencyPreparation: SveinBraseth	Phone: 360-902-9025	Date: 03/11/2001
AgencyApproval: AllanMartin	Phone: 360-902-9007	Date: 03/14/2001
OFMReview: MikeCheney	Phone: 360-902-0582	Date: 03/16/2001

PartII:NarrativeExplanation

II.A-BriefDescriptionOfWhatTheMeasureDoesThatHasFiscalImpact

Brieflydescribe,bysectionnumber,thesignificantprovisionsofthebill,andanyrelatedworkloadorpolicyassumptions,thathaverevenueor expenditureimpactontherespondingagency.

Section3providesforthesaleof\$1,000,000,000generalobligationbondsofthestateofWashingtonforthepurposeof providingfundstopublicbodiesforvariouscleanwaterprojects.

Accordingtosection3,"thesebondsarespecialindebtednessunderArticleVIII,section3ofthestateConstitution." BondsissuedunderArticleVIII,section3ofthestateConstitutionrequirevoterapproval.

II.B-CashreceiptsImpact

Brieflydescribeandquantifythecashreceiptsimpactofthelegislationontherespondingagency,identifyingthecashreceiptsprovisionsbysection numberandwhenappropriatedetailoftherevenuesources.Brieflydescribethefactualbasisoftheassumptionsandthemethodbywhichthe cashreceiptsimpactisderived.Explainhowworkloadassumptionstranslateintoestimates.Distinguishbetweenonetimeandongoingfunctions.

Sec.4requires thatthe proceeds fromthe bonds undersec.3willbedepositedinthe "cleanwaterinvestmentaccount." Grossproceed(parvalue)of\$1.0billion--adjustedforanyoriginalissuancediscounts(orpremium)--willbedeposited inthe "cleanwaterinvestmentaccount."

TheyearlyissuancescheduleisbaseduponDOE'sMarch6,2001fiscalnoteassumptions.

ItisassumedthatalltheproceedswillbespentaccordingtotheInternalRevenueCodeof1986governingmunicipal bonds,includingtheregulationsforarbitrageandprivateactivity.Itisassumedthatalltheproceedswillbespentwithin thefollowingspend-downschedule:

- 6months 15%
- 12months 60%
- 18months 100%

Section5requires that "notmorethanfourpercentoftheproceedsofthebondissuemaybeusedtopaythecostof administration..."

II.C-Expenditures

Brieflydescribetheagencyexpendituresnecessarytoimplementthislegislation(orsavingsresultingfromthislegislation),identifyingbysection numbertheprovisionsofthelegislationthatresultintheexpenditures(orsavings).Brieflydescribethefactualbasisoftheassumptionsandthe methodbywhichtheexpenditureimpactisderived.Explainhowworkloadassumptionstranslateintocostestimates.Distinguishbetweenonetime andongoingfunctions.

The "cleanwaterinvestmentaccount," createdinsec.4,willbechargedwithunderwritersdiscountandcostofissuance whenthebondsaresold.Theunderwritersdiscountandcostofissuanceexpensesareestimatedat1%ofgrossproceeds (paramount).(Costofissuanceisestimatedat\$170,000persale.)

Debt serviceforthebondswillbepaidfromthe "debtlimitgeneralfundbondretirementaccount"(sec.9).

The "debtlimitgeneralfundbondretirementaccount"willbereimbursedfrom "generalstaterevenues"(sec.9).

Part III: Expenditure Detail

III.A-Expenditures By Object Or Purpose

	FY2002	FY2003	2001-03	2003-05	2005-07
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts	153,000	153,000	306,000	306,000	306,000
E-Goods and Services	17,000	17,000	34,000	34,000	34,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service	830,000	8,116,905	8,946,905	38,085,825	67,221,765
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$1,000,000	\$8,286,905	\$9,286,905	\$38,425,825	\$67,561,765

III.C-Expenditures By Program (optional)

Program	FY2002	FY2003	2001-03	2003-05	2005-07
Debt Subject to the Debt Limit (401)	830,000	8,116,905	8,946,905	38,085,825	67,221,765
Bond Sale Expenditures (406)	170,000	170,000	340,000	340,000	340,000
Total	\$1,000,000	\$8,286,905	\$9,286,905	\$38,425,825	\$67,561,765

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.

HB 2147 (Clean Water) -- Financing Assumptions

Summary of Debt Assumptions -- as of February 14, 2001

3/14/2001

Option	Issue	Dated / Delivery Date	Net Required	Underwriters Discount and Cost of Issuance*		Gross Amount to Finance	Base for Interest Rates	Years
				%	Tot			
Est from	1	1/1/2002	99,000,000	1.00%	1,000,000	100,000,000	Tax-exempt Aa1	25
DOE	2	1/1/2003	99,000,000	1.00%	1,000,000	100,000,000	Tax-exempt Aa1	25
	3	1/1/2004	99,000,000	1.00%	1,000,000	100,000,000	Tax-exempt Aa1	25
	4	1/1/2005	99,000,000	1.00%	1,000,000	100,000,000	Tax-exempt Aa1	25
	5	1/1/2006	99,000,000	1.00%	1,000,000	100,000,000	Tax-exempt Aa1	25
	6	1/1/2007	99,000,000	1.00%	1,000,000	100,000,000	Tax-exempt Aa1	25
	7	1/1/2008	99,000,000	1.00%	1,000,000	100,000,000	Tax-exempt Aa1	25
	8	1/1/2009	99,000,000	1.00%	1,000,000	100,000,000	Tax-exempt Aa1	25
	9	1/1/2010	99,000,000	1.00%	1,000,000	100,000,000	Tax-exempt Aa1	25
	10	1/1/2011	99,000,000	1.00%	1,000,000	100,000,000	Tax-exempt Aa1	25
			990,000,000		10,000,000	1,000,000,000		

Year	State Aa1 Tax- exempt**	+ BP 25
1	3.500%	3.750%
2	3.400%	3.650%
3	3.750%	4.000%
4	3.850%	4.100%
5	3.950%	4.200%
6	4.050%	4.300%
7	4.150%	4.400%
8	4.250%	4.500%
9	4.350%	4.600%
10	4.450%	4.700%
11	4.500%	4.750%
12	4.650%	4.900%
13	4.750%	5.000%
14	4.850%	5.100%
15	4.950%	5.200%
16	5.050%	5.300%
17	5.100%	5.350%
18	5.150%	5.400%
19	5.200%	5.450%
20	5.250%	5.500%
21	5.250%	5.500%
22	5.300%	5.550%
23	5.300%	5.550%
24	5.300%	5.550%
25	5.300%	5.550%

* Cost of issuance is estimated at \$170,000 per sale.

** Scale is as of 3/9/2001, provided by Seattle Northwest Securities Corp, financial advisor to the state.

HB 2147 (Clean Water) -- Debt Service Summary

Estimates for Fiscal Note -- as of February 14, 2001

3/14/2001

Fiscal Year	Principal	Interest	Total DS
2003	2,220,000.00	5,066,905.00	7,286,905.00
2004	4,520,000.00	10,050,560.00	14,570,560.00
2005	6,905,000.00	14,950,265.00	21,855,265.00
2006	9,385,000.00	19,754,570.00	29,139,570.00
2007	11,965,000.00	24,457,195.00	36,422,195.00
2008	14,655,000.00	29,051,460.00	43,706,460.00
2009	17,460,000.00	33,530,055.00	50,990,055.00
2010	20,390,000.00	37,885,230.00	58,275,230.00
2011	23,450,000.00	42,108,555.00	65,558,555.00
2012	26,650,000.00	46,191,120.00	72,841,120.00
2013	27,780,000.00	45,056,380.00	72,836,380.00
2014	28,990,000.00	43,845,765.00	72,835,765.00
2015	30,290,000.00	42,547,110.00	72,837,110.00
2016	31,680,000.00	41,159,605.00	72,839,605.00
2017	33,165,000.00	39,676,410.00	72,841,410.00
2018	34,750,000.00	38,090,195.00	72,840,195.00
2019	36,450,000.00	36,393,075.00	72,843,075.00
2020	38,265,000.00	34,578,357.50	72,843,357.50
2021	40,205,000.00	32,639,260.00	72,844,260.00
2022	42,280,000.00	30,568,422.50	72,848,422.50
2023	44,495,000.00	28,357,860.00	72,852,860.00
2024	46,855,000.00	26,000,347.50	72,855,347.50
2025	49,365,000.00	23,489,040.00	72,854,040.00
2026	52,035,000.00	20,818,160.00	72,853,160.00
2027	54,870,000.00	17,981,680.00	72,851,680.00
2028	50,595,000.00	14,973,630.00	65,568,630.00
2029	46,090,000.00	12,192,155.00	58,282,155.00
2030	41,345,000.00	9,651,697.50	50,996,697.50
2031	36,345,000.00	7,367,470.00	43,712,470.00
2032	31,070,000.00	5,355,742.50	36,425,742.50
2033	25,505,000.00	3,634,140.00	29,139,140.00
2034	19,635,000.00	2,218,612.50	21,853,612.50
2035	13,440,000.00	1,128,870.00	14,568,870.00
2036	6,900,000.00	382,950.00	7,282,950.00
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	1,000,000,000.00	821,152,850.00	1,821,152,850.00
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IndividualStateAgencyFiscalNote

BillNumber: 2147HB	Title: Cleanwaterinvestment	Agency: 090-OfficeofState Treasurer
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PartI:Estimates

☐ NoFiscalImpact

EstimatedCashReceiptsto:

IndeterminateImpact

EstimatedExpendituresfrom:

	FY2002	FY2003	2001-03	2003-05	2005-07
Fund					
Total					

Thecashreceiptsandexpenditureestimatesonthispagerepresentthemoslikelyfiscalimpact.Factorsimpactingtheprecisionoftheseestimates, andalternateranges(ifappropriate),areexplainedinPartII.

Checkapplicableboxesandfollowcorrespondinginstructions:

- ☒ Iffiscalimpactisgreaterthan\$50,000perfiscalyearinthecurrentbienniumorinsubsequentbiennia,completeentirefiscalnote formPartsI-V.
- ☐ Iffiscalimpactislessthan\$50,000perfiscalyearinthecurrentbienniumorinsubsequentbiennia,completethispageonly(PartI).
- ☐ Capitalbudgetimpact,completePartIV.
- ☐ Requiresnewrulemaking,completePartV.

LegislativeContact:	Phone:	Date: 02/26/2001
AgencyPreparation: DanMason	Phone: 360-902-9090	Date: 02/27/2001
AgencyApproval: DanMason	Phone: 360-902-9090	Date: 02/27/2001
OFMReview: LesMyhre	Phone: 360-902-0614	Date: 02/27/2001

PartII:NarrativeExplanation

II.A-BriefDescriptionOfWhatTheMeasureDoesThatHasFiscalImpact

Brieflydescribe,bysectionnumber,thesignificantprovisionsofthebill,andanyrelatedworkloadorpolicyassumptions,thathaverevenueor expenditureimpactontherespondingagency.

HB2147authorizesthesaleofgeneralobligationbondsandcreatetwoneewaccountsinthestatetreasury.

Earnings:
Theamountofearningsbyanaccountisafunctionoftheaveragedailybalanceoftheaccountandtheearningsrateof theinvestmentportfolio.Theaveragedailybalanceisafunctionofthebeginningbalanceintheaccountandthetiming &amountofreceipts,disbursements,&transfersduringthetimeperiodinquestion.Accordingly,evenwithabeginning balanceofzero,twoaccountswiththesameoveralllevelofreceipts,disbursements,andtransferscanhavequite differentaveragebalances,andhencedifferingearnings.

TheearningsfromtheCleanWaterInvestmentAccount,2001willbecreditedtotheGeneralFund.
TheearningsfromtheCleanWaterInvestmentBondRedemptionFundwillbecreditedtotheGeneralFund.

Therewillbeanimpacttotheearnings,however,theactualearningswillbedeterminedmorebytheimpacttothe averagedailybalancethantheamountofincreasesordecreasesinreceipts,disbursements,andtransfers.Currently, estimatedearningsareindeterminable.Withoutprojectedmonthlyestimatesofreceipts,disbursements,andtransfers, OSTisunabletoestimatethechangetotheaveragebalancesoftheaccountsandtheimpacttoearnings.

BasedontheNovember2000RevenueForecast,thenetratofoforestimatingearningsforFY2002is5.32%andforFY 2003is5.10% .TherateusedforFY2003shouldalsobeusedforsubsequentfiscalyears.Approximately\$53,000in FY2002and\$51,000inFY2003innetearningsand\$5,000inOSTmanagementfeeswouldbegainedorlostannually forevery\$1millionincreaseordecreaseinaveragedailybalance.

DebtLimit:
TherewillbeanimpactontheDebtServiceLimitationCalculation.AnyincreasetotheearningscreditedtotheGeneral Fundwillincrease,byanequalamount,GeneralStateRevenues.

II.B-CashreceiptsImpact

Brieflydescribeandquantifythecashreceiptsimpactofthelegislationontherespondingagency,identifyingthecashreceiptsprovisionsbysection numberandwhenappropriatethedetailoftherevenuesources.Brieflydescribethefactualbasisoftheassumptionsandthemethodbywhichthe cashreceiptsimpactisderived.Explainhowworkloadassumptionstranslateintoestimates.Distinguishbetweenonetimeandongoingfunctions.

HB2147createtheCleanWaterInvestmentAccount,2001andtheCleanWaterInvestmentBondRedemptionFund.

II.C-Expenditures

Brieflydescribetheagencyexpendituresnecessarytoimplementthislegislation(orsavingsresultingfromthislegislation),identifyingbysection numbertheprovisionsofthelegislationthatresultintheexpenditures(orsavings).Brieflydescribethefactualbasisoftheassumptionsandthe methodbywhichtheexpenditureimpactisderived.Explainhowworkloadassumptionstranslateintocostestimates.Distinguishbetweenonetime andongoingfunctions.

PartIII:ExpenditureDetail

III.A-ExpendituresByObjectOrPurpose

FTEStaffYears					
Total:					

PartIV:CapitalBudgetImpact

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: 2147HB	Title: Cleanwaterinvestment	Agency: 140-Department of Revenue
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Fund	FY2002	FY2003	2001-03	2003-05	2005-07
CleanWaterInvestmentBond Redemption-State 01-Taxes01-RetailSalesTax	82,091,026	93,415,000	175,506,026	198,190,000	214,363,000
CleanWaterInvestmentBond Redemption-State 01-Taxes10-CompensatingTax	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:

Fund	FY2002	FY2003	2001-03	2003-05	2005-07
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 alternative 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

PartII:NarrativeExplanation

II.A-BriefDescriptionOfWhatTheMeasureDoesThatHasFiscalImpact

Brieflydescribe,bysectionnumber,thesignificantprovisionsofthebill,andanyrelatedworkloadorpolicyassumptions,thathaverevenueor expenditureimpactontherespondingagency.

Section1declaresapolicythatfundswatertreatmentandrestorationwithincertaineligibleareas.

Section2containsdefinitionsapplicabletothenewChapterRCW90.

Section3identifiesthetypesofactivitieseligibletoreceiveproceedsfromthebondsauthorizedinthechapter.Priorto beingofferedforsale,thesebondsrequirelegislativeappropriationforthe proceeds of the bondstobesold.

Section4createsanewstatetreasuryaccount,thecleanwaterinvestmentaccount,2001,andoutlinesthelegislative appropriationofthefundsfromthataccount.

Section5describestheadministrationoftheproceedsofbondsalesinthecleanwaterinvestmentaccount,2001. Administeringagenciesareresponsibleforadministrationofthebondproceeds.Rulesmustbeadoptedbythe administeringagenciestogoverntheexpenditureofthefundsandtherulesmustincludegranteligibilitycriteria. Administrationcostsshallbenomorethanfourpercentofthebondproceeds.Thissectionalsocontainssubsectionsthat outlineperformanceevaluationsfortheexpenditureoffundsfromthecleanwaterinvestmentaccount,2001.

Section6outlinestheform,termsandconditionsofthebonds.

Section7describesanticipationnotes,pendingtheissuanceoftheactualbond.

Section8amendsRCW82.08.020.Thisleviesanadditionaltaxofone-tenthofone-percentssalestaxtobedepositedinto thecleanwaterinvestmentbondredemptionfundunderSection9.

Section9describestheretirementofthebondsandcreatethecleanwaterinvestmentbondredemptionfundinthestate treasury.

Section10allowsthelegislaturetoprovideadditionalmeanstoraisemoneyforthepaymentofthebonds.

Section11statesthatthebondsarealegalinvestmentforallstatefundsunderstatecontrolandallfundsofanyother publicbody.

Section12outlinestheeverabilityoftheact.

Section13statesthecaptionsusedinthischapterarenotanypartofthelaw.

Section14createsanewchapterinTitle90thatincludesSection1through7and9through13.

II.B-CashreceiptsImpact

Brieflydescribeandquantifythecashreceiptsimpactofthelegislationontherespondingagency,identifyingthecashreceiptsprovisionsbysection numberandwhenappropriatehethedetailoftherevenuesources.Brieflydescribethefactualbasisoftheassumptionsandthethodbywhichthe cashreceiptsimpactisderived.Explainhowworkloadassumptionstranslateintoestimates.Distinguishbetweenonetimeandongoingfunctions.

ASSUMPTIONS/DATASOURCES

ThereisnoofficialexistingforecastofsalestaxcollectionsbeyondFY2003.Forpurposesofthefiscalnote,future growthisbasedontheaverageforecastedincreasesduringthe2001-2003bienniumaspredictedbytheForecastCouncil intheNovember2000forecast.

Therevenueimpactsinthisfiscalnotereflectonlytheincreasedsales/usetaxrateinSection8.

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 in 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's 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):

FY2002	-	\$87,206
FY2003	-	99,337
FY2004	-	103,310
FY2005	-	107,443
FY2006	-	111,741
FY2007	-	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 assumption translates into cost estimates. Distinguish between one-time and ongoing functions.

The Department will incur costs of approximately \$66,500 in FY2002 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 IT AS4 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.

PartIII:ExpenditureDetail

III.A-ExpendituresByObjectOrPurpose

	FY2002	FY2003	2001-03	2003-05	2005-07
FTEStaffYears	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-FTEDetail: ListFTEsbyclassificationandcorrespondingannualcompensation.TotalsneedtoagreewithtotalFTEsinPartI andPartIIIA.

JobClassification	Salary	FY2002	FY2003	2001-03	2003-05	2005-07
INFOTECHAPPSPEC4		0.1				
Total		0.1				

PartIV:CapitalBudgetImpact

None.

PartV:NewRuleMakingRequired

Identifyprovisionsofthemeasurethatrequiretheagencytoadoptnewadministrativerulesorrepeal/reviseexistingrules.

None.

IndividualStateAgencyFiscalNote

BillNumber: 2147HB	Title: Cleanwaterinvestment	Agency: 303-DepartmentofHealth
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PartI:Estimates

☐ NoFiscalImpact

EstimatedCashReceiptsto:

Fund					
Total					

EstimatedExpendituresfrom:

	FY2002	FY2003	2001-03	2003-05	2005-07
FTEStaffYears	1.1	4.0	2.6	4.0	4.0
Fund					
CleanWaterInvestmentAccount, 2001-State NEW-1	134,000	1,190,000	1,324,000	2,144,000	2,144,000
Total	134,000	1,190,000	1,324,000	2,144,000	2,144,000

Thecashreceiptsandexpenditureestimatesonthispagerepresentthemostlikelyfiscalimpact.Factorsimpactingtheprecisionoftheseestimates, andalternateranges(ifappropriate),areexplainedinPartII.

Checkapplicableboxesandfollowcorrespondinginstructions:

- ☒ Iffiscalimpactisgreaterthan\$50,000perfiscalyearinthecurrentbienniumorinsubsequentbiennia,completeentirefiscalnote formPartsI-V.
- ☐ Iffiscalimpactislessthan\$50,000perfiscalyearinthecurrentbienniumorinsubsequentbiennia,completethispageonly(PartI).
- ☐ Capitalbudgetimpact,completePartIV.
- ☒ Requiresnewrulemaking,completePartV.

LegislativeContact:	Phone:	Date: 02/26/2001
AgencyPreparation: JanetScheel	Phone: (360)236-3015	Date: 03/13/2001
AgencyApproval: FayeOlson	Phone: (360)236-4530	Date: 03/14/2001
OFMReview: GinaTerry	Phone: 360-902-0579	Date: 03/16/2001

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.

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 be 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 facilities through the administering agency for purposes 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 assumption translates 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 provision of the legislation that results 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 assumption translates 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 12 years, with rule-making occurring in the first year.

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 twelve (12) years, DOH would use the following FTE's to determine applicant and project eligibility and develop the prioritized list of projects eligible for assistance:

- 1.00 Environmental Planner 3
- 1.00 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).

PartIII:ExpenditureDetail

III.A-ExpendituresByObjectOrPurpose

	FY2002	FY2003	2001-03	2003-05	2005-07
FTEStaffYears	1.1	4.0	2.6	4.0	4.0
A-SalariesandWages	51,000	208,000	259,000	416,000	416,000
B-EmployeeBenefits	12,000	50,000	62,000	100,000	100,000
C-PersonalServiceContracts					
E-GoodsandServices	69,000	212,000	281,000	294,000	294,000
G-Travel	1,000	2,000	3,000	4,000	4,000
J-CapitalOutlays		53,000	53,000		
M-InterAgency/FundTransfers					
N-Grants,Benefits&ClientServices		660,000	660,000	1,320,000	1,320,000
P-DebtService					
S-InteragencyReimbursements					
T-Intra-AgencyReimbursements	1,000	5,000	6,000	10,000	10,000
Total:	\$134,000	\$1,190,000	\$1,324,000	\$2,144,000	\$2,144,000

III.B-FTEDetail: ListFTEsbyclassificationandcorrespondingannualcompensation.TotalsneedtoagreewithtotalFTEsinPartI andPartIIIA.

JobClassification	Salary	FY2002	FY2003	2001-03	2003-05	2005-07
AdminAsst3(39K)		.3		.2		
EconomicAnalyst2(54K)		.3		.2		
EnvironmentalEngineer3(62K)	60,936		1.0	.5	1.0	1.0
EnvironmentalPlanner3(55K)	51,240		1.0	.5	1.0	1.0
ProgramManager(62K)	60,936		1.0	.5	1.0	1.0
PublicHealthAdvisor3(55K)		.5		.3		
SecretaryAdmin(39K)	34,536		1.0	.5	1.0	1.0
Total		1.1	4.0	2.7	4.0	4.0

III.C-ExpendituresByProgram(optional)

Program	FY2002	FY2003	2001-03	2003-05	2005-07
EnvironmentalHealthPrograms(020)	119,000	1,129,000	1,248,000	2,038,000	2,038,000
Administration(090)	15,000	61,000	76,000	106,000	106,000
Total	\$134,000	\$1,190,000	\$1,324,000	\$2,144,000	\$2,144,000

PartIV:CapitalBudgetImpact

PartV:NewRuleMakingRequired

Identifyprovisionsofthemeasurethatrequiretheagencytoadoptnewadministrativerulesorrepeal/reviseexistingrules.

RuledevelopmentwouldberequiredtoallowDOHtoadministerthefundsfordrinkingwaterfacilities.

IndividualStateAgencyFiscalNote

Revised

BillNumber: 2147HB	Title: Cleanwaterinvestment	Agency: 461-Departmentof Ecology
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PartI:Estimates

☐ NoFiscalImpact

EstimatedCashReceiptsto:

Fund					
Total					

EstimatedExpendituresfrom:

	FY2002	FY2003	2001-03	2003-05	2005-07
FTEStaffYears	13.0	24.0	18.5	24.0	24.0
Fund					
CleanWaterInvestment-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

Thecashreceiptsandexpenditureestimatesonthispagerepresentthemostlikelyfiscalimpact.Factorsimpactingtheprecisionoftheseestimates, andalternateranges(ifappropriate),areexplainedinPartII.

Checkapplicableboxesandfollowcorrespondinginstructions:

- ☒ 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.

LegislativeContact:	Phone:	Date: 02/26/2001
AgencyPreparation: GordonWiggerhaus	Phone: (360)407-7544	Date: 03/14/2001
AgencyApproval: NancyStevenson	Phone: (360)407-7007	Date: 03/14/2001
OFMReview: ErikFairchild	Phone: 360-902-0571	Date: 03/14/2001

PartII:NarrativeExplanation

II.A-BriefDescriptionOfWhatTheMeasureDoesThatHasFiscalImpact

Brieflydescribe,bysectionnumber,thesignificantprovisionsofthebill,andanyrelatedworkloadorpolicyassumptions,thathaverevenueor expenditureimpactontherespondingagency.

Thebillwouldauthorizethesaleof\$1,000,000,000ofbondstofundwater-relatedprojects.Thebondswouldbepaid offbyanadded0.1percentstatewidesalesandusetax.

Section3ofthebillwouldauthorizethesaleof\$1,000,000,000ofbonds.Sections3and4statethatproceedsofthe bondswouldbeusedtofundgrantstolocalgovernmentsfor:1)wastewater,stormwater,andwastewaterreuseprojects (30percent);2)irrigationprojects(15percent);3)purchaseofwaterrights(15percent);4)purchaseofriparianareas(10 percent);and5)drinkingwaterprojects(30percent).

Section8wouldauthorizeanadded0.1percentstatewidesalesandusetaxtoredeemthebonds.

Subsection5(3)limitsadministrationcoststonomorethan4percentofthebondissue.

Subsection5(1)statesthattheLegislatureshalldesignatetheadministeringagencieswhenitappropriatesthebond issues'funds.

Subsection5(4)wouldrequirebiennialperformancereportingtotheLegislature.Administeringagencieswouldbe requiredtoreportonhowthefundinghadbeenexpended.Theywouldalsoberequiredtodescribe--usingperformance measuresandenvironmentalmonitoringdata--theenvironmentalimpactoftheexpenditures.

Carryingoutthisbillwouldimpactboththecapitalandoperatingbudgets.Theaddedgrantfundingwouldbe appropriatedinthecapitalbudget.TheoperatingbudgetwouldcontainadditionalfundsandFTEsfortheadministration ofthegrantprogramsandforperformancereporting.Atleast\$960,000,000ofcapitalexpenditureswouldbeauthorized bythisbill.Mostoftheseexpenditureswouldbegrantstolocalgovernments.Someoftheexpenditurescouldbe purchasesmadebystateagencies.

Grantfundingwouldhavetobedistributedasfollows:

- 1.\$288,000,000ofthefundingwouldhavetobespentonwastewatertreatment,stormwatercontrol,andwastewater reusefacilities.ItisassumedthatthisfundingwouldbeadministeredbytheWaterQualityProgramoftheDepartment ofEcology.
- 2.\$96,000,000ofthefundingwouldhavetobespentonacquiring,improving,andmaintainingriparianareas.Itis assumedthatthisfundingwouldbeadministeredbytheInteragencyCommitteeonOutdoorRecreation.
- 3.\$144,000,000ofthefundingwouldhavetobespentonconstructingandimprovingirrigationfacilities.Itisassumed thatthisfundingwouldbeadministeredbytheWaterResourcesProgramoftheDepartmentofEcology.
- 4.\$144,000,000ofthefundingwouldhavetobespentonacquiringwaterrights.Itisassumedthatthisfundingwould beadministeredbytheWaterResourcesProgramoftheDepartmentofEcology.
- 5.\$288,000,000ofthefundingwouldhavetobespentonconstructionandimprovementofdrinkingwatertreatmentand conservationfacilities.ItisassumedthatthisfundingwouldbeadministeredbytheDepartmentofHealth.

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 assumption translates 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 provision of the legislation that results 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 assumption translates 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 than 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 EE4, one EP3, one ES3 and two ES1s. 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 recipient either as part of a larger grant, or as a separate 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 others 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 beginning FY2002 for Water Resources grants and FY2003 for Water Quality grants. Administrative costs would be phased-in during FY2002 with the full staffing level being achieved in FY2003. 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 FY2002. 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 FY2002 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 FY2002.

After the rules were rewritten, applications would be taken in FY2002. Hiring of staff to administer the program would be phased in during FY2002. Hiring of all staff would be completed by the beginning of FY2003.

Direct program salaries are recalculated at step K.

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

Goods and Services are recalculated 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 recalculated 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

	FY2002	FY2003	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	FY2002	FY2003	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.Planner3	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	FY2002	FY2003	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 Outdoor Recreation	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% Max. Adm. \$ 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.Outdoor Recreation	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 Recreation																			
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

IndividualStateAgencyFiscalNote

BillNumber: 2147HB	Title: Cleanwaterinvestment	Agency: 467-InteragencyCommfor OutdoorRec
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PartI:Estimates

☐ NoFiscalImpact

EstimatedCashReceiptsto:

Fund					
Total					

EstimatedExpendituresfrom:

	FY2002	FY2003	2001-03	2003-05	2005-07
FTEStaffYears	1.6	2.6	2.1	2.9	2.4
Fund					
CleanWtrInvestAcct-State NEW-1	244,130	19,583,235	19,827,365	19,942,100	19,882,100
Total	244,130	19,583,235	19,827,365	19,942,100	19,882,100

Thecashreceiptsandexpenditureestimatesonthispagerepresentthemostlikelyfiscalimpact.Factorsimpactingtheprecisionoftheseestimates, andalternateranges(ifappropriate),areexplainedinPartII.

Checkapplicableboxesandfollowcorrespondinginstructions:

- ☒ Iffiscalimpactisgreaterthan\$50,000perfiscalyearinthecurrentbienniumorinsubsequentbiennia,completeentirefiscalnote formPartsI-V.
- ☐ Iffiscalimpactislessthan\$50,000perfiscalyearinthecurrentbienniumorinsubsequentbiennia,completethispageonly(PartI).
- ☒ Capitalbudgetimpact,completePartIV.
- ☐ Requiresnewrulemaking,completePartV.

LegislativeContact:	Phone:	Date: 02/26/2001
AgencyPreparation: ToniLick	Phone: 360-902-3006	Date: 03/09/2001
AgencyApproval: ToniLick	Phone: 360-902-3006	Date: 03/13/2001
OFMReview: JimSkalski	Phone: 360-902-0654	Date: 03/13/2001

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.

Section 1- Provides funding for (1) facilities that control, collect, treat, reuse or dispose of wastewater and stormwater; (2) facilities that treat, conserve or distribute drinking water; (3) improvements to or replacement of irrigation facilities that will conserve or improve water quality; (4) the acquisition of riparian habitat and (5) the acquisition of water rights.

Section 3- Authorizes the sale of one billion dollars in general obligation bonds for purposes of this act. (4) identifies riparian areas that have or will have value as fish and/or wildlife habitat.

Section 4- Deposits the proceeds from the sale of general obligation bonds into the Clean Water Investment Account. Ten percent shall be used for identifying, acquiring, improving and maintaining riparian areas.

Section 5-

(1) Proceeds from the sale of the bonds are to be administered by the administering agencies.

(3) Not more than four percent can be used for administrative expenses.

(4) Every two years the administering agencies will provide performance accounting reports to the legislature. The reports are to quantify performance measures and if possible provide monitoring information and benefit to the public.

(6) All riparian habitat land must be acquired from a willing seller either through a fee simple purchase or a permanent conservation easement. At least seventy-five percent of the land purchased must be or have been for agricultural purposes.

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 assumption translates 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 assumption translates into cost estimates. Distinguish between one time and ongoing functions.

Section 5:

IAC assumes it would be the administering agency for the Riparian Land Acquisition grant program. The total for the ten-year period would be \$100 million. Of that, up to \$4 million would be used for administration of the grant program.

The Riparian Land Acquisition grant program would be run in conjunction with our recreation and habitat grant programs through a competitive grant process. Applications would be due to IAC the first of May of even-numbered years. This is consistent with the Washington Wildlife Recreation Program (WWRP) for the purchase of habitat lands.

Between passage of the bill and February of 2002, rules and regulations for the awarding of grants and procedures for establishing criteria for allocation of funds would be developed by an advisory committee and IAC staff and adopted by the IAC board. All IAC manuals pertaining to the purchase of land would have to be reprinted. Our in-house database would be modified to accept the grant criteria. Initial startup would consist of a part-time planner to assist with the development of rules, regulations and grant criteria; the Assistant Director would supervise the modification of the database. On-going costs would consist of project managers, a part-time accountant, a portion of the Financial Manager, and a Special Project Coordinator. IAC would contract with the Attorney General's office to provide legal assistance in the preparation of conservation easements.

Staff would provide technical assistance to applicants and project sponsors. Project management would consist of entering applications into the project management database, writing agreements, managing the project, approving bills and providing a report to the legislature every two years.

The first grant application cycle would begin May 2002. Grants would be awarded the fall of 2002 and every two years through 2011. Grants would be 2-3 years in length. Funding for this program would be divided equally among the five biennia.

Expenditures for FY08 would be \$366,050; FY09-\$19,566,050; FY10-\$366,050; FY11, \$19,566,050; FY12-\$257,905 and FY13-\$130,530

Total cost of this project for 12 fiscal years is: \$99,954,200

Grants \$96,000,000

Administration: 3,985,765

Part III: Expenditure Detail

III.A-Expenditures By Object Or Purpose

	FY2002	FY2003	2001-03	2003-05	2005-07
FTE Staff Years	1.6	2.6	2.1	2.9	2.4
A-Salaries and Wages	83,304	138,588	221,892	313,680	313,680
B-Employee Benefits	20,826	34,647	55,473	78,420	78,420
C-Personal Service Contracts	30,000	25,000	55,000	10,000	10,000
E-Goods and Services	15,000	25,000	40,000	40,000	40,000
G-Travel	25,000	30,000	55,000	50,000	50,000
J-Capital Outlays	10,000	10,000	20,000	10,000	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		19,200,000	19,200,000	19,200,000	19,200,000
P-Debt Service					
S-Interagency Reimbursements	10,000	20,000	30,000	40,000	40,000
T-Intra-Agency Reimbursements					
9-Indirect	50,000	100,000	150,000	200,000	200,000
Total:	\$244,130	\$19,583,235	\$19,827,365	\$19,942,100	\$19,932,100

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	FY2002	FY2003	2001-03	2003-05	2005-07
Accountant 2	3,256		.3	.1	.3	.3
Assistant Director		.2	.2	.2		
Financial Manager	5,025	.1	.1	.1	.1	.1
Planner 2		.5		.3		
Rec Project Manager 2	4,378		.5	.3	1.0	1.0
Rec Project Manager 3	4,836	.5	1.0	.8	1.0	.5
Special Project Coordinator	5,500	.3	.5	.4	.5	.5
Total		1.6	2.6	2.2	2.9	2.4

Part IV: Capital Budget Impact

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

Construction Estimate	FY2002	FY2003	2001-03	2003-05	2005-07
Acquisition		19,200,000	19,200,000	19,200,000	19,200,000
Construction					
Other					
Totals:		\$19,200,000	\$19,200,000	\$19,200,000	\$19,200,000

The Riparian Land Acquisition grant program would be run in conjunction with our recreation and habitat grant programs through a competitive grant process.

Applications would be due to IAC the first of May of even-numbered years. This is consistent with the Washington Wildlife Recreation Program (WWRP) for the purchase of habitat lands.

The first grant application cycle would begin May 2002. \$19,200,000 in riparian grants would be awarded the fall of 2002 and every two years thereafter. Funding for this program would be divided equally among the five biennia

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.

IndividualStateAgencyFiscalNote

BillNumber: 2147HB	Title: Cleanwaterinvestment	Agency: 471-StateConservation Commission
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PartI:Estimates

☐ NoFiscalImpact

EstimatedCashReceiptsto:

Fund					
Total					

EstimatedExpendituresfrom:

IndeterminateImpact

Thecashreceiptsandexpenditureestimatesonthispagerepresentthemostlikelyfiscalimpact.Factorsimpactingtheprecisionoftheseestimates, andalternateranges(ifappropriate),areexplainedinPartII.

Checkapplicableboxesandfollowcorrespondinginstructions:

- ☒ Iffiscalimpactisgreaterthan\$50,000perfiscalyearinthecurrentbienniumorinsubsequentbiennia,completeentirefiscalnote formPartsI-V.
- ☐ Iffiscalimpactislessthan\$50,000perfiscalyearinthecurrentbienniumorinsubsequentbiennia,completethispageonly(PartI).
- ☐ Capitalbudgetimpact,completePartIV.
- ☐ Requiresnewrulemaking,completePartV.

LegislativeContact:	Phone:	Date: 02/26/2001
AgencyPreparation: VickiFlynn	Phone: 360-407-6202	Date: 03/02/2001
AgencyApproval: SteveMeyer	Phone: (360)407-6201	Date: 03/05/2001
OFMReview: Ann-MarieSweeten	Phone: 360-902-0538	Date: 03/05/2001

PartII:NarrativeExplanation

II.A-BriefDescriptionOfWhatTheMeasureDoesThatHasFiscalImpact

Brieflydescribe,bysectionnumber,thesignificantprovisionsofthebill,andanyrelatedworkloadorpolicyassumptions,thathaverevenueor expenditureimpactontherespondingagency.

Sec.2(1)statesthatthelegislaturewillidentifyagenciesresponsibleforadministeringfundsmadeavailableunderthis chapter.AssumptionisthatDepartmentofEcologyandDepartmentofHealthwillbeprimaryadministeringagencies.

Sec.4specifiestheformulaforthelegislaturetoappropriatefundsfromthecleanwaterinvestmentaccount,2001. Assumptionisthatconservationdistrictswillbelikelyrecipientsoffundsforidentifying,acquiring,improving,and maintainingriparianareasthatcurrentlyhaveorwillhavevalueasfishand/orwildlifehabitat.Administrationoffunds forthesepurposes toconservationdistrictsmaybehandledbytheConservationCommissionorthedeptmentof Ecology.

Sec.5(1)statesthatthelegislaturewilldesignateadministeringagencieswhenitappropriatesthefundsmadeavailable fromthecleanwaterinvestmentaccount,2001.

Sec.5(3)statesthatnotmorethanfourpercentoftheproceedsofthebondissuemaybeusedtopayforthecostof administration.

II.B-CashreceiptsImpact

Brieflydescribeandquantifythecashreceiptsimpactofthelegislationontherespondingagency,identifyingthecashreceiptsprovisionsbysection numberandwhenappropriate,thetdetailoftherevenuesources.Brieflydescribethefactualbasisoftheassumptionsandthemethodbywhichthe cashreceiptsimpactisderived.Explainhowworkloadassumptionstranslateintoestimates.Distinguishbetweenonetimeandongoingfunctions.

II.C-Expenditures

Brieflydescribetheagencyexpendituresnecessarytoimplementthislegislation(orsavingsresultingfromthislegislation),identifyingbysection numbertheprovisionsofthelegislationthatresultintheexpenditures(orsavings).Brieflydescribethefactualbasisoftheassumptionsandthe methodbywhichtheexpenditureimpactisderived.Explainhowworkloadassumptionstranslateintocostestimates.Distinguishbetweenonetime andongoingfunctions.

IfthelegislaturedesignatestheConservationCommissionasanadministeringagencyforaportionofthecleanwater investmentaccount,2001,theCommissionwillhaveexpendituresrelatedtotheadministrationofgrants toconservation districts.Thecostofadministrationwillbenotmorethanfourpercentoftheappropriation,asspecifiedinSec.5(3).

PartIII:ExpenditureDetail

PartIV:CapitalBudgetImpact

PartV:NewRuleMakingRequired

Identifyprovisions of themeasure that require the agency to adopt new administrative rules or repeal/revise existing rules.

IndividualStateAgencyFiscalNote

BillNumber: 2147HB	Title: Cleanwaterinvestment	Agency: 495-Departmentof Agriculture
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PartI:Estimates

☒ NoFiscalImpact

Thecashreceiptsandexpenditureestimatesonthispagerepresentthemostlikelyfiscalimpact.Factorsimpactingtheprecisionoftheseestimates, andalternateranges(ifappropriate),areexplainedinPartII.

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- ☐ Iffiscalimpactislessthan\$50,000perfiscalyearinthecurrentbienniumorinsubsequentbiennia,completethispageonly(PartI).
- ☐ Capitalbudgetimpact,completePartIV.
- ☐ Requiresnewrulemaking,completePartV.

LegislativeContact:	Phone:	Date: 02/26/2001
AgencyPreparation: LindaCrerar	Phone: 360-902-1818	Date: 02/27/2001
AgencyApproval: MarkJohnson	Phone: 360-902-1986	Date: 03/07/2001
OFMReview: Ann-MarieSweeten	Phone: 360-902-0538	Date: 03/08/2001