

Multiple Agency Fiscal Note Summary

Bill Number: 2287 HB	Title: Requiring state agencies to use one hundred percent recycled content paper.
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Estimated Cash Receipts

Agency Name	2009-11		2011-13		2013-15	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of General Administration	0	1,847,187	0	462,918	0	462,918
Total \$	0	1,847,187	0	462,918	0	462,918

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

Estimated Expenditures

Agency Name	2009-11			2011-13			2013-15		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Administrative Office of the Courts	.0	0	18,240	.0	0	18,240	.0	0	18,240
Public Printer	.0	0	220,000	.0	0	220,000	.0	0	220,000
Department of General Administration	3.8	0	1,847,187	5.0	0	462,918	5.0	0	462,918
Department of Information Services	.0	0	2,708,976	.0	0	683,976	.0	0	341,988
Higher Education Coordinating Board	.0	824,192	824,192	.0	824,192	824,192	.0	824,192	824,192
Department of Ecology	Fiscal note not available								
Community and Technical College System	.0	321,000	321,000	.0	(234,000)	(234,000)	.0	(234,000)	(234,000)
Total	3.8	\$1,145,192	\$5,939,595	5.0	\$590,192	\$1,975,326	5.0	\$590,192	\$1,633,338

Local Gov. Courts *									
Local Gov. Other **									
Local Gov. Total									

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Prepared by: Linda Steinmann, OFM	Phone: 360-902-0573	Date Published: Final
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 23677

FNS029 Multi Agency rollup

Judicial Impact Fiscal Note

Bill Number: 2287 HB	Title: Requiring state agencies to use one hundred percent recycled content paper.	Agency: 055-Admin Office of the Courts
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2010	FY 2011	2009-11	2011-13	2013-15
Counties					
Cities					
Total \$					

Estimated Expenditures from:

STATE	FY 2010	FY 2011	2009-11	2011-13	2013-15
State FTE Staff Years					
Fund					
Public Safety and Education Account-State 02v-1	9,120	9,120	18,240	18,240	18,240
State Subtotal \$	9,120	9,120	18,240	18,240	18,240
COUNTY	FY 2010	FY 2011	2009-11	2011-13	2013-15
County FTE Staff Years					
Fund					
Local - Counties					
Counties Subtotal \$					
CITY	FY 2010	FY 2011	2009-11	2011-13	2013-15
City FTE Staff Years					
Fund					
Local - Cities					
Cities Subtotal \$					
Local Subtotal \$					
Total Estimated Expenditures \$	9,120	9,120	18,240	18,240	18,240

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

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.

Legislative Contact	Jaclyn Ford	Phone: 360-786-7339	Date: 02/20/2009
Agency Preparation:	Julia Appel	Phone: (360) 705-5229	Date: 02/26/2009
Agency Approval:	Dirk Marler	Phone: 360-705-5211	Date: 02/26/2009
OFM Review:	Cherie Berthon	Phone: 360-902-0659	Date: 02/27/2009

Request # -1

Part II: Narrative Explanation

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

Section 2 requires that, by December 31, 2009, all state agencies shall purchase one hundred percent recycled content paper. State agencies are encouraged to give priority to purchasing from companies that produce paper in facilities that generate energy from a renewable energy source.

The office of waste reduction shall coordinate with each state agency in developing and implementing a paper conservation program and a paper recycling program. Each state agency shall endeavor to conserve paper by at least thirty percent of their current paper use.

II. B - Cash Receipts Impact

II. C - Expenditures

The Administrative Office of the Courts anticipates spending \$29,620 in 2009 on copy paper. The requirement to use 100% recycled paper would increase that cost by 31% to \$38,740, a difference of \$9,120. This projection does not account for inflationary paper cost increases or for possible reductions in total expenditures due to conservation efforts.

In addition, the AOC spends \$6,458 annually on cover stock and colored paper, and \$139,804 annually on court forms paper. This paper is not currently available with 100% recycled content. If 100% recycled paper becomes available, it is assumed that those costs would also increase by approximately 31% or \$45,340 annually.

Part III: Expenditure Detail

III. A - Expenditure By Object or Purpose (State)

State	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years					
Salaries and Wages					
Employee Benefits					
Personal Service Contracts					
Goods and Services	9,120	9,120	18,240	18,240	18,240
Travel					
Capital Outlays					
Inter Agency/Fund Transfers					
Grants, Benefits & Client Services					
Debt Service					
Interagency Reimbursements					
Intra-Agency Reimbursements					
Total \$	9,120	9,120	18,240	18,240	18,240

III. B - Expenditure By Object or Purpose (County)

County	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years					
Salaries and Benefits					
Capital					
Other					
Total \$					

III. C - Expenditure By Object or Purpose (City)

<i>City</i>	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years					
Salaries and Benefits					
Capital					
Other					
Total \$					

Part IV: Capital Budget Impact

Individual State Agency Fiscal Note

Bill Number: 2287 HB	Title: Requiring state agencies to use one hundred percent recycled content paper.	Agency: 130-Public Printer
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Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
Fund					
Printing Plant Revolving Account-Non-Appropriated -6 420	110,000	110,000	220,000	220,000	220,000
Total \$	110,000	110,000	220,000	220,000	220,000

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: Jaclyn Ford	Phone: 360-786-7339	Date: 02/20/2009
Agency Preparation: Tsuneko Thompson	Phone: 360-570-5029	Date: 02/26/2009
Agency Approval: Dan Swisher	Phone: 360-570-5555	Date: 02/26/2009
OFM Review: Ryan Black	Phone: 360-902-0417	Date: 02/26/2009

Request # 2009-1S-2-2

Part II: Narrative Explanation

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

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

This bill, as indicated in Sec. 2, requires that by December 31, 2009, all state agencies shall purchase one hundred percent recycled content paper. Additionally, in the purchase of that paper, priority shall be given to companies that produce that paper in Washington State in facilities that generate energy for their operation from a renewable source.

The bill would also require agencies to endeavor to reduce paper consumption by thirty percent and establish a paper recycling program.

As the bill is written, it would prohibit the Department of Printing and its customers (state agencies, colleges, elected and appointed officials, and local governments) from printing many of their publications. Most publications have a cover; brochures are often printed on coated (glossy) stock; color paper is often used for meeting notices and inserts; and the Department of Information Services requires a laser bond for production printing. All of these types of paper, along with hundreds of others, are not available as one hundred percent recycled content. Without cover stock, publications like the budget, healthcare booklets, and the legislative guide to services would have a text cover and the light cover would severely limit binding options. Coated paper would not be available to enhance presentation of our state parks or other programs like GET.

The cost to produce paper with one hundred percent recycled content is significant and that cost is reflected in the price. The cost of cut sheet paper (copier paper) and parent size paper would increase by 19%.

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 Printing anticipates an increased cost in paper of one hundred ten thousand dollars (\$110,000) annually. This increased cost was based on the department's use of house sheets (parent stock), cut sheet (copier paper), envelope stock and roll stock (forms), over a one year period.

It should be noted that, while this fiscal note reflects an increased cost in paper of \$110,000 annually, that amount represents use of PRT house stock only. This does not include publications/documents produced on other types of paper such as matte, coated, or color. Approximately 40% of the department's printing jobs are on these alternate paper types.

Paper product pricing is volatile; two to three price increases in a year are not uncommon. We have experienced paper price increases of 2-12% in a year.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-F Cost of Goods Sold	110,000	110,000	220,000	220,000	220,000
Total:	\$110,000	\$110,000	\$220,000	\$220,000	\$220,000

Part IV: Capital Budget Impact

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Revised

Bill Number: 2287 HB	Title: Requiring state agencies to use one hundred percent recycled content paper.	Agency: 150-Dept of General Administration
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2010	FY 2011	2009-11	2011-13	2013-15
General Administration Service Account-Non-Appropriated 422-6	1,615,728	231,459	1,847,187	462,918	462,918
Total \$	1,615,728	231,459	1,847,187	462,918	462,918

Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years	2.5	5.0	3.8	5.0	5.0
Fund					
General Administration Service Account-Non-Appropriated 422 -6	1,615,728	231,459	1,847,187	462,918	462,918
Total \$	1,615,728	231,459	1,847,187	462,918	462,918

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: Jaclyn Ford	Phone: 360-786-7339	Date: 02/20/2009
Agency Preparation: David Boyle	Phone: 360-902-7217	Date: 02/27/2009
Agency Approval: Tristan Wise	Phone: 360-902-7356	Date: 02/27/2009
OFM Review: Regan Hesse	Phone: 360-902-9820	Date: 02/27/2009

Part II: Narrative Explanation

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

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

This bill would require state agencies to purchase 100% recycled content paper. State agencies would also be encouraged to give priority to purchasing from companies that produce paper in facilities that generate energy from renewable energy sources and to attempt to reduce overall paper use by 30%.

Sec. 1. NEW SECTION - Purpose and intent

Outlines the economic and environmental advantages of this bill.

Sec. 2. NEW SECTION - added to RCW 70.95C, Department of Ecology (DOE) Waste Reduction

(1) The requirement to purchase 100% recycled content paper would become effective 12/31/2009

(2) Tasks DOE office of waste reduction to coordinate with state agencies in implementing

(a) Conservation program

(b) Paper recycling program

(3) Defines "state agencies" to include colleges, universities, courts, elected offices and agencies

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 GA program that would implement this bill, Consolidated Mail Services, will recover costs using the rate setting process currently in place.

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.

HB 2287 – 100% Recycled paper

Fiscal impact to GA is equipment, staff and staffing-related costs to maintain all requirements of this bill. Staffing-related costs are assumed to be Object E, estimated at 10% of Salary and Benefit costs.

Sec. 2 – Use only 100% recycled paper by 12/31/09.

Based on current contract information, 100% recycled paper costs approximately 20% more than paper with 30% recycled content. While this bill does not mandate a reduction in paper usage, it does require agencies to attempt to reduce paper usage by 30%. For the purpose of this fiscal note, it is assumed that GA, through a concerted effort, will be able to reduce paper usage by 20%. Consequently, there will be no net cost/savings to switch to paper with 100% recycled content.

For Consolidated Mail Services (CMS), most of their jobs are deadline driven, and some of these deadlines are mandated for the customers by statute. The current manuals for equipment at CMS indicates that machines are only

rated to run paper with up to 30% recycled content. In addition, CMS attempts to use recycled content paper demonstrated that the machines had a higher error rate and had to be operated at a much slower pace. Because it is unacceptable for performance to decline and to miss deadlines, CMS will need to increase staffing and machinery to account for slower operation.

To use 100% recycled content paper, it is estimated that machines will need to run 33% slower than current operation. There are currently 4 machines running at full capacity and 11 employees in the mail room. If machines run 33% slower, it is assumed that beginning on January 1, 2010, 5 staff (Office Assistant 2, Range 28) and 2 machines will need to be added to maintain current performance levels.

Staffing costs are assumed to be 2.5 FTE (Office Assistant 2, Range 28 in FY10), and 5 FTE (Office Assistant 2, Range 28) each fiscal year thereafter.

Full staff and staffing-related costs are: FY10 = \$115,279; FY11 & ongoing = \$231,458.

Equipment (mail inserters) is estimated to cost \$750,000 each, and two machines will need to be purchased within FY10 to fulfill requirements of this bill (\$1,500,000 total).

Indirect costs are calculated at 23% of Salaries and Benefits as determined by the GA Cost Allocation Rate Model, approved by OFM. Indirect costs are comprised of agency indirects, which includes HR, IS, Director's office and Finance office, Revolving Fund charges and Division/Cost Center Indirect charges.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years	2.5	5.0	3.8	5.0	5.0
A-Salaries and Wages	67,980	135,960	203,940	271,920	271,920
B-Employee Benefits	19,034	38,069	57,103	76,138	76,138
C-Personal Service Contracts					
E-Goods and Services	8,701	17,403	26,104	34,806	34,806
G-Travel					
J-Capital Outlays	1,500,000		1,500,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	20,013	40,027	60,040	80,054	80,054
9-					
Total:	\$1,615,728	\$231,459	\$1,847,187	\$462,918	\$462,918

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

Job Classification	Salary	FY 2010	FY 2011	2009-11	2011-13	2013-15
Office Assistant 2 (CMS)	27,192	2.5	5.0	3.8	5.0	5.0
Total FTE's	27,192	2.5	5.0	3.8	5.0	5.0

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.

Individual State Agency Fiscal Note

Bill Number: 2287 HB	Title: Requiring state agencies to use one hundred percent recycled content paper.	Agency: 155-Department of Information Services
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
Fund					
Data Processing Revolving Account-Non-Appropriated -6 419	2,366,988	341,988	2,708,976	683,976	341,988
Total \$	2,366,988	341,988	2,708,976	683,976	341,988

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:

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- ☐ 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: Jaclyn Ford	Phone: 360-786-7339	Date: 02/20/2009
Agency Preparation: Connie Robins	Phone: 360-902-2987	Date: 02/27/2009
Agency Approval: Connie Robins	Phone: 360-902-2987	Date: 02/27/2009
OFM Review: Regan Hesse	Phone: 360-902-9820	Date: 02/27/2009

Request # 2287 v2-2

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 legislative intent.

Section 2 adds a new section to RWC 70.95C

Subsection 1 directs state agencies to purchase 100 percent recycled content paper by December 31, 2009. State agencies are

encouraged to purchase paper from companies whose facilities are powered from a renewable energy source.

Subsection 2 directs the Office of Waste Reduction to coordinate with state agencies to develop and implement:

(Subsection 2a) A paper conservation program with the goal of reducing current paper use by 30 percent

(Subsection 2b) A paper recycling program for all paper products.

Section 3 defines "state agencies" as colleges, community colleges, universities, offices of elected and appointed officers, the supreme court, court of appeals, and state administrative departments.

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.

Sections 1 and 3: No fiscal impact.

Section 2(1):

The Department of Information Services (DIS) Production Service produces 8 million pages of print a month, using high-volume, high-speed laser printers. 1 in 5 families in Washington receive a product from this service, including unemployment and Labor and Industries payments. The current printers use 100 percent new paper, as in paper that contains no recycled material. The machines are not capable of peak performance when paper containing recycled paper is used. The introduction of paper with recycled content results in machine jams and breakage, delaying critical service delivery. Currently, there are no high-volume, high-speed laser printers on the market that are capable of both meeting the needs of DIS Production Service and using recycled paper. Several agencies use DIS Production Services to produce State warrants and other financial and legal documents such as licenses, which are printed on "security paper". It is unknown if this "security paper" is available in 100 percent content.

For DIS to meet this critical service need, additional printers will need to be purchased,. This will create duplicative systems so that the work so that production is not stopped when the current high-volume printers are broken.

Currently, to meet our service requirements, DIS uses four high-volume, high-speed laser printers; two are owned by DIS and two are owned by the Department of Social and Health Services (DSHS). Each printer costs \$500,000 for a total new investment for DIS of \$1,000,000. DSHS has two printers DIS operates and maintains at DIS production

facility and DSHS would need to purchase new printers to meet this requirement.

The paper primarily used in DIS's high-volume, high-speed laser printers (9510 roll paper) is available in 100 percent recycled content. This version is 43 percent more expensive than the current price, resulting in an estimated additional cost of \$150,000 annually. A similar increase would be seen for other paper used by DIS Production Services. Total estimated increased cost per year to DIS would be \$350,000 starting after procurement of new printers and no later than January 2010.

RCW 43.105.052(2) requires that DIS services are fully cost-recoverable; therefore, this increase would be passed along to DIS customers.

DIS Staff Functions:

A 30 percent reduction in current office paper usage from 520 cases (5000 sheets per case) to 364 cases would amount to a projected annual cost of \$15,743, a cost savings of \$8,012.68 or 34 percent over the last fiscal year. This savings would be recognized starting FY 2010.

While we have had success using 40 - 60 percent recycled content office paper on our existing high capacity photocopiers; they have demonstrated the inability to function reliably using 100 percent recycled content paper. DIS would have to replace all existing high capacity photocopiers at an estimated cost for DIS of \$225,000 (15 copiers at \$15,000 per unit) in FY 2010.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services	166,988	341,988	508,976	683,976	683,976
G-Travel					
J-Capital Outlays	1,225,000		1,225,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$1,391,988	\$341,988	\$1,733,976	\$683,976	\$683,976

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: 2287 HB	Title: Requiring state agencies to use one hundred percent recycled content paper.	Agency: 343-Higher Education Coordinating Board
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

		FY 2010	FY 2011	2009-11	2011-13	2013-15
Fund						
General Fund-State	001-1	412,096	412,096	824,192	824,192	824,192
Total \$		412,096	412,096	824,192	824,192	824,192

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.

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- ☐ 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:	Jaclyn Ford	Phone: 360-786-7339	Date: 02/20/2009
Agency Preparation:	Pam Mead	Phone: 360-753-7862	Date: 03/10/2009
Agency Approval:	Jan Ignash	Phone: 360-704-4168	Date: 03/10/2009
OFM Review:	Marc Webster	Phone: 360-902-0650	Date: 03/10/2009

Request # 126-2

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.

House Bill 2287 would require state agencies to purchase 100 percent recycled content paper by December 31, 2009. In addition, the Office of Waste Reduction will work with each state agency in developing and implementing a paper conservation program to reduce paper consumption by 30 percent. This bill carries fiscal impact in the form of expenditures, as four-year institutions and the Higher Education Coordinating Board will need to purchase 100 percent recycled paper, which is more expensive than paper currently used by these agencies. In addition, these agencies may experience savings from using less paper but the extent of that aspect of this legislation is indeterminate at this time.

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.

Purchasing 100 percent recycled content paper will result in additional expenditures, as this paper type is more expensive than the mixed source paper currently used by the four-year institutions and the HECB. The cost estimates below are based on the assumption that this legislation applies to printer and copier paper only and not other types of paper such as legal pads, post-its, and fine printing paper as well as publications.

Institutions of Higher Education and HECB analysis anticipates a variable price premium to buy 100 percent recycled paper between 10-20% over paper currently in use.

The expenditure detail for this fiscal note reflects current levels of printer and copier paper usage and a 20% cost premium, implemented in full by July 1, 2009.

The Evergreen State College is not included in this estimate, as they already use 100 percent recycled paper.

Institution	Base Cost	10 percent cost increase	20 percent cost increase
University of Washington	\$978,080	\$97,808	\$195,616
Washington State University	\$538,000 estimate	\$53,800	\$107,600
Central Washington University	\$200,000 estimate	\$20,000	\$40,000
Eastern Washington University	\$178,000 estimate	\$17,800	\$35,600
Western Washington University	\$160,000 estimate	\$16,000	\$32,000
HECB	\$6,400 estimate	\$640	\$1,280
Estimated Total		\$206,048	\$412,096

It is assumed that the cost of creating and implementing a paper conservation program would be absorbed by the institutions and HECB within current resources.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services	412,096	412,096	824,192	824,192	824,192
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$412,096	\$412,096	\$824,192	\$824,192	\$824,192

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: 2287 HB	Title: Requiring state agencies to use one hundred percent recycled content paper.	Agency: 699-Community/Technical College System
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
Fund					
General Fund-State 001-1	253,000	68,000	321,000	(234,000)	(234,000)
Total \$	253,000	68,000	321,000	(234,000)	(234,000)

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: Jaclyn Ford	Phone: 360-786-7339	Date: 02/20/2009
Agency Preparation: Paula Moore	Phone: 360-704-4384	Date: 02/26/2009
Agency Approval: Denise Graham	Phone: 360-704-4350	Date: 02/26/2009
OFM Review: Marc Webster	Phone: 360-902-0650	Date: 02/26/2009

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 2287 requires all state agencies to purchase 100% recycled content paper, effective December 31, 2009. Agencies are encouraged to purchase from companies producing paper in facilities generating energy from a renewable energy source.

The office of waste reduction shall coordinate with each state agency in developing and implementing:

- a) A paper conservation program. Each state agency shall endeavor to conserve paper by at least 30% of their current paper use.
- b) A paper recycling program to help encourage recycling of all paper products.

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.

100% Recycled Paper[^]:

Colleges currently use paper comprised of 30% recycled content or 40% recycled content. One case of 40% recycled paper is \$33.81. A case of 100% recycled paper is \$44.29, or an additional \$10.48 per case. The State Board estimates the college system uses 41,800 cases of paper per year. Converting to 100% recycling paper would cost an additional \$219,000 for FY 2009, and \$438,000 for a full year.

Paper Conservation Program:

The State Board assumes the system could reduce its paper usage over a 3 year period, starting in FY 2010, reducing 10% per year.

In FY 2010, the savings would be 4,180 cases of paper, or \$185,000.

In FY 2011, the savings would be 8,360 cases of paper, or \$370,000

In FY 2012, the goal of 30% reduction would be achieved and the savings would be 12,540 cases of paper, or \$555,000.

Net Impact:

FY 2010: Recycled Paper Cost: \$438,000 Less Conservation Savings of \$185,000= \$253,000 in expenditures

FY 2011: Recycled Paper Cost: \$438,000 Less Conservation Savings of \$370,000= \$68,000 in expenditures

FY 2012 and beyond: Recycled Paper Cost: \$438,000 Less Conservation Savings of \$555,000= \$117,000 in savings

All expenditures would apply to object E, goods and services.

[^]A note regarding paper usage and machines:

100 percent recycled papers is currently approved for use in copy machines. The vendors of the printers and fax machines used at the State Board and community and technical colleges recommend against using 100 percent recycled paper. They note increased maintenance costs associated with the use of 100 percent recycled paper. The State Board and colleges currently use 40 percent recycled paper for those machines.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services	253,000	68,000	321,000	(234,000)	(234,000)
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$253,000	\$68,000	\$321,000	(\$234,000)	\$(234,000)

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.