

Multiple Agency Fiscal Note Summary

Bill Number: 5412 SB	Title: Greenhouse gas/transp. fuels
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Estimated Cash Receipts

Agency Name	2019-21		2021-23		2023-25	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of Attorney General	0	47,000	0	0	0	0
Department of Ecology	0	0	0	964,316	0	1,263,546
Total \$	0	47,000	0	964,316	0	1,263,546

Estimated Operating Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Joint Legislative Audit and Review Committee	.4	144,800	144,800	.1	58,900	58,900	.3	212,100	212,100
Office of Attorney General	.2	0	47,000	.0	0	0	.0	0	0
Department of Commerce	.2	61,015	61,015	.2	81,354	81,354	.1	40,677	40,677
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
Department of Ecology	5.8	1,686,333	1,686,333	5.2	299,252	1,263,568	5.2	0	1,263,546
Department of Agriculture	.0	5,000	5,000	.0	5,000	5,000	.0	5,000	5,000
Total \$	6.6	1,897,148	1,944,148	5.5	444,506	1,408,822	5.6	257,777	1,521,323

Estimated Capital Budget Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Joint Legislative Audit and Review Committee	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
Department of Agriculture	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

NONE

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

** See local government fiscal note

FNPID: 53932

FNS029 Multi Agency rollup

Prepared by: Linda Steinmann, OFM	Phone: 360-902-0573	Date Published: Final 1/30/2019
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note
FNPID: 53932

Individual State Agency Fiscal Note

Bill Number: 5412 SB	Title: Greenhouse gas/transp. fuels	Agency: 014-Joint Legislative Audit and Review Committee
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.0	0.7	0.4	0.1	0.3
Account					
General Fund-State 001-1	3,500	141,300	144,800	58,900	212,100
Total \$	3,500	141,300	144,800	58,900	212,100

Estimated Capital Budget Impact:

NONE

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

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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: Kim Cushing	Phone: (360) 786-7421	Date: 01/22/2019
Agency Preparation: Rebecca Connolly	Phone: 360-786-5175	Date: 01/24/2019
Agency Approval: Keenan Konopaski	Phone: 360-786-5187	Date: 01/24/2019
OFM Review: Linda Hamilton	Phone: (360) 902-0556	Date: 01/24/2019

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.

OVERVIEW

The bill directs the Department of Ecology (Ecology) to adopt rules establishing a Clean Fuels Program. The rules must reduce the greenhouse gas emissions per unit of transportation fuel energy to 10 percent below 2017 levels by 2028 and 20 percent below 2017 levels by 2035. Certain categories of fuel are excluded.

The bill has specific rule-making requirements including compliance monitoring and the ability to trade and bank credits. The bill allows certain fees to continue to be deposited in the Multimodal Transportation Fund if the low-carbon fuel standards follow explicit legislative authorization.

The program must start January 1, 2021. Ecology must submit recommendations to the Legislature each year beginning December 1, 2022. Ecology also must publish annual reports beginning May 1, 2023 that includes information about credits and deficits, volumes and mean prices per unit of energy, estimated costs or savings, reductions in greenhouse gas emissions, and estimated cost per ton of emissions. The Department of Commerce must develop a periodic fuel supply forecast to project the availability of fuels necessary to comply with the Clean Fuels Program.

JLARC ANALYSIS

Section 12 of the bill mandates a JLARC study to be completed by December 1, 2027. The study must analyze the impacts of the program over the initial five years, including:

- Costs and benefits, including environmental and public health benefits, for participants in the program or those most impacted by air pollution. The analysis must assess the costs and benefits of changes in:
 - o Levels of greenhouse gas emissions and criteria air pollutants.
 - o Fuel prices.
 - o Total employment in categories of industries generating credits or deficits.
- An evaluation of the information and calculations in the annual reports required of the Department of Ecology.
- A summary of estimated total statewide costs and benefits of the program, including state agency administrative costs and compliance costs of regulated entities.

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.

JLARC assumes a two-phase approach to this audit. This fiscal note includes costs only for Phase 1. The cost of Phase 2 cannot be estimated until Phase 1 is complete.

The bill requires answering a number of complex questions about the costs and benefits of a low-carbon fuel standard from multiple perspectives. Such analyses require highly specialized skills, modeling, and knowledge.

- In Phase 1, JLARC staff will monitor the bill's implementation. Staff also will work with consultants to develop methodologies for the required modeling and analysis to support the study and the estimated funding needed in Phase 2.
- In Phase 2, JLARC staff would contract with consultants to conduct analysis to support the study. That work would take place in calendar years 2026 and 2027.

Phase 1 details:

Beginning in fiscal year 2020, JLARC staff will work with the Department of Ecology to understand the processes, rules, and reporting structure it is using to implement the bill. At this time, JLARC staff also will begin contracting with consultants that have relevant expertise to help us identify the methods and data requirements for the full study. The consultants also will assist with monitoring implementation and reviewing reports and data produced by Ecology.

Beginning in 2023, JLARC staff and the consultants will begin to assess available data sources and develop the potential methodologies for the full study. JLARC staff anticipate providing a briefing report to the Legislature in January 2024. This report will outline how the questions could be addressed and identify the funding needed for consultants to perform the required modeling and analysis to support the study.

JLARC estimates its costs to be divided between a) JLARC staff costs, and b) the costs associated with engaging external experts to assist JLARC staff in completing its assignment.

a) JLARC estimates its costs based on audit months (approximately \$17,200 per audit month). JLARC estimates it will take 13 audit months to complete Phase 1 (monitoring implementation and working with consultants to develop the methodologies and costs to conduct the study in Phase 2). These audit months do not include Phase 2 completion of the required analysis, which will be conducted at a time beyond that covered by this fiscal note.

b) Consultant Costs: JLARC anticipates engaging consultant(s) to assist with developing methods and identifying the data requirements for the full study. Consultants also will be engaged to assist with reviewing data and program implementation during the initial five years of the program. We estimate consultant costs of \$199,000.

JLARC assumes comparable consultant efforts and costs made available for previous studies, and estimated costs reflect JLARC's recent experience in contracting with external entities for similar work.

JLARC ASSUMES THAT THE ASSIGNMENT IN THIS PROPOSED BILL MAY REQUIRE ADDITIONAL RESOURCES. JLARC WILL ASSESS ALL OF THE ASSIGNMENTS MANDATED IN THE 2019 LEGISLATIVE SESSION. BASED ON ALL LEGISLATION THAT IS PASSED, JLARC MAY SUBSEQUENTLY DETERMINE THAT IT CAN ABSORB THE COSTS FOR THIS PROPOSED BILL IN ITS BASE BUDGET, IF THE WORKLOAD OF OTHER ENACTED LEGISLATION DOES NOT EXCEED CURRENT STAFFING LEVELS. HOWEVER, ADDITIONAL RESOURCES TO COVER CONSULTANT COSTS OF \$199,000 WOULD NEED TO BE PROVIDED.

JLARC Audit Months: JLARC calculates its staff resources in "Audit Months" to estimate the time and effort to undertake and complete its studies. An "Audit Month" reflects a JLARC analyst's time for a month, together with related administrative, support, and goods/services costs. JLARC's anticipated 2019-21 costs are calculated at approximately \$17,200 per audit month.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	3,500	141,300	144,800	58,900	212,100
Total \$			3,500	141,300	144,800	58,900	212,100

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		0.7	0.4	0.1	0.3
A-Salaries and Wages	2,200	60,500	62,700	14,000	59,400
B-Employee Benefits	700	19,000	19,700	4,500	18,700
C-Professional Service Contracts		45,000	45,000	36,500	117,500
E-Goods and Other Services	600	15,700	16,300	3,600	15,400
G-Travel		1,100	1,100	300	1,100
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 \$	3,500	141,300	144,800	58,900	212,100

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

Job Classification	Salary	FY 2020	FY 2021	2019-21	2021-23	2023-25
Research Analyst	96,779		0.5	0.3	0.1	0.2
Support staff	65,838		0.2	0.1		0.1
Total FTEs			0.7	0.4	0.1	0.3

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: 5412 SB	Title: Greenhouse gas/transp. fuels	Agency: 100-Office of Attorney General
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2020	FY 2021	2019-21	2021-23	2023-25
Legal Services Revolving Account-State 405-1	47,000		47,000		
Total \$	47,000		47,000		

Estimated Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.4	0.0	0.2	0.0	0.0
Account					
Legal Services Revolving Account-State 405-1	47,000	0	47,000	0	0
Total \$	47,000	0	47,000	0	0

Estimated Capital Budget Impact:

NONE

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

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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: Kim Cushing	Phone: (360) 786-7421	Date: 01/22/2019
Agency Preparation: Bruce Turcott	Phone: (360) 586-2738	Date: 01/28/2019
Agency Approval: Nick Klucarich	Phone: 360-586-3434	Date: 01/28/2019
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 01/28/2019

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 is a statement of legislative findings.

Section 2 is a new section containing definitions.

Section 3 is a new section requiring Department of Ecology (DOE) to adopt rules to establish standards that reduce greenhouse gas emissions in transportation fuels used in Washington.

Section 4 is a new section containing criteria for rules adopted by DOE under Section 3.

Section 5 is a new section containing exemptions from the DOE rules for certain transportation fuels.

Section 6 is a new section containing additional criteria for the DOE rules.

Section 7 is a new section requiring certain producers, importers, distributors, users, and retailers of transportation fuels to register with DOE and document transfer of ownership. DOE may adopt rules.

Section 8 is a new section requiring expenditure of revenues by electric utilities on transportation electrification. DOE may adopt rules.

Section 9 is a new section requiring DOE to post an annual report beginning May 1, 2023 and submit annual recommendations to the legislature by December 1, 2022.

Section 10 is a new section requires the Department of Commerce to consult with DOE and the Department of Agriculture to develop a periodic fuel supply forecast.

Section 11 is a new section requires DOE to adopt rules to establish a fee schedule. The clean fuels program account is created.

Section 12 is a new section requiring the Joint Legislative Audit and Review Committee conduct an analysis and submit a report to the legislature by December 1, 2027.

Section 13 amends RCW 46.17.365 to add criteria to the distribution of vehicle license fees and motor home weight fees.

Section 14 amends RCW 46.25.100 to add criteria to the distribution of certain commercial driver's license fees.

Section 15 amends RCW 46.20.202 to add criteria to the distribution of enhanced driver's license and enhanced identicard fees.

Section 16 amends RCW 46.25.052 to add criteria to the distribution of commercial learner's permit fees.

Section 17 amends RCW 46.25.060 to add criteria to the distribution of commercial driver's license fees.

Section 18 amends RCW 70.94.431 to add the Clean Fuels Program Account to the distribution of penalties under the Clean Air Act.

Section 19 adds Sections 2 through 12 to a new subchapter in chapter 70.94 RCW.

Section 20 is a severability section.

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.

Cash receipts are assumed to equal the Legal Service Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agency is DOE. The Attorney General's Office (AGO) will bill the client for legal services rendered.

These cash receipts represent the AGO's authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agency's fiscal note. Appropriation authority is necessary in the AGO budget.

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.

AGO Agency Assumptions:

1. Legal services associated with the enactment of this bill will begin on July 1, 2019.
2. This request does not include cost of living salary increases identified in the Governor's proposed 2019-21 budget.

Assumptions for the AGO Ecology Legal Services for DOE:

1. The AGO will bill DOE for legal services based on the enactment of this bill.
2. Legal services include legal advice in FY 2020 to support the rulemaking required under sections 3 and 11 of the bill.
3. Total workload impact in FY 2020: 0.20 Assistant Attorney General (AAG) and 0.1 Legal Assistant (LA) at a cost of \$47,000.
4. Beginning in FY 2021, any legal services required as a result of the enactment of this bill are assumed nominal and will be provided with existing resources. Costs are not included in this request.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
405-1	Legal Services Revolving Account	State	47,000	0	47,000	0	0
Total \$			47,000	0	47,000	0	0

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.4		0.2		
A-Salaries and Wages	30,000		30,000		
B-Employee Benefits	10,000		10,000		
C-Professional Service Contracts					
E-Goods and Other Services	6,000		6,000		
G-Travel					
J-Capital Outlays	1,000		1,000		
Total \$	47,000	0	47,000	0	0

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

Job Classification	Salary	FY 2020	FY 2021	2019-21	2021-23	2023-25
Assistant Attorney General	103,560	0.2		0.1		
Legal Assistant 3	51,004	0.1		0.1		
Management Analyst 5	77,614	0.1		0.0		
Total FTEs		0.4		0.2		0.0

III. D - Expenditures By Program (optional)

Program	FY 2020	FY 2021	2019-21	2021-23	2023-25
Ecology Division (ECY)	47,000		47,000		
Total \$	47,000		47,000		

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

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

None

Individual State Agency Fiscal Note

Bill Number: 5412 SB	Title: Greenhouse gas/transp. fuels	Agency: 103-Department of Commerce
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.0	0.4	0.2	0.2	0.1
Account					
General Fund-State 001-1	0	61,015	61,015	81,354	40,677
Total \$	0	61,015	61,015	81,354	40,677

Estimated Capital Budget Impact:

NONE

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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☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Kim Cushing	Phone: (360) 786-7421	Date: 01/22/2019
Agency Preparation: Carolee Sharp	Phone: (360) 725-3118	Date: 01/24/2019
Agency Approval: Joyce Miller	Phone: 360-725-2723	Date: 01/24/2019
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 01/28/2019

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 10 is a new section and requires the Department of Commerce (department) to work with the Department of Ecology and the Department of Agriculture to develop a periodic fuel supply forecast that projects the availability of program complying fuels. This forecast must include estimates of whether sufficient credits will be available for an upcoming compliance period. Requirements of the forecast include fuel volume estimates, banked credits and deficits from previous periods and necessary credit compliance estimates. The department must finalize the forecast no later than 90 days prior to the start of a compliance period.

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.

None - the department does not administer or collect the tax or fee.

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.

Assumptions: The department assumes that all components of this work will be researched and completed for the first forecast period by the end of Fiscal Year 2021, and that the forecast will be updated annually.

To complete this work, the department estimates:

0.3 FTE EMS2 Energy Policy Specialist (600 hours) in FY21 and 0.2 FTE EMS2 Energy Policy Specialist (350 hours) each year from FY22-24 to research the availability of fuels and the availability of credits. Additionally, staff will finalize the fuel supply forecast annually.

Salaries and Benefits

FY21: \$42,532

FY22-FY24: \$28,354 per year

Goods and Services, Equipment and Travel

FY21: \$18,483

FY22-FY24: \$12,323 per year

Note: Standard goods and services costs include supplies and materials, employee development and training, Attorney General costs, central services charges and agency administration. Agency administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

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Total Costs

FY21: \$61,015

FY22-FY24: \$40,677 per year

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	0	61,015	61,015	81,354	40,677
Total \$			0	61,015	61,015	81,354	40,677

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		0.4	0.2	0.2	0.1
A-Salaries and Wages		32,333	32,333	43,110	21,555
B-Employee Benefits		10,199	10,199	13,598	6,799
C-Professional Service Contracts					
E-Goods and Other Services		18,483	18,483	24,646	12,323
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 \$	0	61,015	61,015	81,354	40,677

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

Job Classification	Salary	FY 2020	FY 2021	2019-21	2021-23	2023-25
Administrative Services (Indirect)	69,552		0.1	0.0	0.0	0.0
EMS Band 2 Senior Energy Policy Specialist	107,777		0.3	0.2	0.2	0.1
Total FTEs			0.4	0.2	0.2	0.1

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

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

None

Individual State Agency Fiscal Note

Bill Number: 5412 SB	Title: Greenhouse gas/transp. fuels	Agency: 240-Department of Licensing
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Part I: Estimates

☒ No Fiscal Impact

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Kim Cushing	Phone: (360) 786-7421	Date: 01/22/2019
Agency Preparation: Kim Buechel	Phone: 360-902-3639	Date: 01/24/2019
Agency Approval: Ellie McMillan	Phone: 360-902-3642	Date: 01/24/2019
OFM Review: Veronica Jarvis	Phone: (360) 902-0649	Date: 01/24/2019

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 proposed legislation supports the deployment of clean transportation fuel technologies through a carefully designed program that reduces the carbon intensity of fuel used in that state.

The following sections are amended to retain the current distribution of revenue from the 2015 Transportation Revenue Package:

- Section 13 amends RCW 46.17.365 to add this criteria to the distribution of vehicle license fees and motor home weight fees
- Section 14 amends RCW 46.25.100 to add this criteria to the distribution of certain commercial driver's license fees
- Section 15 amends RCW 46.20.202 to add this criteria to the distribution of enhanced driver's license and enhanced identicard fees
- Section 16 amends RCW 46.25.052 to add this criteria to the distribution of commercial learner's permit fees
- Section 17 amends RCW 46.25.060 to add this criteria to the distribution of commercial driver's license fees

This bill has various effective dates; however the sections that apply to the Department of Licensing are effective 90 days past Sine Die.

This bill has no fiscal impact to expenditures or cash receipts. The proposed legislation does not impact the number of FTEs required to support the program and there are no technology system changes necessary for implementation.

II. B - Cash receipts Impact

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

II. C - Expenditures

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

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 5412 SB	Title: Greenhouse gas/transp. fuels	Agency: 461-Department of Ecology
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Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2020	FY 2021	2019-21	2021-23	2023-25
Clean Fuels Program Account-State NEW-1				964,316	1,263,546
Total \$				964,316	1,263,546

Estimated Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	5.5	6.2	5.8	5.2	5.2
Account					
General Fund-State 001-1	937,084	749,249	1,686,333	299,252	0
Clean Fuels Program Account-State NEW-1	0	0	0	964,316	1,263,546
Total \$	937,084	749,249	1,686,333	1,263,568	1,263,546

Estimated Capital Budget Impact:

NONE

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: Kim Cushing	Phone: (360) 786-7421	Date: 01/22/2019
Agency Preparation: Lori Peterson	Phone: 360-407-0244	Date: 01/22/2019
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 01/22/2019
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 01/22/2019

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 create a program intended to reduce the carbon intensity of transportation fuels used within the state. Transportation fuels are defined in this bill as electricity and fuels for the propulsion of motor vehicles sold or used within the state. The Governor's proposed 2019-21 Operating Budget includes funding for the proposed legislation under G83 Low Carbon Fuels.

Section 3: The Department of Ecology (Ecology) would be required to establish rules by January 1, 2021, that limit greenhouse gas (GHG) emissions per unit of transportation fuel energy on a lifecycle basis to ten percent below 2017 levels by 2028 and twenty percent below 2017 levels by 2035.

Section 4 specifies requirements for the rules.

Section 4(1)(c) and (d) would authorize Ecology to require transportation fuel suppliers and participating electric utilities to submit greenhouse gas emissions data different from or additional to data reported or submitted under RCW 70.94.151(5)(a)(iii) or chapter 19.29A, if necessary to accurately measure greenhouse gas emissions.

Section 4(3) specifies: (a) Methods for assigning compliance obligations and methods for tracking tradable credits; (b) Mechanisms to be traded and to be banked for future compliance periods; and (c) Procedures for verifying the validity of credits and deficits generated under the clean fuels program.

Section 5 specifies exemptions that should be included.

Section 6: Ecology would be encouraged to align rules with those of states that have transportation fuel carbon standards and have potential supply connections with Washington State. The rules would be required to consider relationships to the Clean Air Rule, WAC 173-442, as effective on October 16, 2016.

Section 7: All producers or importers of any amount of transportation fuel ineligible to generate credits consistent with requirements of Section 4(3) would be required to register with Ecology. All persons or entities eligible to generate credits under Section 4(3) would be required to register with Ecology to participate in the Clean Fuels Program and generate credits. All transfers of transportation fuels for which Clean Fuels Program participation would be required or elected would require documentation in a format approved by Ecology assigning the compliance responsibility and associated credits. Ecology would be authorized to adopt rules requiring periodic reporting from participants in the Clean Fuels Program.

Section 8(2): Ecology would be able to adopt requirements, in consultation with electric utilities, for the expenditure of revenues from credits earned under the Clean Fuels Program that are applicable to fifty percent of revenues not subject to the requirements of Section 8(1).

Section 8(3): Electric utilities electing to participate in the Clean Fuels Program would be required to submit annual accounting and descriptions of expenditures and revenues generated from credits earned under the Clean Fuels Program.

Section 9: Beginning May 1, 2023 and each May 1st thereafter, Ecology would be required to post a report on the department's website summarizing the data and information specified in subsection (1) in this section. By

December 1, 2022 and each December 1st thereafter, Ecology would be required to submit recommendations to the appropriate committees of the legislature for changes to Sections 2 through 12 of this act that would more efficiently achieve greenhouse gas reduction goals of the Clean Fuels Program, in the form of draft legislation.

Section 10: Ecology and the Department of Agriculture would provide consultation to the Department of Commerce (Commerce) to support a required periodic fuel supply forecast to project the availability of fuels necessary for compliance with Clean Fuels Program requirements. The fuel supply forecast for a given compliance period would be required by no later than ninety days prior to the start of the compliance period.

Section 11: Ecology would be authorized to require a fee from persons that register or report under Sections 2 through 12 of this act. Ecology would adopt rules following an opportunity for public comment that would determine the payment schedule and fee amount. The fee amount would be required to be set so that receipts equal but not exceed the projected direct and indirect costs for Ecology's development and implementation of the program. This section would also establish the Clean Fuels Program Account, which would be appropriated, and to which all receipts from fees and penalties received under Sections 2 through 10 of this act would be deposited. Ecology would only be able to spend funds from this account for carrying out the program created in this Section and Sections 2 through 10 of this act.

Section 12(a): Ecology would provide consultation for a Joint Legislative Audit and Review Committee report, due to the Legislature on December 1, 2027. We assume Ecology's consultation support would begin in FY 2026 or later, which is beyond the scope of this fiscal note.

II. B - Cash receipts Impact

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

Section 11 would authorize Ecology to require a fee from persons that register or report under Sections 2 through 12 of this act. Ecology would adopt rules following an opportunity for public comment that would determine the payment schedule and fee amount. The fee amount would be required to be set so that receipts equal but not exceed the projected direct and indirect costs for Ecology's development and implementation of the program.

Ecology estimates that rulemaking to establish fee amounts and timing would take two years and be completed by June 30, 2021. Because Ecology would be required to establish rules by January 1, 2021 under Section 3 and because the program manages similar fees that are calendar-year based, Ecology assumes the fee authorized in Section 11 would be based on the calendar year. The first year of fee collection would begin on January 1, 2022. Based on the start date for fee implementation, Ecology estimates that 6 months of FY 2022 expenditures for the Clean Fuels program would be fee-recoverable, and all future expenditures would be funded through fee revenue in the Clean Fuels Program Account.

Per Section 11, the fee amount would be set so that receipts equal but do not exceed projected direct and indirect costs for Ecology's development and implementation of the program. Cash receipts are estimated to equal expenditure estimates in the new Clean Fuels Program Account. For fiscal years 2023 forward the cash receipts are equal to total expenditures, and for FY 2022 the cash receipts are estimated to equal half of the total estimated expenditures for the fiscal year ($\$598,504/2 = \$299,252$), based on the assumption of fee implementation beginning on January 1, 2022. All fee receipts would be deposited in the Clean Fuels Program Account created in Section 11.

Ecology assumes penalties would deter non-compliance and therefore assumes no new penalty revenue would be generated from the Clean Fuels Program.

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.

RULEMAKING:

Section 3 would require Ecology to adopt new rules by January 1, 2021, to reduce greenhouse gas (GHG) in transportation fuels used in Washington to ten percent below 2017 levels by 2028 and twenty percent below 2017 levels by 2035. Sections 4 and 5 specify specific requirements for the rules, and Section 6 encourages Ecology to align rules with similar programs in states connected to Washington's fuel supply and ensure alignment with the Clean Air Rule and other existing standards.

Per Section 4, Ecology would be authorized to adopt rules requiring transportation fuel suppliers and participating electric utilities to submit greenhouse gas emissions data different from or additional to data reported or submitted under RCW 70.94.151(5)(a)(iii) or chapter 19.29A. Ecology assumes this reporting would be necessary to determine and verify compliance with the program.

Section 7 would authorize Ecology to adopt rules requiring periodic reporting from participants in the Clean Fuels program.

Section 8(2): Ecology would be able to adopt requirements, in consultation with electric utilities, for the expenditure of revenues from credits earned under the Clean Fuels Program that are applicable to fifty percent of revenues not subject to the requirements of Section 8(1). Ecology assumes that these requirements would be adopted by rule.

Section 11 would require rulemaking to determine a Clean Fuels Program registration or reporting fee schedule and amount.

Because rules would be required by January 1, 2021, Ecology would plan to use transportation fuel standards programs in California and Oregon as a guide and baseline for rulemaking and adapt them as needed to ensure that all requirements under Sections 3 through 12 are fulfilled.

Ecology estimates that the following staff would be needed to complete the rulemaking in Sections 3, 4, 5, 6, 7, 8, and 11, with support from the program implementation staff described below. Rulemaking for Sections 3 through 7 should be complete by January 1, 2021. Because fee establishment could take more time, Ecology assumes that implementation staff would continue rulemaking efforts for Section 8 and Section 11 beyond fiscal year 2020. The rulemaking lead would continue to provide support through the fee rulemaking process, and based on Oregon and California programs, we estimate ongoing intermittent rulemaking to develop verification programs, update fuels eligible for credits as technology evolves, and update carbon intensity values as new data becomes available.

- Rulemaking Lead: (Environmental Planner 3, 0.75 FTE in FYs 2020 and 2021, and 0.50 FTE each subsequent odd fiscal year, starting in FY 2023) - The rulemaking lead would oversee project management, lead rule development, manage stakeholder engagement, and other tasks as necessary.

- Technical Lead: (Environmental Planner 5: 0.25 FTE in FY 2020) – The technical lead would work with the rulemaking lead to create the rule language and drive the overall policy change of the rulemaking.

- Economic Research Staff: Ecology's economist and regulatory analyst would complete economic and

regulatory analysis in support of the rule as required by law. We assume that the economic analysis would be completed in FY 2020, when the majority of the rulemaking effort would occur.

- Regulatory Analyst 2: 0.1 FTE in FY 2020
- Economic Analyst 3: 0.25 FTE in FY 2020

- Outreach: (COMMUNITY OUTREACH & ENVIRONMENTAL SPEC 4, 0.1 FTE in FY 2020): Because the proposed rulemaking would impact a broad population, we would anticipate strong public interest throughout the rulemaking process. This position would review and publish documents and manage updates to Ecology website and other online media throughout the rulemaking process.

The program would hold three public meetings and three public hearings in a Rented Facility in FY 2020. Facility rental costs are estimated to be \$400 per meeting.

The Attorney General's Office (AGO) estimated that 0.2 FTE of Assistant Attorney General (AAG) time would be needed to support rulemaking in FY 2020. AGO support is estimated to cost \$47,000 and is shown in object E. See the AGO's fiscal note for more information.

PROGRAM IMPLEMENTATION:

Implementation of the Clean Fuels Program established in Sections 2 through 10 would require the following ongoing staff:

Washington Management Service 1 (0.4 FTE in FY 2020 and ongoing): provide overall coordination of implementation, lead efforts to designate an entity to aggregate unused credits, lead credit market monitoring and assessment of impacts on compliance, coordinate with other states.

Environmental Planner 4 (1.0 FTE in FY 2020 and ongoing): lead efforts to track and monitor compliance with the program, support designation of an entity to aggregate unused credits, develop a verification program and criteria, and review verifier reports, assist with monitoring the credit market and assessing impacts on compliance, consult with stakeholders to assess program effectiveness, draft and submit proposed legislative changes annually, prepare annual public report.

Environmental Planner 3 (1.0 FTE in FY 2020 and ongoing): assist efforts to track and monitor compliance with the program, assist with review of verifier reports, assist with monitoring the credit market, consult with stakeholders to assess program effectiveness, assist with preparation of proposed legislative changes annually, assist with preparation of the annual public report, and regularly assess the rule and amend it as needed.

Environmental Engineer 2 (0.3 FTE in FY 2020 and ongoing): research and update GHG emissions for transportation fuel pathways, review and approve innovative fuel pathways, update carbon intensity lifecycle analysis modeling tools, provide technical support for the development and analysis of verification program and criteria, consult with Commerce on fuel supply forecast to project availability of fuels necessary for compliance with Clean Fuels Program requirements, per Section 10, and provide technical expertise during rule updates as needed.

Environmental Specialist 4 (1.0 FTE in FY 2021 and ongoing): provide guidance and technical assistance to program participants, review and process quarterly and annual reports, implement routine program audits and assist with program compliance monitoring, assist with routine review of verifier reports, support consultation with Commerce for fuel supply forecast, and provide support for rule updates as needed.

Communications Outreach and Education Specialist 4 (0.3 FTE in FY 2021 and ongoing): update website and outreach materials, assist with stakeholder consultation for program assessment, help maintain effective working relationships with program participants, and provide outreach support for rule updates as needed.

In addition to the staff efforts above, Ecology would contract for outside technical expertise to update carbon intensity modeling tools (Greenhouse Gases Regulated Emissions and Energy Use in Transportation (GREET) and Oil Production Greenhouse Gas Emissions Estimator (OPGEE) to reflect Washington-specific data and variables. The modeling tools would help forecast the annual fuel supply, ensure sufficient credits are available for compliance, and provide data to evaluate economic impacts. During the 2013 legislative session, E2SSB 5802 committed funds to a study to examine viability of a clean fuel standards program. The OFM fiscal note estimated \$175,000 to contract with a consultant for analysis of Washington emissions and energy consumption profile. The consultant preparing the report was Lifecycle Associates, who created the GREET model. While the scope of the project would differ from the analysis conducted in FY 2014, this estimate was used as the basis for estimated contract costs of \$200,000 in Object C in FY 2020.

REGISTRATION AND IT SYSTEM:

Section 4 of the bill would require Ecology to assign and track tradable and bankable compliance obligations and credits from participants in the clean fuels program. Section 7 would require producers and importers of transportation fuels and entities eligible to generate credits to register with Ecology. Section 7 would require Ecology to collect documentation on transactions transferring ownership of compliance obligations and credits related to transportation fuels for which program participation is required, and would allow Ecology to require periodic reporting of information from program participants.

This work would involve creating a registration database to compile information on program participants and track compliance obligations and credits, developing and preparing guidance and training materials for registering program participants, and technical assistance. This work would also involve creating a web-based reporting tool interface to collect data and quarterly and annual reports from program participants, user testing, troubleshooting, ongoing updates and maintenance of the reporting tool, and ongoing technical assistance.

Ecology assumes one year of development, starting on January 1, 2020, with system rollout on January 1, 2021, the start date of the Clean Fuels Program, per Section 3(1). This would require the following staff:

Information Technology Specialist 5 (0.5 FTE in 2020, 0.5 FTE in 2021, and 0.3 FTE in FY 2022 and ongoing): This position would prepare the coding and technical systems implementation and ongoing maintenance of the system.

Information Technology Specialist 6 (0.1 FTE in FYs 2021 and 2022): This position would provide overall project supervision and guidance.

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 37.1% of salaries.

Contracts includes \$200,000 in FY 2020 for outside technical expertise to forecast fuel supplies and update modeling tools.

Goods and Services are the agency average of \$4,230 per direct program FTE, plus rulemaking facility costs of \$2,400 in FY 2020.

AAG costs of \$47,000 in FY 2020 to support rulemaking are also included.

Travel is the agency average of \$2,577 per direct program FTE.

Equipment is the agency average of \$1,319 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.7% of direct program salaries and benefits, and is shown as object 9. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT Specialist 2.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	937,084	749,249	1,686,333	299,252	0
NEW-1	Clean Fuels Program Account	State	0	0	0	964,316	1,263,546
Total \$			937,084	749,249	1,686,333	1,263,568	1,263,546

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	5.5	6.2	5.8	5.2	5.2
A-Salaries and Wages	365,023	396,905	761,928	668,996	668,994
B-Employee Benefits	135,424	147,252	282,676	248,200	248,196
C-Professional Service Contracts	200,000		200,000		
E-Goods and Other Services	69,494	22,631	92,125	38,496	38,493
G-Travel	12,242	13,788	26,030	23,456	23,451
J-Capital Outlays	6,267	7,058	13,325	12,009	12,006
9-Agency Administrative Overhead	148,634	161,615	310,249	272,411	272,406
Total \$	937,084	749,249	1,686,333	1,263,568	1,263,546

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

Job Classification	Salary	FY 2020	FY 2021	2019-21	2021-23	2023-25
COMMTY OUT&ENV ED SPEC 4	66,894	0.1	0.3	0.2	0.3	0.3
ECONOMIC ANALYST 3	77,618	0.3		0.1		
ENVIRONMENTAL ENGINEER 2	77,618	0.3	0.3	0.3	0.3	0.3
ENVIRONMENTAL PLANNER 3	70,315	1.8	1.8	1.8	1.3	1.3
ENVIRONMENTAL PLANNER 4	77,618	1.0	1.0	1.0	1.0	1.0
ENVIRONMENTAL PLANNER 5	85,671	0.3		0.1		
ENVIRONMENTAL SPEC 4	66,894		1.0	0.5	1.0	1.0
FISCAL ANALYST 2		0.5	0.5	0.5	0.5	0.5
IT SPECIALIST 2		0.2	0.3	0.3	0.2	0.2
IT SPECIALIST 5	87,793	0.5	0.5	0.5	0.3	0.3
IT SYSTEMS/APP SPEC 6	96,919	0.1	0.1	0.1		
REGULATORY ANALYST 2	75,683	0.1		0.1		
WMS BAND 1	81,000	0.4	0.4	0.4	0.4	0.4
Total FTEs		5.5	6.2	5.8	5.2	5.2

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.

Sections 3-8 and 11 of the bill would require complex rulemaking because they create a new program that would have broad public interest and would institute a new fee. Rulemaking to establish the program would need to be complete by January 1, 2021. Ongoing intermittent rulemaking each odd year thereafter would be required to develop verification programs, update fuels eligible for credits, and update carbon intensity values.

SB 5412 Greenhouse Gases and Transportation Fuels: Department of Ecology Fiscal Note Expenditure Overview

OPERATING BUDGET	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Rulemaking (Sections 3, 4, 5, 6, 7(3), 8(2), 11	252,902	99,869	0	66,582	0	66,582
Total FTEs	1.67	0.86	0.00	0.58	0.00	0.58
Staff costs	203,502	99,869		66,582		66,582
AAG (0.2 FTE)	47,000					
Public Meeting Facility Costs	2,400					
Clean Fuels Program Implementation (Sections 2-12)	584,013	549,211	549,230	549,211	549,211	549,211
Total FTEs	3.11	4.60	4.60	4.60	4.60	4.60
Staff costs	384,013	549,211	549,230	549,211	549,211	549,211
Professional Services Contract	200,000					
IT Systems for Registration and Reporting (Sections 4 & 7)	100,169	100,169	49,274	49,271	49,271	49,271
Total FTEs	0.69	0.69	0.40	0.35	0.35	0.35
Staff costs	100,169	100,169	49,274	49,271	49,271	49,271
ECOLOGY TOTAL OPERATING FTEs	5.5	6.2	5.0	5.5	5.0	5.5
ECOLOGY TOTAL OPERATING EXPENDITURES	937,084	749,249	598,504	665,064	598,482	665,064

*Total FTEs include 0.15 FTE administrative overhead. Staff costs include salary and benefits, travel, equipment, goods and services, and administrative overhead.

Individual State Agency Fiscal Note

Revised

Bill Number: 5412 SB	Title: Greenhouse gas/transp. fuels	Agency: 495-Department of Agriculture
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.0	0.0	0.0	0.0	0.0
Account					
General Fund-State 001-1	2,500	2,500	5,000	5,000	5,000
Total \$	2,500	2,500	5,000	5,000	5,000

Estimated Capital Budget Impact:

NONE

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: Kim Cushing	Phone: (360) 786-7421	Date: 01/22/2019
Agency Preparation: Timothy Elliott	Phone: 360-902-1984	Date: 01/29/2019
Agency Approval: Natasha Roberts	Phone: (360) 902-1988	Date: 01/29/2019
OFM Review: Leslie Connelly	Phone: (360) 902-0543	Date: 01/29/2019

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.

Senate Bill 5412 directs the Washington State Department of Ecology (ECY) to adopt rules establishing a Clean Fuels Program. The rules must reduce the greenhouse gas emissions per unit of transportation fuel energy to ten percent below 2017 levels by 2028 and twenty percent below 2017 levels by 2035. Transportation fuels exported from Washington are not subject to these greenhouse gas emissions reduction requirements. The rules must establish a program start date no later than January 1, 2021.

New Section. Sec 10. states ECY will consult with the Washington State Department of Agriculture (WSDA) and the Department of Commerce (COM) to develop a periodic fuel supply forecast to project the availability of fuels necessary for compliance with the clean fuels program requirements.

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.

This proposed legislation has no cash receipt impact on WSDA.

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 expenditure impact to the WSDA is based on employee salary/benefits and related expenditures for a Program Specialist 4 to attend meetings with the ECY and the COM as well as outreach to stakeholders to gather information. WSDA estimates total time at meetings and preparation to be approximately 40 hours per fiscal year.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	2,500	2,500	5,000	5,000	5,000
Total \$			2,500	2,500	5,000	5,000	5,000

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.0	0.0	0.0	0.0	0.0
A-Salaries and Wages	1,400	1,400	2,800	2,800	2,800
B-Employee Benefits	500	500	1,000	1,000	1,000
C-Professional Service Contracts					
E-Goods and Other Services	200	200	400	400	400
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-Agency Overhead	400	400	800	800	800
Total \$	2,500	2,500	5,000	5,000	5,000

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

Job Classification	Salary	FY 2020	FY 2021	2019-21	2021-23	2023-25
Program Specialist 4	68,580	0.0	0.0	0.0	0.0	0.0
Total FTEs		0.0	0.0	0.0	0.0	0.0

Part IV: Capital Budget Impact

This proposed legislation has no capital impact on WSDA.

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.

This proposed legislation requires no new rules for WSDA.