

Multiple Agency Fiscal Note Summary

Bill Number: 1799 S HB	Title: Organic materials management
-------------------------------	--

Estimated Cash Receipts

Agency Name	2021-23			2023-25			2025-27		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of Attorney General	0	0	0	0	0	12,000	0	0	12,000
Total \$	0	0	0	0	0	12,000	0	0	12,000

Agency Name	2021-23		2023-25		2025-27	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Fiscal note not available					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of Attorney General	.0	0	0	0	.0	0	0	12,000	.0	0	0	12,000
Department of Commerce	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Ecology	4.0	0	0	1,602,672	7.5	0	0	2,797,059	7.7	0	0	2,524,091
Environmental and Land Use Hearings Office	.0	0	0	0	.6	139,138	139,138	139,138	.8	180,168	180,168	180,168
State Conservation Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Agriculture	1.0	301,400	301,400	301,400	2.0	3,586,800	3,586,800	3,586,800	2.0	3,586,800	3,586,800	3,586,800
Total \$	5.0	301,400	301,400	1,904,072	10.1	3,725,938	3,725,938	6,534,997	10.5	3,766,968	3,766,968	6,303,059

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
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 Ecology	.0	0	0	.0	0	0	.0	0	0
Environmental and Land Use Hearings Office	.0	0	0	.0	0	0	.0	0	0
State Conservation Commission	.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

Agency Name	2021-23			2023-25			2025-27		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Lisa Borkowski, OFM	Phone: (360) 742-2239	Date Published: Preliminary 2/11/2022
---	---------------------------------	---

Individual State Agency Fiscal Note

Revised

Bill Number: 1799 S HB	Title: Organic materials management	Agency: 100-Office of Attorney General
-------------------------------	--	---

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2022	FY 2023	2021-23	2023-25	2025-27
Legal Services Revolving Account-State 405-1				12,000	12,000
Total \$				12,000	12,000

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	0.0	0.0	0.1	0.1
Account					
Legal Services Revolving Account-State 405-1	0	0	0	12,000	12,000
Total \$	0	0	0	12,000	12,000

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: Dan Jones	Phone: 360-786-7118	Date: 02/03/2022
Agency Preparation: Allyson Bazan	Phone: 360-586-3589	Date: 02/10/2022
Agency Approval: Dianna Wilks	Phone: 360-709-6463	Date: 02/10/2022
OFM Review: Tyler Lentz	Phone: (360) 790-0055	Date: 02/10/2022

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 the intent section.

Section 101 would require the state to set a goal to reduce organics disposal in landfills.

Section 102 would require each jurisdiction that implements a local solid waste plan to provide organics collection services and management to all residents and to businesses that generate more than half a cubic yard of organic materials, with Ecology authority to issue waivers and adopt rules.

Section 103 amends RCW 70A.205.040 to include organic materials requirements in the comprehensive solid waste management plan.

Section 104 requires Ecology to work with stakeholders and contract with a third-party to conduct a study on the adequacy of local government solid waste management funding.

Section 105 amends RCW 70A.205.015 to add definition of organic materials.

Sec. 201 would require Ecology to determine which local governments must provide organics collection service to businesses, to be enforced by Jurisdictional Health Departments (JHDs); deadlines for increasing threshold; rulemaking authority to adopt alternative volumetric threshold; definitions.

Section 301 amends RCW 69.80.031 (Good Samaritan Act) to include protections for donors when donating perishable food products under specified conditions; immunity from civil or criminal liability when donating.

Section 401 contains definitions for the section.

Section 402 would establish the Washington Center for Sustainable Food Management (WCSFM) in the Department of Ecology and outlines the primary tasks of the WCSFM; including research and guidance for commercial solid waste collection for organics; rulemaking authority for Ecology

Section 403 would authorize Ecology to establish a voluntary data collection system to track food donations, which would need to be compatible with data reported to the Department of Agriculture under the food assistance program (RCW 43.23.290) to minimize reporting burdens and requirements for donors and recipients.

Section 404 would require the Department of Agriculture to coordinate with Ecology to ensure that the information and referral service for persons and organizations participating in food donation programs under Chapter 69.80 RCW is implemented in a manner consistent with the activities of sections 402 and 403.

Section 501 would expand the Sustainable Farms and Fields Grant program (amending RCW 89.08.615) to include funding support for promote farm use of biofuel feedstock and anaerobic digester digestate.

Section 502 would require Agriculture to implement a 3-year compost reimbursement pilot program to reimburse farming operations for purchasing and using compost products not generated by the farming operation; reporting requirements.

Section 503 amends RCW 43.155.020 to add composting and other organic materials management facilities to the list of eligible public works projects.

Sections 601, 602, and 603 would require updated growth management plans to allow for siting of organic materials management facilities in appropriate areas to provide for local management capacity.

Section 604 contains a deadline for comprehensive plan updates for siting.

Section 701 would set a timeline for local governments to adopt an ordinance to implement the provisions of RCW 43.19A.150 and develop a compost procurement plan; considerations for outreach; reporting requirements.

Section 702 amends RCW 39.30.040 to allow for preferential purchase of compost.

Section 703 requires government to require use of compost to the maximum extent economical feasible when contracting.

Section 801 states an intent for state to stop false or misleading environmental claims

Section 802 amends RCW 70A.455.020 to add definitions for producer and Ecology.

Section 803 amends RCW 70A.455.040 to add definitions for labeling requirements.

Section 804 amends RCW 70A.455.050 to extend requirements to producers.

Section 805 amends RCW 70A.455.060 to extend requirements to producers; add requirements for labeling.

Section 806 amends RCW 70A.455.070 to prohibit and discourage various types of labeling.

Section 807 amends RCW 70A.455.080 to extend to producers.

Section 808 amends RCW 70A.455.090 to authorize Ecology to enforce the provisions of RCW Chapter 70A.455 for producers, and would require that enforcement be complaint-based. Ecology would be required to establish and maintain a forum.

Section 809 amends RCW 70A.255.100 to extend to producers; penalty authority to Ecology; penalty authority for local governments.

Section 810 authorizes Ecology to adopt rules as needed to implement, administer, or enforce RCW 70A.455 on producers; and enforcement would be required to begin by January 1, 2024.

Section 811 amends RCW 70A.455.030 to extend to producers and conform with the act

Section 812 amends RCW 43.21B.110 to include appeals of Ecology enforcement order issued pursuant to RCW 70A.455.080 to the jurisdiction of the Pollutions Control Hearings Board (PCHB).

Section 813 amends RCW 43.21B.300 to include penalties under RCW 70A.455.090 to the jurisdiction of the PCHB.

Section 901 codification instructions.

Section 902 would repeal RCW 70A.455.110, which establishes the Compostable Products Revolving Account.

Section 903 is a severability clause.

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 Services Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agency is the Department of Ecology. The Attorney General's Office (AGO) will bill this clients 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.

AGO AGENCY ASSUMPTIONS:

Ecology will be billed for non-Seattle rates:

FY 2025 and FY 2026: \$12,000 for 0.05 Assistant Attorney General, 0.03 Legal Assistant.

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.

Attorney General's Office (AGO) Agency Assumptions:

1. This bill is assumed effective 90 days after the end of the 2022 legislative session.
2. Location of staffing housed is assumed to be in a non-Seattle office building.
4. Total workload impact in this request includes standard assumption costs for good & services, travel, and capital outlays for all FTE identified.
5. Agency administration support FTE are included in the tables, for every one Assistant Attorney General (AAG), the AGO include 0.5 FTE for a Legal Assistant 3 (LA) and 0.25 of a Management Analyst 5 (MA5). The MA5 is used as a representative classification.

Assumptions for the AGO Ecology Division's (ECY) Legal Services for the Department of Ecology (Ecology):

1. The AGO will bill Ecology for legal services based on the enactment of this bill.
2. Advice on the rulemaking authorized by Sec. 102, which is to specify the process and information requirements for applications for waiver from the requirement of local government jurisdictions to provide for organic solid waste management collection.
3. In consultation with Ecology it is assume a two year rulemaking for the rules authorized in Sec. 102(3)(c) in FY 2025 and FY 2026 (Beginning July 1, 2024 with planned adoption by June 30, 2026).
4. The purpose of the rules would be to specify the type of information that a local jurisdiction must submit in a petition for waiver from the obligation to provide weekly organic solid waste collection services starting January 1, 2027, as would otherwise be required by Sec. 102(1)(a).

As such, this rulemaking would need to be completed sufficiently in advance of the date that local jurisdictions would otherwise have to start providing curbside organics collection so that Ecology could consider and potentially grant the petition prior to the January 1, 2027 date by which the local jurisdiction would otherwise be required to have its program in operation. If the petition is not granted, the local jurisdiction would need time to come into compliance before January 1, 2027.

Ecology typically takes two years to do a rulemaking. That's because they may hold a series of stakeholder workshops on

more controversial topics and they're required to do various economic and other analyses that take a lot of time.

ECY: Total non-Seattle workload impact:

FY 2025 and FY 2026: 0.05 AAG, and 0.03 LA at a cost of \$12,000.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
405-1	Legal Services Revolving Account	State	0	0	0	12,000	12,000
Total \$			0	0	0	12,000	12,000

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years				0.1	0.1
A-Salaries and Wages				8,000	8,000
B-Employee Benefits				3,000	3,000
E-Goods and Other Services				1,000	1,000
Total \$	0	0	0	12,000	12,000

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 2022	FY 2023	2021-23	2023-25	2025-27
Assistant Attorney General	112,200				0.0	0.0
Legal Assistant 3	54,108				0.0	0.0
Management Analyst 5	88,644				0.0	0.0
Total FTEs					0.1	0.1

III. D - Expenditures By Program (optional)

Program	FY 2022	FY 2023	2021-23	2023-25	2025-27
Ecology Division (ECY)				12,000	12,000
Total \$				12,000	12,000

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 1799 S HB	Title: Organic materials management	Agency: 103-Department of Commerce
-------------------------------	--	---

Part I: Estimates

☒ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

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: Dan Jones	Phone: 360-786-7118	Date: 02/03/2022
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 02/07/2022
Agency Approval: Joyce Miller	Phone: 360-725-2710	Date: 02/07/2022
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/08/2022

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.

Differences between substitute and the original bill:

Section 102 specifies that this section does not apply in census tracts with a population density of less than 75 people per square mile, in counties not planning under chapter 36.70A RCW or areas outside of urban growth areas. The solid waste plan is required for all residents and businesses that generate 0.25 cubic yards of organic materials, reduced from 0.50 cubic yards.

Section 104 adds a required study by the Department of Ecology (Ecology) to work with the Washington Association of County Solid Waste Managers, the association of Washington cities and other stakeholders to conduct a study on the adequacy of local government solid waste management funding. The report is due December 1, 2023.

Section 105 adds a definition for organic materials and organic materials management.

Section 201 amends the begin date for the Department of Ecology to identify jurisdictions providing organic materials collection service to 2023 from 2025.

Summary of SHB 1799:

Section 1 states the intent of the bill is to find opportunities to promote the diversion of organic materials to productive uses in order to reduce methane emissions. The goal is to identify opportunities to remove any barriers to composting.

Section 102 adds a new section to RCW 70A.205 requiring each jurisdiction to implement a solid waste plan that provides organic services to all residents and businesses that generate .25 cubic yard of organic materials by January 2027. This requirement for local governments to put into their plans solid waste organics siting may result in local governments bringing forth projects to the public works board, asking for grants or loans to finance building of composting and organic materials management facilities.

Section 104 adds a new section requiring a study by Ecology to work with the Washington Association of County Solid Waste Managers, the association of Washington cities and other stakeholders to conduct a study on the adequacy of local government solid waste management funding.

Section 503 amends RCW 43.155.020 defining what a public works project is to include “composting and other organic materials management facilities.” By changing the definition of public works project for the Public Works Board, this bill provides explicit authority for the Public Works Board to fund projects coming from local governments for this purpose.

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.

There is no fiscal impact to the department. Outreach and education to local governments would be needed to ensure there is understanding that projects specific for composting and organic materials facilities can be proposed for funding under the Public Works Board traditional funding program. While currently, the definition includes solid waste facilities, under which

organic materials management could be included, this bill clarifies and provides explicit authority. Any outreach will likely require at least minimal public works board staff time that could be provided within current outreach activities, including coordination with the proposed Washington Center for Sustainable Food Management program led by the Department of Ecology.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 1799 S HB	Title: Organic materials management	Agency: 461-Department of Ecology
-------------------------------	--	--

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	8.1	4.0	7.5	7.7
Account					
Model Toxics Control Operating Account-State 23P-1	0	1,602,672	1,602,672	2,797,059	2,524,091
Total \$	0	1,602,672	1,602,672	2,797,059	2,524,091

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: Dan Jones	Phone: 360-786-7118	Date: 02/03/2022
Agency Preparation: Lori Peterson	Phone: 360-280-4075	Date: 02/10/2022
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 02/10/2022
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/11/2022

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.

Compared to HB 1799, SHB 1799 has the following substantive changes :

Section 103 (3) (a) would change the date by which newly developed, updated, or amended solid waste management plans would consider the transition to the new requirements in section 102 from July 1, 2022, to July 1, 2024. The specific new requirements for organic materials management facilities would apply only to counties.

Section 104 would require the Department of Ecology (Ecology) to work with specified stakeholders to contract with a third party consultant to conduct a study of local government solid waste management funding and policy recommendations. Ecology would submit a report of the study findings to the Legislature by December 1, 2023.

Section 201 (1) (a) would change the date for Ecology to identify jurisdictions providing organic material collection service from July 1, 2025, to July 1, 2023.

Section 402(3)(i)(ii) would authorize the Washington Center for Sustainable Food Management (WCSFM) to develop measurement methodologies to uniformly track food donation data, food waste prevention data, and climate impacts resulting from food waste reduction efforts.

Section 402(3)(m): would authorize the Washington Center for Sustainable Food Management (WCSFM) to provide technical assistance and education to develop locally relevant ordinances or policies to discourage landfilling of organic wastes.

Section 701 would require local governments with populations greater than 10,000 to adopt a compost procurement ordinance and submit a report to the WCSFM by December 31, 2024, and every other year thereafter, covering the previous year's compost procurement activities, the total tons of organic material diverted, the volume and cost of compost purchased, and the source(s) of the compost.

Sections 803 through 806 would modify the standards for appearance and marking of compostable materials to allow them to be easily distinguished at composting facilities, and would discourage, rather than prohibit similar appearance/markings on non-compostable materials.

Section 810 would require producers of compostable products, including bags, film products, and food service products, to submit a declaration of compliance to Ecology by January 1, 2024, or prior to the introduction of a new type of compostable product into Washington or the introduction of a compostable product with a materially changed method of compliance with compost labeling requirements. Ecology would be required to begin enforcement on product degradability labeling claims by July 1, 2024.

The changes under this bill would change the fiscal impact to Ecology.

Under current law, chapter 70A.205 RCW, solid waste management in Washington State is based on partnerships between Ecology, local governments, and private industry. Local governments are responsible for ensuring services and facilities safely manage waste. The private sector provides waste and recycling services, and owns and operates many of the waste handling, recycling, and disposal facilities. Ecology provides regulations, permit approval, and technical assistance for safe waste handling to ensure contaminants do not reach the environment through groundwater, surface water, or discharges to the air. Ecology also provides planning guidance and approval and financial assistance for organic management programs, in addition to technical assistance on food waste reduction and other organic management strategies.

Under current law, RCW 70A.205.040 requires local jurisdictions to establish and routinely update solid waste management plans. Plan updates are required every five years. Ecology provides technical assistance for plan development, and reviews all plans and updates for compliance with the requirements set under statute. Also under current law, Chapter 43.19A RCW – Recycled Product Procurement – local governments and state agencies are required to consider utilizing composted products that meet quality standards established by Ecology in Washington Administrative Code (WAC) 173-350-220.

Also under current law, RCW 70A.205.715 sets statewide food waste reduction goals and required Ecology to adopt a food waste reduction plan, determine baseline food waste data, and annually measure progress toward statewide food waste reduction goals. In collaboration with the Departments of Agriculture (Agriculture) and Health (DOH), Ecology adopted the Use Food Well Washington Plan and prepared a draft report to the Legislature.

Also under current law, Chapter 70A.455 RCW specifies labeling requirements for compostable plastics and precludes the use of certain labeling and tinting for non-compostable materials. Per this chapter, the Office of the Attorney General (AGO), cities, and counties have enforcement authority for these requirements; Ecology does not have enforcement authority under current law.

This bill would amend Chapter 70A.205 RCW to set goals and requirements to reduce the disposal of organic waste in landfills and set requirements for organics management by businesses. It would ensure that solid waste management plan requirements under RCW 70A.205.040 incorporate goals to reduce organic solid waste and food waste in landfills. It would also amend Chapter 43.19A RCW to encourage procurement of locally produced compost products, in alignment with standards set under WAC 173-350-220, and it would implement a recommendation in the draft legislative report required under RCW 70A.205.715 by establishing the WCSFM within Ecology. This bill would also amend Chapter 70A.455 RCW regarding requirements for labeling of compostable materials to expand labeling requirements and restrictions, and transfer enforcement authority from the AGO to Ecology.

Section 101 would require the state to set a goal to reduce organics disposal in landfills by 75 percent by 2030, relative to 2015 levels, and to set a goal that no less than 20 percent of the volume of edible food that was disposed of as of 2015 be recovered for human consumption by 2025.

Section 102 would amend Chapter 70A.205 RCW to require each jurisdiction implementing a local solid waste plan to provide weekly organics collection services and management to all residents and to businesses that generate more than a quarter of a cubic yard of organic materials on a weekly basis, beginning January 1, 2027.

- These requirements would not apply if Ecology were to determine the jurisdiction has a population of fewer than 25,000 people, or the jurisdiction disposed of less than 5,000 tons of solid waste in the most recent year of data.
- The requirements would not apply in census tracts that have a population density of less than 75 people per square mile that are serviced by the jurisdiction and in unincorporated portions of a county, as determined by Ecology, in counties not planning per Growth Management requirements in Chapter 36.70A RCW. The requirements would also not apply outside of urban growth areas in unincorporated portions of counties planning under the Growth Management statute.
- Ecology would be authorized to issue waivers to jurisdictions, or portions of jurisdictions, for up to five years, based on certain factors like the distance to organic materials management facilities. Ecology would be authorized to adopt rules for the waiver application and adopt rules to reverse the exemptions specified in this section, if Ecology determined that the goals in section 101 would not be achieved.

Section 103 would amend RCW 70A.205.040 to require new solid waste management plans, and updates and amendments to existing plans after July 1, 2024, to address the requirements of section 102; counties would be required to identify priority locations for siting organic management facilities meeting the section's specified criteria, and organic materials management facility volumetric capacity required for the jurisdiction to meet the goals established in section 101.

Section 104 would require Ecology to work with specified stakeholders and to contract with a third party consultant to

conduct a study of local government solid waste management funding and policy recommendations. Ecology would submit a report of the study findings to the Legislature by December 1, 2023.

Section 201 would require Ecology to determine which local governments would be required to provide organics collection service to businesses, which would be enforced by Jurisdictional Health Departments (JHDs). Ecology would make this determination annually, beginning July 1, 2023, and would post determinations on its website.

Section 402 would establish the WCSFM in Ecology, to begin operations by January 1, 2024. The purpose of the WCSFM would be to help coordinate statewide food waste reduction. This section describes the primary tasks authorized for the WCSFM. Ecology would be authorized to enter into an interagency agreement with other agencies to carry out the responsibilities of the center.

Section 403 would authorize Ecology to establish a voluntary data collection system to track food donations, which would need to be compatible with data from Agriculture under the food assistance program (RCW 43.23.290) to minimize reporting burdens and requirements for donors and recipients.

Section 404 would require Agriculture to coordinate with Ecology to ensure that the information and referral service for persons and organizations participating in food donation programs under RCW 69.80.040 is implemented in a manner consistent with the activities of sections 402 and 403.

Sections 601, 602, and 603 would require, after January 1, 2025, newly developed, updated, or amended growth management plans to allow for siting of organic materials management facilities in appropriate areas described in section 103 (RCW 70A.205.040), to provide for local management capacity. Ecology assumes required updates in these sections would be based on solid waste management plan updates made for section 103, that counties would coordinate with cities that maintain independent solid waste management plans regarding organic materials facility siting decisions, and that Ecology would not need to provide additional technical assistance for the growth management plan updates.

Section 701 would require local governments with populations greater than 10,000 to adopt a compost procurement ordinance, and submit a report to the WCSFM by December 31, 2024, and every other year thereafter, covering the previous year's compost procurement activities, the total tons of organic material diverted, the volume and cost of compost purchased, and the source(s) of the compost.

Local governments would be required to prioritize purchase of compost products meeting quality standards comparable to standards adopted by Ecology in rule. Ecology has adopted the standards referenced in this section in WAC 173-350-220 under current law. This section would not require further rulemaking.

Section 801 would authorize Ecology to enforce the provisions of Chapter 70A.455 RCW, which would provide for civil penalties.

Sections 804 through 806 would modify criteria for marking plastic bags, films, and food containers as compostable and discourage sale or distribution of plastics with such markings if they are not compostable.

Section 807 would authorize Ecology to request product information from manufacturers of products labeled as compostable or biodegradable.

Section 808 would remove AGO authority and add Ecology's authority to enforce the provisions of Chapter 70A.455 RCW, and would require that enforcement be complaint-based. Ecology would be required to establish and maintain a forum for filing complaints and collaborate with local governments to provide education and outreach to inform retail establishments, customers, and suppliers about the requirements of Chapter 70A.455 RCW.

Section 810 would authorize Ecology to adopt rules as needed to implement, administer, or enforce Chapter 70A.455 RCW,

and require producers of compostable products, including bags, film products, and food service products, to submit a declaration of compliance to Ecology by January 1, 2024, or prior to the introduction of a new type of compostable product into Washington or the introduction of a compostable product with a materially changed method of compliance with compost labeling requirements. Enforcement on product degradability labeling claims would begin by July 1, 2024.

Section 902 would repeal RCW 70A.455.110, which would abolish the Compostable Products Revolving Account, administered by the AGO.

II. B - Cash receipts Impact

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

No cash receipts are estimated for the penalty provisions under section 801.

Section 801 would authorize Ecology to enforce the provisions of Chapter 70A.455 RCW, which would provide for civil penalties. Enforcement actions would be based on public complaints filed through the forum established by Ecology under this section, and focus on actions to encourage compliance. Enforcement actions and penalties are assumed to be limited, but unknown, and therefore are not estimated in this fiscal note.

Section 902 would repeal RCW 70A.455.110, which establishes the Compostable Products Revolving Account, to which penalties under Chapter 70A.455 RCW are deposited under current law. Section 902 would direct any penalty receipts to the state general fund.

II. C - Expenditures

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

The expenditure impact to Ecology under this bill is estimated to be greater than \$50,000 in Fiscal Year (FY) 2023 and ongoing to implement the requirements of sections 102, 103, 104, 201, 402, 403, 405, 701, 808 and 810.

Expenditures described below are estimated in the Model Toxics Control Operating Account (MTCA – Operating). MTCA-Operating currently supports the state’s responsibility for solid waste management, regulation, enforcement, technical assistance, and public education under Chapter 70A.205 RCW.

ORGANICS MANAGEMENT (Sections 102, 103, 104, 201, 601, 602, and 603)

Organics Collection Services Waivers & Exemptions (Section 102)

Section 102 would require each jurisdiction implementing a local solid waste plan to provide weekly organics collection services and management to all residents and to businesses that generate more than a quarter of a cubic yard of organic materials a week, beginning January 1, 2027.

Ecology would make determinations whether jurisdictions are exempted from this requirement, based population and population density and unincorporated status, and solid waste production relative to the criteria defined in the section.

Under current law, RCW 70A.250.240 solid waste collectors are required to report annually to Ecology the types and quantities of solid waste collected, and where it is delivered, and Ecology adopts reporting guidelines and keeps proprietary information confidential. Ecology’s other data source on solid waste in the state is the Waste Characterization Study, which is prepared through a contractor every five years. This study does not provide solid waste data at the jurisdiction level. Ecology does not have authority under current law to request data on solid waste tonnage from local jurisdictions. Based on

available data, Ecology assumes that most jurisdictions with a solid waste management plan would exceed the exemption threshold of 5,000 tons of solid waste production annually. If Ecology were to review the data on solid waste tonnage for each jurisdiction for purposes of determining exemptions, this would require a data audit contract, because Ecology does not have explicit authority to require this information from the jurisdictions. Ecology assumes that exemptions would benefit jurisdictions, and those meeting the criteria would submit the data required for an exemption determination to the regional Solid Waste plan reviewer. The plan reviewer would review submitted data to verify determination of exemption. Based on this assumption, Ecology assumes no substantial costs for determination of exemptions to the requirements under this section, as they would relate to solid waste production thresholds.

Ecology would review population and GIS data available at no cost from the U.S. Census Bureau and the Office of Financial Management to support determinations on an annual basis, beginning in FY 2026 for the January 1, 2027 commencement date for compliance requirements. This would require 0.05 FTE Environmental Specialist 5 (ES-5) each year in FY 2026 and ongoing to collect and analyze data, prepare determinations for each of the jurisdictions, and summarize and post determinations.

Section 102 would increase local solid waste planning requirements, driving increased need for technical assistance. Ecology regional staff would assist local governments in meeting compliance requirements and ensuring that routine plan updates incorporate the requirements of section 102. Ecology assumes is 16 hours a week (4 hours per week of workload in each of the four regions) of an Environmental Specialist 4 (ES-4) would be required for outreach, technical assistance and tracking of exemptions, and processing waivers. This would require 0.40 FTE ES-4 each year in FY 2026 and ongoing.

Ecology would need to develop a web-based platform for waiver applications, and modify solid waste planning databases to track compliance, waivers, and exemptions under this section. This would require 0.20 FTE IT Application Development - Journey (ITAP-Journey) in FY 2025 and 0.10 FTE in FY 2026 for web form design and development and database updates, and 0.05 FTE in FY 2027 and ongoing each fiscal year thereafter to maintain the web form and database.

Rulemaking for Waivers (Section 102)

Ecology would be authorized to issue waivers to jurisdictions, or portions of jurisdictions, for up to five years, based on certain factors like the distance to organic materials management facilities. Ecology would be authorized to adopt rules specifying waiver application requirements, and to adopt rules to reverse the exemptions specified in this section, if Ecology determined that the goals in section 101 would not be achieved.

Ecology assumes that a rule would be needed to specify criteria and process for waivers and anticipates strong public interest. Because this would be a new rule, and to provide sufficient opportunity for stakeholder input, Ecology assumes a two-year rulemaking, beginning July 1, 2024, with rule adoption planned for June 30, 2026, to provide sufficient time for jurisdictions to submit waiver applications prior to January 1, 2027.

The following would be required:

A rule coordinator to oversee the rulemaking process to comply with the Administrative Procedures Act; oversee the rule development and communication plan; review and file the CR-101; oversee public meetings process; file the CR-102 and oversee coordination of public hearings with webinar access; coordinate economic impact analysis; work with technical staff to finalize rule language; and file the CR-103 for adoption. This would require 0.08 FTE Environmental Planner 5 (EP-5) each year in FY 2025 and FY 2026.

A rulemaking lead and primary subject matter expert would oversee rule timeline management, prepare rulemaking documentation including CR 101, 102 and 103, lead rule development, work with economist to develop economic impact analysis, manage stakeholder engagement including public meetings and hearings, incorporate waiver criteria and application process requirements, and conduct other tasks as necessary. This would require as follows: 0.65 FTE Environmental Planner 4 (EP-4) each year in FY 2025 and FY 2026.

A subject matter expert would advise on waiver criteria based on goals established in section 101 and exemptions outlined in section 102. This would require 0.40 FTE Environmental Specialist 5 (ES-5) in FY 2025 and FY 2026.

Based on anticipated public interest, communications and outreach support is included to ensure robust public engagement in the rulemaking process. An outreach coordinator would organize public meetings, prepare informational materials, and respond to stakeholder questions throughout the rulemaking process. This would require a Community Outreach & Environmental Education Specialist 3 (COEES-3), 0.1 FTE each year in FY 2025 and FY 2026.

The following positions would complete an economic and regulatory analysis of the rule and subsequent updates as required by law: Economic Analyst 3 (EA-3) 0.25 FTE in FY 2026, and Regulatory Analyst 2 (RA-2) 0.1 FTE in FY 2026.

Three public meetings would be held in FY 2025 and three public hearings would be held in FY 2026. Cost estimates include facility rental costs, estimated at \$1,000 per meeting for a total of \$3,000 each year in FY 2025 and FY 2026 in Object E.

Our Assistant Attorney General (AAG) has estimated that the following staff time AGO would be needed to provide legal support for rulemaking: 0.05 FTE AAG each year in FY 2025 and FY 2026, for a total of \$12,000 each year in FY 2025 and FY 2026.

In addition to the rule for waiver applications, Ecology would be authorized in section 102 to adopt rules to reverse the exemptions specified in this section, if the goals in section 101 were in jeopardy of not being achieved. Ecology assumes for purposes of this fiscal note that the goals of section 101 would be achieved, and this rulemaking would not be needed. In the event that Ecology were to determine that this rulemaking would be needed to support achievement of the goals, a budget request would be submitted for necessary rulemaking resources.

Planning for Organics Management Facilities (Sections 103, 601, 602, and 603)

Section 103 would amend RCW 70A.205.040 to require new solid waste management plans, and updates and amendments to existing plans after July 1, 2024, to address the requirements of section 102 and identify priority locations for siting organic management facilities meeting the section's specified criteria, and organic materials management facility volumetric capacity required for the jurisdiction to meet the goals established in section 101.

Section 103 would require solid waste management plans to incorporate the following when updated :

- i) Priority areas within a jurisdiction for establishment of organic materials management facilities, areas must be in industrial zones and not located in overburdened communities identified by Department of Health (DOH) under chapter 70A.02 RCW.
- ii) Organic materials management facility volumetric capacity required to manage the jurisdiction's organic materials in a manner consistent with the goals of section 101, which are as follows :
 - a. A 75% reduction of landfill disposal of organic materials in landfills, relative to 2015 levels, by 2030.
 - b. At least 20% of the volume of edible food disposed as of 2015 is recovered for human consumption by 2025.

Ecology also assumes that the changes in section 103 would only be focused on goal (a) above regarding reduction of landfill disposal of organic materials, and that goal (b) regarding food waste reduction and recovery would be addressed in other sections of this bill.

Ecology assumes that the required planning components specified in section 101 would be incorporated in plans based on currently scheduled updates, and that Ecology would not require additional plan changes outside of the current five-year plan review schedule. While local governments could opt to make the updates specified in section 103 prior to July 1, 2024, during scheduled plan updates, Ecology assumes that they will only make the changes as required under law at the time of the plan update. Local governments may seek to formally revise their solid waste management plans, if they have a

scheduled comprehensive plan update prior to their scheduled solid waste management plan update and need to meet the requirements of sections 601, 602, or 603. Ecology has 43 currently active plans that are scheduled in a five-year review cycle. When plan updates are timely, this would result in an average of nine plans reviewed each year. Actual plan review schedules vary, and the time commitment for each plan review varies for each jurisdiction, as plans vary in complexity. Based on the assumption that the comprehensive planning requirements in sections 601 through 603 may accelerate plan review needs. Ecology assumes a heavier plan review workload in the first four years as jurisdictions meet the requirements of these sections.

For purposes of this fiscal note, Ecology assumes that the overburdened communities identified by DOH would be identified in the Environmental Health Disparities Map (EHDM) referenced in chapter 70A.02 RCW and developed pursuant to RCW 43.70.815.

During plan review, Ecology regional planning staff would need to use the DOH EHDM and zoning data provided by jurisdictions to evaluate priority siting areas. During plan review, planning staff would use available data (costs estimated for data preparation below) to evaluate volumetric capacity determinations in the plan.

Ecology estimates 0.2 FTE ES-4 each year in FY 2025 through FY 2028, and 0.1 FTE ES-4 in FY 2029 and ongoing for incremental plan review workload resulting from the new requirements and potential changes to plan update and revision schedules. We also estimate an additional 0.3 FTE ES-4 in FY 2025 to become familiar with the DOH EHDM and methods for identifying overburdened communities, consult with agency Environmental Justice staff as needed, and to develop standards and calculation methods for evaluating organic facility volumetric capacity determinations.

During plan review, planning staff may consult with facilities staff to support evaluation of the volumetric capacity determinations. Local jurisdictions may use a variety of approaches to support the goals in section 101, including adoption of ordinances to incentivize reduction of organic material waste in landfills, and outreach and education to support community composting programs. Because other activities and initiatives at the local level, in addition to growth in organic materials management capacity, would support achievement of the goals in section 101, Ecology assumes that local jurisdictions would have the best information and context to determine the levels of organic materials management needed to support the goals. Facilities staff would consider volumetric capacity for zoning decisions, as part of normal plan review. Ecology assumes no increase in workload related to evaluation of volumetric capacity determinations as they relate to the goals in section 101.

Under current law, RCW 70A.250.240, solid waste collectors are required to report annually to Ecology the types and quantities of solid waste collected and where it is delivered, and Ecology adopts reporting guidelines and keeps proprietary information confidential. Ecology's other data source on solid waste in the state is the Waste Characterization Study, which is prepared through a contractor every five years track progress in achieving specific goals under statute. Ecology assumes it would use information from an existing waste characterization study every five years, beginning in FY 2027 to measure progress in achieving the section 101 goals.

In order to review volumetric capacity determinations, Ecology would need baseline data for 2015 organic material quantities in landfills, and annual current data on organic materials disposal in landfills at the jurisdiction level. Using the data from annual reporting, a Data Specialist would prepare baseline data and current annual data in FY 2023, and then prepare annual current data updates each year, beginning in FY 2024 and ongoing. Ecology estimates 0.03 FTE ES-5 in FY 2025, and 0.01 FTE ES-5 in FY 2026 and ongoing to prepare baseline data and annual current datasets.

Indeterminate Cost Assumptions: The updates in Section 103, 601, 602, and 603 would support a goal to reduce organics disposal in landfills by 75 percent by 2030 by expanding the number of organic materials management facilities and possibly expanding capacity at existing facilities. As the number of organic materials management facilities grow and /or existing capacity is expanded, Ecology would expand workload related to Solid Waste Management facility technical assistance and regulatory requirements. Expansion of organic materials management facilities and /or capacity would also expand Air Quality permitting workload for Notice of Construction (NOC), New Source Review (NSR), Source Registration, and

potentially Air Operating Permits (AOP). Because capacity and site planning would be determined through new and updated plans, the number of new or expanded organic materials management facilities, and workload impacts for solid waste and air quality permitting and assistance, is indeterminate at this time.

Local Government Solid Waste Management Needs (section 104)

Section 104 would require Ecology to work with Washington Association of County Solid Waste Managers (WACSWM), the Association of Washington Cities (AWC), and other stakeholders and contract with a third party consultant to conduct a study of local government solid waste management funding, impacts on funding of new policies and policy proposals, and recommendations for how to provide funding. Ecology would submit a report of the study findings to the Legislature by December 1, 2023.

In 2017, Ecology contracted with a third-party consultant to conduct a finance study that covered some of the elements of this study. Ecology assumes the study in this bill would be more complex and broader in scope as it would require significant additional research into multiple policies and their funding impacts on local governments. Ecology assumes it would work with WACSWM and AWC to scope out the contract and hire a third-party consultant by January 1, 2023, and the contract would be completed by September 1, 2023.

Based on experience from the 2017 finance study and 2020 plastic packaging study, Ecology estimates 0.30 FTE EP-5 and 0.10 FTE EP-4 in in FY 2023, and 0.15 FTE EP-5 and 0.05 FTE EP-4 in FY 2024 would be required to coordinate with the associations, administer the contracting process, and write the legislative report based on the study's findings and recommendations, and submit the report the legislature by December 1, 2023. The estimated contract cost is \$200,000 in FY 2023 and \$100,000 in FY 2024.

Business Organics Management (section 201)

Section 201 would require Ecology to determine which jurisdictions provide business organic collection services and have capacity to increase organics collection. Ecology would also determine exemptions to the requirements of section 201 for businesses meeting specified thresholds to arrange for organics collection. The requirements of section 201 would be enforced by Jurisdictional Health Departments (JHDs). Ecology would make this determination annually, beginning July 1, 2023, and would post determinations on its website.

Ecology assumes authority would be provided in this section to request the information required in section 201 (1) (a). Similar to the assumption for section 102, Ecology assumes cities and counties meeting exemption criteria in 201 (1) (b) would submit information to Ecology to support exemption determinations. Ecology assumes 0.1 FTE ES-4 per region would be required to collect initial data and establish a structure for tracking criteria for determinations, decreasing to 0.05 FTE in subsequent years for updates. Ecology estimates 0.4 FTE ES-4 in FY 2023 and 0.2 FTE ES-4 in FY 2024 and ongoing would be needed to prepare determinations for section 201. In addition to 0.02 FTE Communications Consultant 3 (CC-3) is needed in FY 2023, and 0.01 FTE in FY 2024 and ongoing to review the determinations and and post them to Ecology's public website.

WASHINGTON CENTER FOR SUSTAINABLE FOOD MANAGEMENT - WCSFM (sections 402, 403, 405, and 406)

Establishment of WCSFM and Duties (section 402)

Section 402 would establish the Washington Center for Sustainable Food Management (WCSFM) in the Department of Ecology, to begin operations by January 1, 2024; this section describes the primary tasks that would be authorized of the WCSFM.

In 2019, the Washington Legislature passed ESHB 1114, which is now codified as RCW 70A.205.715. The act required ecology to publish a food waste management plan, for which Ecology published the Use Food Well Washington food waste reduction plan and incorporated recommendations from this plan in the draft legislative report. One of the plan's recommendations is to establish the WCSFM to fulfill the tasks outlined in section 402.

For purposes of the fiscal note, Ecology assumes that WCSFM staffing needs would be similar to those of the Recycling Development Center, established in Chapter 70A.240 RCW; staffing and financial resource needs to implement section 402 are described below.

1.0 FTE of an Environmental Planner 5 (EP-5) beginning in FY 2023 and annually thereafter to direct the operations and activities of the WCSFM, coordinate implementation of the plan, collaborate with key stakeholders and create workgroups as needed to fulfill plan objectives and the tasks outlined in this section and support, facilitate and coordinate public-private and nonprofit partnerships and workgroups focused on food waste reduction, research and develop emerging organics management and food waste reduction markets, and make recommendations on state policies and grant funding programs dedicated to food waste prevention, rescue, and recovery.

1.0 FTE of an Environmental Planner 4 (EP-4) each year, beginning FY 2023 and ongoing, would be needed to serve as the lead for grants and contracts management and support planning for WCSFM activities, grants, contracts, and any other resources needed to fulfill the tasks listed in section 403 (3). This position would work with stakeholders and workgroups to identify funding needs to support local government, nonprofits, and private businesses in supporting food waste prevention, rescue, and recovery. Based on collaborative research, this position would identify and propose grant-funding opportunities, prepare budget requests for appropriate authority when funding opportunities have been developed, including state and federal grants, and manage all contracts and interagency agreements for the WCSFM.

1.0 FTE of an Environmental Specialist 4 (ES-4) each year, beginning FY 2023 and ongoing, would be needed to serve as the financial manager for all agreements, in addition to managing less complex grants and contracts. This position would work closely with the EP-4 to assist with initial research into grant opportunities and support development of funding proposals as needed.

0.5 FTE of an Administrative Assistant 3 (AA-3) per year would be needed to provide administrative support for the WCSFM, such as coordinating and preparing materials for meetings, taking notes, making travel, meeting arrangements, and distributing materials for workgroup meetings. We assume staff costs would begin in FY 2023 and be ongoing.

In order to prioritize the goals and tasks in section 402, the WCSFM would need to gather information on the current status of food waste in Washington and its primary drivers in order to set benchmarks and formulate specific strategies for addressing each of the tasks of the center. Based on experience with data and study needs for implementing the Recycling Development Center, we estimate contracted studies and research, starting at \$400,000 per year in the first four years (FY 2023, FY 2024, FY 2025, and FY 2026) to establish baselines and collect necessary data for foundational planning, reducing to \$200,000 per year ongoing, starting in FY 2027. This funding could include interagency agreements (IAAs) with Agriculture, DOH or other state agencies as needed to collect data and collaborate on common goals.

Indeterminate cost Assumptions: The WCSFM could potentially propose market-affecting policies to foster food waste prevention, rescue, and recovery. Policy recommendations could begin in FY 2024 after the work of the WCSFM is established. Policy recommendations may require cost benefit analyses. Because the potential for market-affecting policies and their nature is not known at this time, cost impacts related to cost benefit analysis requiring EA-3 and RA-2 time cannot be estimated.

When Ecology developed the food waste reduction plan and legislative report, we collected workgroup feedback on barriers to achieving food waste prevention, rescue, and recovery goals. The largest barrier was lack of funding. Grants to local governments, non-profits, and businesses engaging in food waste reduction efforts would be a key component in meeting

the goals in section 402. The initial research and studies estimated above would inform grant opportunity types and appropriate funding levels. Ecology would formulate a grant plan in FY 2023 and request state and /or federal funding authority during the next budget cycle to support food waste reduction, rescue, and recovery grants.

Voluntary Food Donation Tracking (Sections 403 and 404)

Section 403 would authorize Ecology to establish a voluntary data collection system to track food donations, which would need to be compatible with data reported to Agriculture under the food assistance program (RCW 43.23.290) to minimize reporting burdens and requirements for donors and recipients.

Section 404 would require Agriculture to coordinate with Ecology to ensure that the information and referral service for persons and organizations participating in food donation programs under RCW 69.80.040 is implemented in a manner consistent with the activities of sections 402 and 403.

Ecology would coordinate with Agriculture to discuss how the data reported to Agriculture under RCW 43.23.290 and RCW 69.80.040 could support the goals for the WCSFM in section 402 and 403. If data could be shared without confidential information, Ecology would engage in a data sharing agreement with Agriculture to request the pertinent information on a routine basis. Consultation with agriculture and creation of a data sharing agreement would require 0.05 FTE Environmental Specialist 4 in FY 2023. Assuming a data sharing agreement and quarterly data transmittals from Agriculture, we estimate 0.03 FTE Environmental Specialist 4 each year in FY 2024 and ongoing for coordination with our Agriculture data contacts, and data analysis and summarization for the WCSFM.

If, during consultation, the agencies were to determine that the data already collected by Agriculture would be insufficient to support WCSFM goals, Ecology would examine other options for securing the data, including the voluntary reporting system authorized in section 403. Because the need for the voluntary reporting system is indeterminate at this time, Ecology assumes no costs for system development. In the event that the system were needed, Ecology would coordinate with Agriculture on a budget request for the staffing and other resources needed to plan the data needed and agency staffing needed to meet the requirements of sections 403 and 404, which would include researching public interest and needs for a voluntary reporting tool, developing a web-based platform and database, and providing outreach and technical assistance to promote and support use of the system.

COMPOST PROCUREMENT REPORTING (Section 701)

Section 701 would require local governments with populations greater than 10,000 to adopt a compost procurement ordinance, and submit a report to the WCSFM by December 31, 2024, and every other year thereafter, covering the previous year's compost procurement activities, the total tons of organic material diverted, the volume and cost of compost purchased, and the source(s) of the compost.

Ecology staff with compost regulations subject matter expertise would provide advance outreach to inform local governments of the reporting requirements, coordinate with local governments in the development of the reporting template and data needs, and coordinate with IT application development staff to guide the development of the reporting platform. Once the report template is available, Ecology would provide technical assistance to support compliance with the reporting requirements. This would require 0.1 FTE ES-5 in FY 2024, 0.04 FTE in FY 2025, and 0.02 FTE in FY 2027 and ongoing every other fiscal year thereafter.

Based on experience with compost and biosolids reporting platforms, Ecology assumes it would need to develop a web-based platform through which local governments could submit compost procurement reports, beginning fall of 2024. Ecology estimates 0.2 FTE ITAP-JOURNEY each year in FY 2024 and FY 2025 for business analysis, web form design and development, and database development, and 0.1 FTE in FY 2026 and ongoing each fiscal year thereafter to maintain

the web form and database.

LABELING REQUIREMENTS FOR DEGRADABLE PLASTICS AND COMPOSTABLE PRODUCTS (Sections 804 through 810)

Under current law, Ecology does not have enforcement authority for Chapter 70A.455 RCW; nor does Ecology have responsibility under current law to inform the public about the provisions and requirements of this chapter.

The proposed bill would require Ecology to provide outreach and technical assistance related to Chapter 70A.455 RCW, and the provisions proposed in the bill, and would authorize Ecology to enforce the provisions of the chapter.

Sections 804 through 806 modify criteria for marking plastic film bags, , and food containers as compostable and discourages the sale or distribution of plastics with such markings if they are not compostable.

Section 808 would authorize Ecology to enforce the provisions of Chapter 70A.455 RCW, and would require that enforcement be complaint-based. Ecology would be required to establish and maintain a forum for filing complaints and collaborate with local governments to provide education and outreach to inform retail establishments, customers, and suppliers about the requirements of Chapter 70A.455 RCW.

Section 810 would require producers of compostable products, including bags, film products, and food service products, to submit a declaration of compliance with the standards of this chapter to Ecology by January 1, 2024, or prior to the introduction of a new type of compostable product into Washington or the introduction of a compostable product with a materially changed method of compliance with compost labeling requirements. Ecology would be required to begin enforcement on product degradability labeling claims by July 1, 2024.

Education, Outreach and Technical Assistance (Sections 808)

Section 808 would require Ecology, in collaboration with local jurisdictions, to provide education and outreach activities to inform retail establishments, consumers, and suppliers about the requirements of Chapter 70A.455 RCW. The requirements of Chapter 70A.455 under current law impact a variety of retailers and suppliers, and this bill would add new impacts and new stakeholders. We would anticipate strong consumer interest in the provisions of the chapter under current law, and the changes in this bill.

Based on the broad public impact and reach of Chapter 70A.455 RCW and the regulatory impacts in sections 804, 805, 806, and 810, Ecology assumes extensive outreach would be needed. The estimated outreach resources below are based on Ecology's experience implementing the plastic bag ban (Chapter 70A.530 RCW).

0.40 FTE Community Outreach & Environmental Education Specialist 3 (COEES3) in FY 2023 would collaborate with local jurisdictions, gain information on their current practices and experiences with the chapter, and collaboratively develop education and outreach materials and materials for the website.

0.1 FTE Communications Consultant 5 in FY 2023 would prepare social media updates, news releases, and public messaging on the requirements of the chapter.

0.20 FTE Communications Consultant 3 would be required in FY 2023 to develop a website with information about the requirements of RCW 70A.455 RCW.

0.5 FTE of an ES-4 in FY 2023, and 0.25 FTE in FY 2024 and ongoing would provide provide technical support for the development of outreach materials and would provide technical assistance upon request for section 810 and other parts of

the chapter as needed.

Complaint Forum, Producer Declarations, and Enforcement (Sections 807, 808, and 810)

Section 807 would authorize Ecology to request product information from manufacturers of products labeled as compostable or biodegradable. Ecology assumes this authority would support investigation of complaints received.

Section 808 would authorize Ecology to enforce the provisions of Chapter 70A.455 RCW, and would require that enforcement be complaint-based. Ecology would be required to establish and maintain a forum for filing complaints.

Section 810 would require producers of compostable products, including bags, film products, and food service products, to submit a declaration of compliance to Ecology by January 1, 2024, or prior to the introduction of a new type of compostable product into Washington or the introduction of a compostable product with a materially changed method of compliance with compost labeling requirements.

Ecology assumes the complaint forum would be publicly available and complaints filed through the forum would be shared with local jurisdictions for purposes of carrying out education and outreach to retail establishments.

Ecology would need to develop a web-based complaint forum to notify Ecology and local jurisdictions of violations related to Chapter 70A.455 RCW. Based on prior experience in establishing a similar resource for the plastic bags ban (RCW 70A.530.040), this would require 0.5 FTE ITAP-JOURNEY in FY 2023 and 0.3 FTE in FY 2024 for business analysis, web form design and development, and database development, and 0.2 FTE in FY 2025 and ongoing each fiscal year thereafter to maintain the web form and database.

Based on experience with compost and biosolids reporting platforms, Ecology assumes a web-based platform would need to be developed for producers of compostable products to submit a declaration of compliance with the requirements of Chapter 70A.455 RCW, beginning January 1, 2024. Ecology estimates 0.2 FTE ITAP-JOURNEY each year in FY 2023 and FY 2024 for business analysis, web form design and development, and database development, and 0.1 FTE in FY 2025 and ongoing each fiscal year thereafter to maintain the web form and database.

In addition to 0.25 FTE of an ES-4 in FY 2023 and ongoing would support the creation of the complaint forum and web-form for compliance declarations, research complaints, collect information from manufacturers as needed, provide technical assistance to support compliance, and follow up as needed with enforcement actions.

Section 810 would authorize Ecology to adopt rules as needed to implement, administer, or enforce this chapter, and enforcement would be required to begin by July 1, 2024. Upon consultation with AGO, Ecology assumes rulemaking would not be required to implement, administer, or enforce this chapter, because it provides explicit enforcement authority and specific compliance requirements. Because rulemaking is not required, Ecology assumes no rulemaking or associated resources would be needed.

Our Assistant Attorney General (AAG) estimates that the change in Section 808 would not modify workload for AGO. AGO has enforcement authority under current law, which would be removed under section 808, but AGO would provide consultation for any of Ecology's needed enforcement actions.

SUMMARY: See attached Expenditure Overview Table for summary of costs by section.

THE TOTAL EXPENDITURE IMPACT to Ecology under this bill is estimated to be :

FY 2023: \$1,602,672 and 8.07 FTEs

FY 2024: \$1,333,392 and 6.6 FTEs

FY 2025: \$1,463,667 and 8.33 FTEs
 FY 2026: \$1,492,887 and 8.6 FTEs
 FY 2027: \$1,031,204 and 6.75 FTEs

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.
 Benefits are the agency average of 36.5% of salaries.
 Professional Services includes a third party consultant contract for a study and report for \$200,000 in FY 2023 and \$100,000 in FY 2024, and estimated research and data contracts to support WCSFM strategic planning, estimated for \$400,000 each year in FY 2023, FY 2024, FY 2025, and FY 2026, and \$200,000 in FY 2027 and ongoing.
 Goods and Services are the agency average of \$4,834 per direct program FTE, plus rulemaking meeting facility costs of \$3,000 each year in FYs 2025 and 2026, and Attorney General support costs of \$12,000 in FY 2025, and \$12,000 in FY 2026.
 Travel is the agency average of \$2,234 per direct program FTE.
 Equipment is the agency average of \$1,230 per direct program FTE.
 Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 28.3% 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 App Development - Journey.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
23P-1	Model Toxics Control Operating Account	State	0	1,602,672	1,602,672	2,797,059	2,524,091
Total \$			0	1,602,672	1,602,672	2,797,059	2,524,091

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		8.1	4.0	7.5	7.7
A-Salaries and Wages		539,265	539,265	1,013,160	1,026,843
B-Employee Benefits		196,833	196,833	369,806	374,799
C-Professional Service Contracts		600,000	600,000	900,000	600,000
E-Goods and Other Services		33,936	33,936	77,747	79,536
G-Travel		15,684	15,684	28,999	29,826
J-Capital Outlays		8,636	8,636	15,968	16,424
9-Agency Administrative Overhead		208,318	208,318	391,379	396,663
Total \$	0	1,602,672	1,602,672	2,797,059	2,524,091

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 2022	FY 2023	2021-23	2023-25	2025-27
ADMINISTRATIVE ASSISTANT 3	48,996		1.0	0.5	1.0	1.0
COM OUTREACH & ENV ED SP 3	61,224		0.4	0.2	0.1	0.1
COMM CONSULTANT 3	64,332		0.2	0.1	0.0	0.0
COMM CONSULTANT 5	84,396		0.1	0.1		
ECONOMIC ANALYST 3	82,344					0.1
ENVIRONMENTAL PLANNER 4	86,484		1.1	0.6	1.4	1.3
ENVIRONMENTAL PLANNER 5	95,484		1.3	0.7	1.1	1.0
ENVIRONMENTAL SPEC 4	70,956		2.2	1.1	2.0	2.3
ENVIRONMENTAL SPEC 5	78,408				0.3	0.3
FISCAL ANALYST 2			0.7	0.4	0.7	0.7
IT APP DEVELOP-JOURNEY	96,888		0.7	0.4	0.7	0.5
IT APP DEV-JOURNEY			0.4	0.2	0.3	0.3
REGULATORY ANALYST 2	80,292					0.1
Total FTEs			8.1	4.0	7.5	7.7

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

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 102, 201, 402, and 810 would authorize rulemaking. Rulemaking would support effective implementation of section 102. Ecology assumes for the purposes of this fiscal note rulemaking is not needed for sections 201, 402, or 810. A two-year rulemaking process would be conducted to specify waiver requirements for section 102, with rule adoption planned for June 30, 2026.

SHB 1799 Organic Materials Mgmt - Department of Ecology Fiscal Note Expenditure Overview

By Section

OPERATING BUDGET	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Organics Collection Services Waivers & Exemptions (section 102)	0	0	0	35,597	78,102	69,206
Total FTEs	0.0	0.0	0.0	0.2	0.6	0.6
Staff costs	0	0	0	35,597	78,102	69,206
 Rulemaking for Waivers (section 102)	 0	 0	 0	 202,681	 255,700	 0
Total FTEs	0.0	0.0	0.0	1.4	1.8	0.0
Staff costs	0	0	0	187,681	240,700	0
Rulemaking Meeting Facilities	0	0	0	3,000	3,000	0
AGO Costs	0	0	0	12,000	12,000	0
 Planning for Organics Management Facilities (sections 103, 601, 602, and 603)	 0	 0	 0	 70,648	 27,968	 27,968
Total FTEs	0.0	0.0	0.0	0.6	0.2	0.2
Staff costs	0	0	0	70,648	27,968	27,968
 Business Organics Management (section 201)	 0	 55,446	 27,721	 27,721	 27,721	 27,721
Total FTEs	0.0	0.5	0.2	0.2	0.2	0.2
Staff costs	0	55,446	27,721	27,721	27,721	27,721
 Establishment of WCSFM and Duties (section 402)	 0	 961,944	 961,944	 961,944	 961,944	 761,944
Total FTEs	0.0	4.6	4.6	4.6	4.6	4.6
Staff costs	0	561,944	561,944	561,944	561,944	561,944
Data and Research for WCSFM	0	400,000	400,000	400,000	400,000	200,000
 Local Government Solid Waste Management Needs (Section 104)	 0	 268,630	 134,317	 0	 0	 0
Total FTEs	0.0	0.5	0.2	0.0	0.0	0.0
Staff costs	0	68,630	34,317	0	0	0
Meeting Facilities	0	200,000	100,000	0	0	0
AGO Costs	0	0	0	0	0	0
 Voluntary Food Donation Tracking (Sections 403 and 404)	 0	 6,629	 3,977	 3,977	 3,977	 3,977
Total FTEs	0.0	0.1	0.0	0.0	0.0	0.0
Staff costs	0	6,629	3,977	3,977	3,977	3,977
 Labeling Requirements, Education, Outreach and Technical Assistance (Sections 808 and 811)	 0	 152,294	 33,143	 33,143	 33,143	 33,143
Total FTEs	0.0	1.4	0.3	0.3	0.3	0.3
Staff costs	0	152,294	33,143	33,143	33,143	33,143
 Labeling Requirements, Complaint Forum, Producer Declarations, and Enforcement (Sections 807, 808, and 810)	 0	 157,729	 122,132	 86,536	 86,536	 86,536
Total FTEs	0.0	1.1	0.9	0.6	0.6	0.6
Staff costs	0	157,729	122,132	86,536	86,536	86,536
 Compost Procurement Reporting (Section 701)	 0	 0	 50,158	 41,420	 17,796	 20,709
Total FTEs	0.0	0.0	0.3	0.3	0.1	0.1
Staff costs	0	0	50,158	41,420	17,796	20,709
 ECOLOGY TOTAL OPERATING FTEs	 0.0	 8.1	 6.6	 8.3	 8.6	 6.8
ECOLOGY TOTAL OPERATING EXPENDITURES	0	1,602,672	1,333,392	1,463,667	1,492,887	1,031,204

Individual State Agency Fiscal Note

Bill Number: 1799 S HB	Title: Organic materials management	Agency: 468-Environmental and Land Use Hearings Office
-------------------------------	--	---

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	0.0	0.0	0.6	0.8
Account					
General Fund-State 001-1	0	0	0	139,138	180,168
Total \$	0	0	0	139,138	180,168

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: Dan Jones	Phone: 360-786-7118	Date: 02/03/2022
Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 02/08/2022
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 02/08/2022
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/09/2022

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.

Part 1

This bill attempts to divert organic materials for productive uses to reduce greenhouse emissions from landfills. The bill includes collection of organic materials for composting, requirements for businesses to manage their organic wastes, and facilitating donation of edible food instead of disposing of the material.

Part 6

Section 602 - Adds a New Section to the Growth Management Act providing that development regulations to implement comprehensive plans updated or amended after January 1, 2025, must allow for the siting of organic materials management facilities in the areas identified in RCW 70A.205.040. The substitute bill changed the date from January 1, 2023, to January 1, 2025.

Part 8

Sections 807, 808 - The bill authorizes administrative orders and civil penalties for enforcement of the bill's requirements.

Section 808(1)(b) - Enforcement of the chapter must be based primarily on complaints.

Section 810 - Enforcement of requirements will begin by January 1, 2024.

Section 809 - Civil penalties must conform to the requirements of RCW 43.21B.300, which regulates how penalties are imposed.

Section 812 - Amends RCW 43.21B.110 to give the Pollution Control Hearings Board (PCHB) jurisdiction over appeals of the administrative orders and civil penalties imposed pursuant to the bill.

Section 813 - Amends RCW 43.21B.300 to include civil penalties imposed pursuant to the bill.

Fiscal Impacts: Yes to PCHB; No to GMHB.

Current Agency Structure and Workload: The Environmental & Land Use Hearings Office (ELUHO) is the administrative agency that supports three environmental and land use hearings boards – the Pollution Control Hearings Board (PCHB), Shoreline Hearings Board (SHB), and Growth Management Hearings Board (GMHB). Appeals from 1799 S would come to the PCHB under Part 8 of the proposed bill. In addition to appeals from this bill, the PCHB hears appeals from 37 other environmental statutes including Washington's clean air act, toxic pollution, forest practices, derelict vessels, and water resource permits. The PCHB consists of three Governor-appointed Board members who have two administrative appeals judges (AAJs) to assist in all cases. As of January 1, 2022, the PCHB is handling 72 active appeals arising from permits and enforcement actions by a variety of state or local agencies. The PCHB is now scheduling hearings 12 months in advance for cases that normally would be heard in 6 months.

Assume new PCHB appeals - This bill would increase the number of PCHB appeals. We estimate 8 new PCHB appeals per year of medium/average complexity. This estimate is based on past experience with cases filed after new regulatory programs are initiated. Penalties and orders issued under the bill will result in cases that present new legal issues. ELUHO assumes it will take more time initially for the PCHB to understand, analyze, and issue final decisions in these cases. After an initial normalizing period, ELUHO assumes the new PCHB cases will be of average /medium complexity.

De minimus appeals to GMHB - Appeals from 1799 S HB would come to the GMHB under Part 6 of the proposed bill. Because this will only affect jurisdictions doing updates or amendments and this is a relatively specific type of land use, we estimate the GMHB will receive approximately 1 new appeal every 3 years as a result of the bill. The GMHB would absorb the increased workload.

Assume new PCHB appeals in FY 2024 – We expect to see appeals to the PCHB in FY 2024 because the bill requires enforcement to begin by January 1, 2024.

Assume new Administrative Law Judge (AAJ) FTE: The PCHB will need approximately 0.5 FTE for an AAJ experienced in environmental law to assist in addressing the new appeals. RCW 43.21B.005 (2) authorizes the ELUHO director to appoint such AAJs to assist the PCHB. The AAJ FTE will not serve as a member of the Boards, but will conduct legal research and writing, mediate cases, draft Board memos and materials, and perform other legal duties to assist the Boards.

Assume additional Legal Assistant FTE: Currently, a support team of three Legal Assistants provide all the support for all three Boards, including managing all Board cases and court filings, providing support for Board members, AAJs, and Board meetings, and providing administrative support for ELUHO office functions. We assume 0.5 Legal Assistant (LA3) FTE for every 1.0 AAJ FTE. 1799 S HB will require approximately 0.25 FTE for a Legal Assistant to manage the additional cases and support the 0.5 AAJ FTE.

II. B - Cash receipts Impact

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

No Cash Receipts.

II. C - Expenditures

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

ELUHO estimates each PCHB appeal arising from 1799 S HB will require approximately 165 hours (85 hours pre-hearing work, and 80 hours hearing and post-hearing work) of AAJ work to complete. ELUHO estimates each appeal will require approximately 50 hours of Legal Assistant work. These estimates are based on a current analysis of Board and support team work.

165 hours/appeal x 8 appeals = 1,320 PCHB appeal hours estimated.

ELUHO assumes this work on new appeals begins in January 2024.

ELUHO assumes it would hire a half-time Administrative Appeals Judge and a quarter-time Legal Assistant 3 to do the work required in the bill. An administrative appeals judge makes \$90,000 per year plus related benefits estimated at \$29,622 per year at current benefits rates. The agency needs a half-time AAJ, so the salary would be \$90,000 times 0.5 FTE = \$45,000. Related benefits would total \$21,357.

A Legal Assistant 3 makes about \$54,108 per year with related benefits of about \$23,197. The agency needs a quarter time Legal Assistant 3 so salary would be \$54,108 times 0.25 FTE = \$13,527. Related benefits would total \$5,799.

Goods and services are estimated at \$3,400 per year and include communications, payroll processing, training, and other staff costs. Estimates include some travel at the low cost per diem rates totaling \$1,001 per year. Also included is one time equipment costs for furniture and computers totaling \$5,557 in fiscal year 2024.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	0	0	0	139,138	180,168
Total \$			0	0	0	139,138	180,168

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years				0.6	0.8
A-Salaries and Wages				87,791	117,054
B-Employee Benefits				39,098	54,312
C-Professional Service Contracts					
E-Goods and Other Services				5,190	6,800
G-Travel				1,502	2,002
J-Capital Outlays				5,557	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	0	0	139,138	180,168

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 2022	FY 2023	2021-23	2023-25	2025-27
Administrative Appeals Judge (Exempt) 0.5	7,500				0.4	0.5
Legal Assistant 3 (425G) (Range 44/Step L)	4,509				0.2	0.3
Total FTEs					0.6	0.8

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

No 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 .

The PCHB would have to amend its jurisdictional rule to include the new appeals.

No GMHB rule making is required.

Individual State Agency Fiscal Note

Bill Number: 1799 S HB	Title: Organic materials management	Agency: 471-State Conservation Commission
-------------------------------	--	--

Part I: Estimates

☒ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

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: Dan Jones	Phone: 360-786-7118	Date: 02/03/2022
Agency Preparation: Karla Heinitz	Phone: (360)407-6212	Date: 02/08/2022
Agency Approval: Ron Shultz	Phone: 360-407-7507	Date: 02/08/2022
OFM Review: Jim Cahill	Phone: (360) 790-2630	Date: 02/08/2022

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 .

SHB 1799 amends the SCC's Sustainable Farms and Fields (SFF) grant program by adding three additional fundable activities:

- 1) cost-share to purchase compost-spreading equipment for farmers who use the equipment to spread compost that originated from an off-site source for at least three years;
- 2) research on the use of crop residues as a biofuel feedstock in reducing GHG emissions; efforts to support the use of anaerobic digester digestate on farms.

We assume there would be no fiscal impact to the SCC, as this new language to RCW 89.08.615 (6) simply adds three additional fundable activities under the SFF grant program.

II. B - Cash receipts Impact

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

II. C - Expenditures

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 1799 S HB	Title: Organic materials management	Agency: 495-Department of Agriculture
-------------------------------	--	--

Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	2.0	1.0	2.0	2.0
Account					
General Fund-State 001-1	0	301,400	301,400	3,586,800	3,586,800
Total \$	0	301,400	301,400	3,586,800	3,586,800

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: Dan Jones	Phone: 360-786-7118	Date: 02/03/2022
Agency Preparation: Amy Clow	Phone: 3605156022	Date: 02/08/2022
Agency Approval: Nicholas Johnson	Phone: (360) 902-2055	Date: 02/08/2022
OFM Review: Jim Cahill	Phone: (360) 790-2630	Date: 02/08/2022

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.

Substitute House Bill 1799 encourages the diversion of organic materials from landfills and section 502 establishes a compost reimbursement program managed by Washington State Department of Agriculture (WSDA) to reimburse farming operations for costs related to purchasing and using compost products.

Section 301

Upon updating the WA Good Samaritan Act, WSDA must develop new donor guidance and provide educational resources/technical assistance to hunger relief organizations to apprise them of liability changes and the establishment of a new standard, including clear definitions related to food donation now codified in statute. This will require staff time and may include some translation. This position will also be necessary to coordinate and implement aspects of the food waste public promotion campaign required in section 402. This will require up to .5 FTE staff time annually in a role connected to Food Assistance.

Section 402, subsections 3.g, 3.i.&ii, 3.k and 4

Upon establishing the Center for Sustainable Food Management within the Dept of Ecology, WSDA will have a necessary role in coordination of policies and programs to ensure consistency of activities and recommendations with the Food Policy Forum, co-convened by the Conservation Commission and WSDA. WSDA will also be called upon to consult on development and maintenance of guidance and statewide food waste reduction and food waste contamination campaigns, which may include tasks such as copywriting for promotional materials, editing and final review of materials prior to print or publication. WSDA will need to provide technical assistance to educate stakeholders about current guidance and opportunities. Lastly, Ecology may choose to execute one or more interagency agreements with WSDA to fulfill the responsibilities of the center. For all minimum agency coordination and consultation, not including any possible IAA, WSDA would need up to .3FTE for a role to support and serve as liaison with Food Safety and Consumer Services Division as well as Regional Markets' role on the Food Policy Forum.

Section 403 and 404

Will require WSDA Food Assistance programs, as well as other programs that interface with farms and food businesses to develop and maintain an information repository and referral system, in coordination with Ecology, for all organizations and businesses that have notified WSDA of their desire to participate in food waste reduction and food rescue /donation programs. Ongoing maintenance and communication with Ecology requires .2FTE support.

Section 502 would have a significant impact by requiring WSDA to hire one full-time program manager to manage a the compost reimbursement program, which reimburses farming operations for compost purchase, transportation, spreading equipment, labor, fuel, and maintenance costs associated with spreading equipment.

Section 502(2) states that soil sampling will be allowed by farming operations participating in the program to establish a baseline of soil quality and carbon storage. Soil sampling conducted by WSDA will be allowed before compost application and until at least 10 years after the last grant funding is used by the farming operation. The program manager would be responsible for managing the reimbursement program, including designing the compost reimbursement form, developing a program to ensure the compost purchased meets WSDA pest control regulations, facilitating the division and distribution of available costs for reimbursement tracking and reporting on the soil benefits of the compost program, and compiling an annual report. The expenditure impact on WSDA would include a full-time program manager, reimbursement funds for qualified farming operations, and soil analysis costs

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 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.

Effective collaboration and consultation with WSDA will require one FTE ongoing working between the Food Safety and Consumer Services Division (especially Food Assistance programs) and the Director’s Office for Food Policy Forum coordination. The position would likely need the skillset of a commerce specialist 2 to work between diverse stakeholders, ensure knowledge of contracts, grants, and commerce requirements for state government and some specialized knowledge of food safety and regulatory requirements for food safety and retail food code.

Section 502 (5), (7), (9)

WSDA assumes this bill would take effect 90 days after the end of session. WSDA assumes work would begin July 1, 2022. (1) WSDA must develop a program to reimburse farmers for compost purchase, transportation, equipment, fuel, labor, and maintenance costs associated with spreading equipment. Reimbursements would begin July 1, 2023 and be ongoing.

One FTE program manager of the reimbursement program. Would be \$138,000 annually (estimate based on Environmental Specialist 4, Step L). This includes initial annual salary, benefits, supplies and agency administrative overhead. This is based on one FTE located in Olympia. If reimbursement requests ranged between 150 to 300 requests per year, we anticipate that one FTE could manage the reimbursement requests. (5)(c) Farming operations are not eligible to receive more than \$10,000 per fiscal year, WSDA estimates 150 applicants would have an expenditure impact of \$1.5 million per fiscal year. If the legislature determines that the program should reach a greater number of farms, then more than one FTE would be required to manage the program. Additionally, if the legislature determines that there must be a compliance element to this program, an additional FTE would be needed. (8) WSDA must submit an annual report by January 15 of each year.

Costs related to sampling for soil quality and carbon storage will occur before compost application and continue annually until at least 10 years after the last grant funding is used by a farming operation, to fulfill reporting requirements. The report is required annually on an ongoing basis. WSDA estimates 2 samples per farming operation, 1 sampling event per farming location, minimum of 150 locations: 300 samples per year. WSDA estimates a cost of \$650 per application, an estimated expenditure impact of \$97,500 per fiscal year of the program. WSDA also estimates an additional \$25,000 per fiscal year to ensure the required soil analysis is obtained from the samples.

Agency Administrative Overhead (payroll, HR, IT and Financial) is calculated at the agency indirect rate of 24.6% of direct program salaries and benefits.

Debt Service is computer leasing calculated at \$600 per year per person shown as object P.

One time cost of \$8,000 for IT system developers to build an application form in PISCES.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
001-1	General Fund	State	0	301,400	301,400	3,586,800	3,586,800
Total \$			0	301,400	301,400	3,586,800	3,586,800

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		2.0	1.0	2.0	2.0
A-Salaries and Wages		136,900	136,900	273,800	273,800
B-Employee Benefits		56,700	56,700	113,400	113,400
C-Professional Service Contracts					
E-Goods and Other Services		57,000	57,000	98,000	98,000
G-Travel		2,000	2,000	4,000	4,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services				3,000,000	3,000,000
P-Debt Service		1,200	1,200	2,400	2,400
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Agency Administrative Overhead		47,600	47,600	95,200	95,200
Total \$	0	301,400	301,400	3,586,800	3,586,800

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 2022	FY 2023	2021-23	2023-25	2025-27
COMMERCE SPECIALIST 2	65,928		1.0	0.5	1.0	1.0
ENVIRONMENTAL SPECIALIST 4	70,956		1.0	0.5	1.0	1.0
Total FTEs			2.0	1.0	2.0	2.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact**IV. A - Capital Budget Expenditures**

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation . Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required