

Multiple Agency Fiscal Note Summary

Bill Number: 1433 HB	Title: Residential home energy labeling
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Licensing	0	0	240,000	0	0	97,500	0	0	85,000
Total \$	0	0	240,000	0	0	97,500	0	0	85,000

Agency Name	2023-25		2025-27		2027-29		
	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	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	.3	77,511	77,511	77,511	.0	0	0	0	.0	0	0	0
Department of Commerce	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Department of Licensing	.4	0	0	396,000	.5	0	0	102,000	.5	0	0	102,000
Total \$	0.7	77,511	77,511	473,511	0.5	0	0	102,000	0.5	0	0	102,000

Agency Name	2023-25			2025-27			2027-29		
	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	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	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

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Prepared by: Gwen Stamey, OFM	Phone: (360) 790-1166	Date Published: Preliminary
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Individual State Agency Fiscal Note

Bill Number: 1433 HB	Title: Residential home energy labeling	Agency: 103-Department of Commerce
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.5	0.0	0.3	0.0	0.0
Account					
General Fund-State 001-1	77,511	0	77,511	0	0
Total \$	77,511	0	77,511	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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: Robert Hatfield	Phone: 360-786-7117	Date: 01/17/2023
Agency Preparation: Marla Page	Phone: 360-725-3129	Date: 01/22/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 01/22/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 01/23/2023

Part II: Narrative Explanation

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

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

This bill relates to energy labeling of residential buildings and adds a new section to RCW 19.27A and creates a new section.

Section 2(1)(a) a new section is added to chapter 19.27A RCW requiring the Department of Commerce (department) to adopt by rule the asset-based home energy score developed by the United States Department of Energy (US DOE) by December 31, 2023.

Section 2(5) states that the department may adopt by rule requirements under which certified home energy assessors must report to the department the home energy performance scores assigned by the home energy assessors. The department must keep and maintain a database of home energy information reported to the department under this subsection.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

General Assumptions:

The bill requires the department to adopt by rule the asset-based home energy score developed by the United States Department of Energy (US DOE) by December 31, 2023.

The bill also states that the department may adopt by rule requirements under which certified home energy assessors must report to the department home energy performance scores. The department assumes few local jurisdictions will voluntarily report home energy information to the department therefore a new database capacity will not be required to house this information.

To complete this work the department estimates the following will be needed in FY24:

0.30 FTE EMS2 Energy Policy Specialist (625 hours) in FY24 focused primarily on rulemaking and provide expert policy advice and lead development of rulemaking effort.

1.0 FTE Administrative Assistant 3 (216 hours) in FY24 to provide administrative support to staff.

Salaries and Benefits

FY24: \$55,422

Goods and Services, Equipment and Travel

FY24: \$3,855

Intra-Agency Reimbursements

FY24: \$18,234

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

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 Total Estimated Costs
 FY24: \$77,511

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	77,511	0	77,511	0	0
Total \$			77,511	0	77,511	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.5		0.3		
A-Salaries and Wages	42,114		42,114		
B-Employee Benefits	13,308		13,308		
C-Professional Service Contracts					
E-Goods and Other Services	3,855		3,855		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	18,234		18,234		
9-					
Total \$	77,511	0	77,511	0	0

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Assistant 3	52,616	0.1		0.1		
Administrative Services - Indirect	111,168	0.1		0.1		
EMS Band 2	122,841	0.3		0.2		
Total FTEs		0.5		0.3		0.0

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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

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

New Section 2(1)(a) requires the Department of Commerce (department) to adopt by rule the asset-based home energy score developed by the United States Department of Energy (US DOE) by December 31, 2023.

Individual State Agency Fiscal Note

Bill Number: 1433 HB	Title: Residential home energy labeling	Agency: 240-Department of Licensing
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Business and Professions Account-State 06L-1	210,000	30,000	240,000	97,500	85,000
Total \$	210,000	30,000	240,000	97,500	85,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.3	0.5	0.4	0.5	0.5
Account					
Business and Professions Account-State 06L-1	345,000	51,000	396,000	102,000	102,000
Total \$	345,000	51,000	396,000	102,000	102,000

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: Robert Hatfield	Phone: 360-786-7117	Date: 01/17/2023
Agency Preparation: Deb Williams	Phone: 360-902-0015	Date: 01/20/2023
Agency Approval: Gerrit Eades	Phone: (360)902-3863	Date: 01/20/2023
OFM Review: Kyle Siefering	Phone: (360) 995-3825	Date: 01/23/2023

Part II: Narrative Explanation

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

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

See attached fiscal note

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

See attached fiscal note

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

See attached fiscal note

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
06L-1	Business and Professions Account	State	345,000	51,000	396,000	102,000	102,000
Total \$			345,000	51,000	396,000	102,000	102,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.3	0.5	0.4	0.5	0.5
A-Salaries and Wages	14,000	23,000	37,000	46,000	46,000
B-Employee Benefits	7,000	11,000	18,000	22,000	22,000
C-Professional Service Contracts					
E-Goods and Other Services	324,000	17,000	341,000	34,000	34,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	345,000	51,000	396,000	102,000	102,000

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 2024	FY 2025	2023-25	2025-27	2027-29
Customer Service Specialist 2	46,980	0.3	0.5	0.4	0.5	0.5
Total FTEs		0.3	0.5	0.4	0.5	0.5

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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

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

See attached fiscal note

Individual State Agency Fiscal Note

Agency 240 – Department of Licensing

Bill Number: HB 1433

Bill Title: Residential Home Energy Labeling

Part 1: Estimates

No Fiscal Impact

Estimated Cash Receipts:

Revenue	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Business and Professions	06L	210,000	30,000	240,000	98,000	86,000
Account Totals		210,000	30,000	240,000	98,000	86,000

Estimated Expenditures:

		FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
FTE Staff Years		0.3	0.5	0.4	0.5	0.5
Operating Expenditures	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Business and Professions	06L	345,000	51,000	396,000	102,000	102,000
Account Totals		345,000	51,000	396,000	102,000	102,000

The revenue 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 the fiscal impact is **less than \$50,000** per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- 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.
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Robert Hatfield	Phone: (360) 786-7117	Date: 1/17/23
Agency Preparation: Deborah Williams	Phone: (360) 634-5083	Date: 1/20/23
Agency Approval: Gerrit Eades	Phone: (360) 902-3931	Date:

Request #	1
Bill #	

Part 2 – Explanation

2.A – Brief Description Of What The Measure Does That Has Fiscal Impact

This bill requires DOL to begin licensing a new profession, home energy assessors, who will be responsible for providing energy labels for existing residential buildings.

This bill will have the following impacts on DOL:

- Adopt rules and establish procedures to license home energy assessors in conjunction with the Department of Commerce by December 1, 2023
- DOL must begin issuing these licenses by January 1, 2024
- Work with the Home Inspector Advisory Board to establish qualifications for licensing applicants, training methods, and standards of practice.
- Conduct necessary system changes to allow for licensing a new profession.
- Establish license fees.

2.B - Cash receipts Impact

Revenue impact is dependent of the number of licenses issued as well as the number of renewals. DOL is assuming that 700 licenses are the initial number, and an ongoing 100 new licenses per year. Renewals begin in fiscal year 2026 per the two-year requirement. Renewals start at 500 and are reduced to 100 per year in ongoing years. The fee is estimated to be \$300 for new licenses and \$500 for renewing licenses. This amount is dependent on the number of licenses and the cost of establishing and running the program and is subject to change.

		FY24	FY25	FY26	FY27	FY28	FY29
New licenses	Count	700	100	100	100	100	100
	Revenue	\$ 210,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000	\$ 30,000
Renewal License	Count			500	250	250	250
	Revenue			\$ 25,000	\$ 12,500	\$ 12,500	\$ 12,500
Total Revenue		\$ 210,000	\$ 30,000	\$ 55,000	\$ 42,500	\$ 42,500	\$ 42,500

Revenue	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Business and Professions	06L	210,000	30,000	240,000	98,000	86,000
Account Totals		210,000	30,000	240,000	98,000	86,000

2.C – Expenditures

The Department of Licensing makes the following assumptions regarding this bill and its fiscal impact.

- DOL is not approving courses for this license.
- Minimum qualifications approved by the Home Inspector Advisory Licensing Board do not require exams or continuing education.
- No profession-specific questions on application.
- Fingerprints are not required for licensure.
- No bonds/financial guarantee required.
- No new reports
- Enforcement and compliance will be governed by the uniform regulation of business and professions act, defined by RCW 18.235.

A partial FTE for a Customer Service Specialist (CSS 2) is required. The initial requirement assumes licenses will be issued starting January 1, 2024. The ongoing requirement is for 0.5 FTE to support the Home Energy Assessors license.

CSS2 duties will include:

- Evaluating and processing both paper and electronic applications for licenses and renewals for eligibility.
- Providing customer assistance to licensees and public, via telephone, and email regarding general licensing questions, procedures for licensing, how to access services and online systems and customer guidance on license profession laws, rules and agency policies.

Information Services:

The agency will use appropriated funds to hire contract programmers to accomplish this work or to support current staff implementing this legislation within the required timeline. Appropriated funds may also be used to hire agency temporary staff to support permanent staff assigned to this legislative effort.

Any change requires a process to ensure changes are correctly applied to the system. This involves Project Managers that manage the team that completes the update, business analyst that documents and reviews the system changes, architect services that analyzes how the update could influence other systems or DOL processes, developers who create the change, and testers and quality assurance teams that ensure the update is working correctly.

Information Services will implement the following:

- Update scanners to route paper applications to system.
- Add a new profession to software systems.
- Create the ability for applicants to submit applications for new, reciprocity, renewal, and reinstatement applications.

- Update the software system to allow staff to process applications and issue licenses for Home Energy Assessor.
- Add a new profession to standard notifications.
- Create the ability for licensees to submit Account Maintenance Requests (AMR).

Cost Category	Description	Rate	2024	2025	2026	2027	2028	2029	Total Cost
TESTER	Test to verify individual components meet requirements; ensure that other business transactions have not been impacted.	\$ 22,620	47,500	-	-	-	-	-	47,500
BUSINESS ANALYST	Determine business requirements; translate requirements into what changes are needed to various systems including account codes, inventory codes, testing considerations, etc.	\$ 16,530	9,900	-	-	-	-	-	9,900
PROJECT MANAGER	Manage schedule and contracts	\$ 28,710	14,400	-	-	-	-	-	14,400
QUALITY ASSURANCE	Plan and carry out activities to assure project deliverables; e.g. preventative defect activities, align quality measures and business objectives.	\$ 37,410	67,300	-	-	-	-	-	67,300
SECURITY AND ARCHITECT SERVICES	Create the conceptual model that defines the structure, behavior and framework of a computerized system including a breakdown of the system into components, the component interactions and interfaces (including with the environment, especially the user), and the technologies and resources to be used in the design.	\$ 16,530	5,000	-	-	-	-	-	5,000
DEVELOPERS	Modify programming and coding to all major systems	\$ 19,140	1,900	-	-	-	-	-	1,900
Trainer	Trains business partners and employees in new system processes and capabilities.	\$ 22,620	13,600	-	-	-	-	-	13,600
Organizational Change Management	Prepares stakeholders for the change and develops strategies to ensure the changes are fully adopted.	\$ 37,410	67,300	-	-	-	-	-	67,300
Project Contingency	Office of the Chief Information Officer designated rate of 10%	\$ 25,474	22,700	-	-	-	-	-	22,700
Totals			249,600	-	-	-	-	-	249,600

Support Services:

Agency Administrative Overhead is included at a rate of 23.4 percent of the direct program costs. This funding received covers agency-wide functions such as vendor payments, contract administration, financial management, mail processing, equipment management, help desk support, and technical assistance to DOL employees.

Part 3 – Expenditure Detail

3.A – Operating Budget Expenditures

Operating Expenditures	Fund	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Business and Professions	06L	345,000	51,000	396,000	102,000	102,000
Account Totals		345,000	51,000	396,000	102,000	102,000

3.B – Expenditures by Object or Purpose

Object of Expenditure	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
FTE Staff Years	0.3	0.5	0.4	0.5	0.5
Salaries and Wages	14,000	23,000	37,000	46,000	46,000
Employee Benefits	7,000	11,000	18,000	22,000	22,000
Goods and Services	324,000	17,000	341,000	34,000	34,000
Total By Object Type	345,000	51,000	396,000	102,000	102,000

3.C – FTE Detail

Staffing	Salary	FY 24	FY 25	23-25 Total	25-27 Total	27-29 Total
Customer Service Specialist 2	46,980	0.3	0.5	0.4	0.5	0.5
	Total FTE	0.3	0.5	0.4	0.5	0.5

Part 4 – Capital Budget Impact

None.

Part 5 – New Rule Making Required

A new rule or revisions to the following rules are required.

Chapter 308-408 WAC: Definitions

Chapter 308-408A WAC: Licensing

Chapter 308-408B WAC: Education—Home Inspector Course Approval

Chapter 308-408C WAC: Standards of practice