

Multiple Agency Fiscal Note Summary

Bill Number: 1390 HB	Title: District energy systems
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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 Enterprise Services	0	0	693,400	0	0	253,400	0	0	253,400
Total \$	0	0	693,400	0	0	253,400	0	0	253,400

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	.7	234,761	234,761	234,761	.0	0	0	0	.0	0	0	0
Department of Enterprise Services	1.0	0	0	693,400	1.0	0	0	253,400	1.0	0	0	253,400
Department of Social and Health Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Children, Youth, and Families	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Corrections	Fiscal note not available											
University of Washington	Fiscal note not available											
Washington State University	Fiscal note not available											
Eastern Washington University	Fiscal note not available											
Central Washington University	.5	113,056	113,056	113,056	.5	111,056	111,056	111,056	.5	111,056	111,056	111,056
Central Washington University	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
The Evergreen State College	.0	0	0	0	.0	0	0	0	.0	0	0	0
Western Washington University	.0	0	0	0	.0	0	0	0	.0	0	0	0
Community and Technical College System	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	2.2	347,817	347,817	1,041,217	1.5	111,056	111,056	364,456	1.5	111,056	111,056	364,456

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 Enterprise Services	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Social and Health Services	.0	0	750,000	.0	0	0	.0	0	0
Department of Children, Youth, and Families	.0	0	0	.0	0	0	.0	0	0
Department of Corrections	Fiscal note not available								
University of Washington	Fiscal note not available								
Washington State University	Fiscal note not available								
Eastern Washington University	Fiscal note not available								
Central Washington University	.0	800,000	800,000	.0	0	0	.0	0	0
Central Washington University	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
The Evergreen State College	.0	25,000	25,000	.0	0	0	.0	0	0
Western Washington University	.1	59,933	59,933	.0	0	0	.0	0	0
Western Washington University	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Community and Technical College System	.0	429,000	429,000	.0	0	0	.0	0	0
Community and Technical College System	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Total \$	0.1	1,313,933	2,063,933	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Agency Name	2023-25	2025-27	2027-29
	Total	Total	Total
Central Washington University			
Other	800,000	0	0
	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.		
Community and Technical College System			
Predesign/Design	429,000	0	0
	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.		
Department of Enterprise Services	Non-zero but indeterminate cost and/or savings. Please see discussion.		
Other	750,000	0	0
Predesign/Design	25,000	0	0
Western Washington University			
Other	50,000	0	0
Staff	9,933	0	0
	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.		
Total \$	2,063,933	0	0

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

Bill Number: 1390 HB	Title: District energy systems	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	0.7	0.7	0.7	0.0	0.0
Account					
General Fund-State 001-1	115,549	119,212	234,761	0	0
Total \$	115,549	119,212	234,761	0	0

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

- 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: Megan McPhaden	Phone: 360-786-7114	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.

The bill requires the Department of Commerce (department) to review and approve decarbonization plans and report to the legislature a summary of these plans.

This bill establishes an alternative compliance pathway for Clean Buildings compliance for state-owned campuses served by a district energy system that will allow for more time to make decarbonizing capital improvements.

Section 2(3) a new section is added to chapter 19.27A RCW requires the owner of a state campus district energy system to begin developing a decarbonization plan by June 30, 2024, and must submit a final decarbonization plan to the department by June 30, 2025.

Section 2(4) requires department to provide a summary report on the decarbonization plans required in subsection (3) of this section to the governor and appropriate committees of the legislature by December 1, 2025.

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.

By December 1, 2025, the department must develop a report to the legislature that is a summary report of all the decarbonization plans submitted and reviewed. This will require one-time technical review of decarbonization plans submitted from state-owned campuses, and will be completed by department staff.

The department assumes that work required to develop the report would start beginning July 1, 2024, and would be completed by December 1, 2025.

To accomplish this work the department estimates:

0.30 FTE EMS2 Senior Energy Policy Specialist (625 hours) in FY24-FY25 to provide expert policy level consultation and review in development of the report.

0.30 FTE Commerce Specialist 4 (625) in FY24-FY25 to provide expert review of submitted decarbonization plans and provide technical assistance in the submittal of these plans.

Salaries and Benefits:

FY24: \$82,594

FY25: \$85,347

Goods and Services:

FY24: \$5,782

FY25: \$5,786

Intra-agency Reimbursement:

FY24: \$27,173
 FY25: \$28,079

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.

Total Costs:
 FY24: \$115,549
 FY25: \$119,212

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	115,549	119,212	234,761	0	0
Total \$			115,549	119,212	234,761	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.7	0.7	0.7		
A-Salaries and Wages	62,716	64,598	127,314		
B-Employee Benefits	19,878	20,749	40,627		
C-Professional Service Contracts					
E-Goods and Other Services	5,782	5,786	11,568		
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	27,173	28,079	55,252		
9-					
Total \$	115,549	119,212	234,761	0	0

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Services - Indirect	111,168	0.1	0.1	0.1		
Commerce Specialist 4	86,212	0.3	0.3	0.3		
EMS Band 2	122,841	0.3	0.3	0.3		
Total FTEs		0.7	0.7	0.7		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.

Individual State Agency Fiscal Note

Bill Number: 1390 HB	Title: District energy systems	Agency: 179-Department of Enterprise Services
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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
Enterprise Services Account-State 422-1	271,700	421,700	693,400	253,400	253,400
Total \$	271,700	421,700	693,400	253,400	253,400

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
Account					
Enterprise Services Account-State 422-1	271,700	421,700	693,400	253,400	253,400
Total \$	271,700	421,700	693,400	253,400	253,400

Estimated Capital Budget Impact:

Non-zero but indeterminate cost and/or savings. Please see discussion.

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: Megan McPhaden	Phone: 360-786-7114	Date: 01/17/2023
Agency Preparation: Michael Diaz	Phone: (360) 407-8131	Date: 01/20/2023
Agency Approval: Ashley Howard	Phone: (360) 407-8159	Date: 01/20/2023
OFM Review: Jennifer Masterson	Phone: (360) 810-0117	Date: 01/24/2023

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.

Section 2 is a new section added to RCW 19.27A that defines terms and describes the responsibilities of the state campus district energy system owners.

Section 2(2) requires owners of campus district energy systems to develop a decarbonization plan by June 30, 2024. Requirements of this plan are described in this section. This has fiscal impact to the Department of Enterprise Services (DES).

Section 2(3) requires owners to submit a final plan to the Department of Commerce (COM) by June 30, 2025.

Section 2(5) provides owners of state campus district energy systems with alternative options for compliance, to include an exemption from the Department of Commerce (COM).

DES has a district energy system, as defined in this section. The DES system does not meet the energy performance standards defined in RCW 19.27A.200 through 19.27A.250.

Section 3 amend RCW 19.27A.210 and 2021 c 65 s 19 to include responsibilities of COM. This has no fiscal impact to DES.

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.

DES would need to include the costs associated with the staffing and contract expense in its rent rate for the effected Capitol Campus buildings that would be subject to the decarbonization plan.

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.

Section 2 of this bill would require DES to develop a decarbonization plan. This plan would need to be developed by a third-party vendor. The cost is estimated at \$425,000.

Additionally, DES would need an additional resource (Facilities Planner 2) to support this work. It is assumed that this position would begin July 1, 2023.

It's unknown if the current energy system management systems can support the recommendations that may come from the decarbonization plan. For purposes of this fiscal note, we are not assuming any additional costs.

If the third-party vendor determines that a new energy management system would be needed, DES would need to hire a Telemetry Systems Specialist to help support assist in its installation and decommissioning of the old system.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
422-1	Enterprise Services Account	State	271,700	421,700	693,400	253,400	253,400
Total \$			271,700	421,700	693,400	253,400	253,400

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
A-Salaries and Wages	87,100	87,100	174,200	174,200	174,200
B-Employee Benefits	29,600	29,600	59,200	59,200	59,200
C-Professional Service Contracts	150,000	300,000	450,000		
E-Goods and Other Services	5,000	5,000	10,000	20,000	20,000
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 \$	271,700	421,700	693,400	253,400	253,400

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
Facilities Planner 2	87,144	1.0	1.0	1.0	1.0	1.0
Total FTEs		1.0	1.0	1.0	1.0	1.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

IV. C - Capital Budget Breakout

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

Non-zero but indeterminate cost and/or savings. Please see discussion.

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

NONE

It is unknown at this time what the decarbonization plan would be, and what infrastructure needs might come from it.

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 1390 HB	Title: District energy systems	Agency: 300-Department of Social and Health Services
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

	2023-25		2025-27		2027-29	
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Predesign/Design	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Grants/Loans	0	0	0	0	0	0
Staff	0	0	0	0	0	0
Other	750,000	0	0	0	0	0
Total \$	750,000	0	0	0	0	0

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: Megan McPhaden	Phone: 360-786-7114	Date: 01/17/2023
Agency Preparation: Bill Jordan	Phone: 360-902-8183	Date: 01/20/2023
Agency Approval: Dan Winkley	Phone: 360-902-8236	Date: 01/20/2023
OFM Review: Seth Nickerson	Phone: (360) 995-3604	Date: 01/24/2023

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.

HB 1390 requires the Department of Social and Health Services (DSHS), Capital Programs to hire a professional consultant to assess existing campus district energy systems and complete a predesign effort to meet the new Decarbonization Plan requirements as proposed.

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.

None

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.

Please see Section IV-D, Capital Budget Breakout.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals 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

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	750,000	0	750,000	0	0
Total \$			750,000	0	750,000	0	0

IV. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts	750,000		750,000		
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	750,000	0	750,000	0	0

IV. C - Capital Budget Breakout

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

Construction Estimate	FY 2024	FY 2025	2023-25	2025-27	2027-29
Pre-design/Design					
Construction					
Grants/Loans					
Staff					
Other	750,000		750,000		
Total \$	750,000		750,000		

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

NONE

HB 1390 requires DSHS, Capital Programs to hire a professional consultant to assess existing campus district energy systems and complete a pre-design effort to meet the new Decarbonization Plan requirements as proposed. DSHS has seven state owned campuses that meet the 100,000 square fee requirement in the bill. DSHS Capital Programs is estimating the costs for the project consultant and project management fees that will be incurred to meet the requirements of the bill to be \$750,000.

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 1390 HB	Title: District energy systems	Agency: 307-Department of Children, Youth, and Families
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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: Megan McPhaden	Phone: 360-786-7114	Date: 01/17/2023
Agency Preparation: Chris Conn	Phone: 360 725-4441	Date: 01/20/2023
Agency Approval: James Smith	Phone: 360-764-9492	Date: 01/20/2023
OFM Review: Seth Nickerson	Phone: (360) 995-3604	Date: 01/24/2023

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 requires that agencies that have a system that provides heating, cooling, or heating and cooling to a campus with of five or more buildings with more than 100,000 square feet of conditioned space through a distributed system providing steam, hot water, or cool water develop a decarbonization plan with multiple components for submittal for review followed by a corresponding capital funding plan.

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.

None

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.

No Fiscal Impact as DCYF campuses and buildings do not meet the threshold requirements of this bill, so no impact to DCYF.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

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

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.

Individual State Agency Fiscal Note

Revised

Bill Number: 1390 HB	Title: District energy systems	Agency: 375-Central Washington University
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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	0.5	0.5	0.5	0.5
Account					
General Fund-State 001-1	57,528	55,528	113,056	111,056	111,056
Total \$	57,528	55,528	113,056	111,056	111,056

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

Estimated Capital Budget Impact:

	2023-25		2025-27		2027-29	
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Pre-design/Design	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Grants/Loans	0	0	0	0	0	0
Staff	0	0	0	0	0	0
Other	800,000	0	0	0	0	0
Total \$	800,000	0	0	0	0	0

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

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: Megan McPhaden	Phone: 360-786-7114	Date: 01/17/2023
Agency Preparation: Erin Sargent	Phone: 509-963-2395	Date: 01/24/2023
Agency Approval: Lisa Plesha	Phone: (509) 963-1233	Date: 01/24/2023
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 01/24/2023

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.

Section 2: New Section – (1) provides definitions for “campus”, and “state campus district energy system”. (2)(a) requires owners of a state campus district energy system to develop a decarbonization plan that includes replacement of fossil fuels, evaluation of partnering options for consumption of waste heat and cooling, examination of opportunities to add building to the system, and evaluation of reduced energy use by conservation. (b) The bill encourages other considerations including network upgrades, energy storage, space cooling, etc.

(3) the owners of the energy system must begin the plan development by June 30, 2024 and the final plan is due to the Dept of Commerce by June 30, 2025.

(4) Dept of Commerce to provide summary report by December 1, 2025

(5) provides guidance regarding capital investments to implement the decarbonization plan.

Section 3: Amended Section - (e)(f) provides guidance to the Department of Commerce

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.

HB 1390 would require CWU to develop a decarbonization plan due by June 30, 2025. Time will be required to determine the scope of the systems, what measures would need to be taken, and would have to be started by June 30, 2024.

In order to comply with the proposed bill, CWU plans to hire an additional FTE titled “Building Energy Manager” to document the compliance information of this bill and direct the implementation of resources and equipment. This employee's responsibilities will be divided into supplemental previous enacted HB 1257 Clean Building Performance for planning, management, and documentation. We expect that at least 25% of this FTE will be allocated to the requirements in HB 1390 and estimate the salary to be \$35,245 (0.25FTE* annual salary of \$106,000+33% benefits) with an initial set up cost of \$2,000 office and technology needs.

In addition, the legislation could also require increase effort from the sustainability officer which we estimate to be an additional \$20,283 (0.25FTE* annual salary of \$61,000+33% benefits), though ultimately indeterminate. The salary and benefit costs in the table represent .25 FTE of the Building Energy Manager and .25 for the sustainability officer.

The additional statistical tracking associated with this bill is proposed to be part of the responsibilities of the proposed Building Energy Manager in the estimated hours above, and any additional effort would likely be allocated among existing resources, though it is important to note that the capital planning staff is currently stretch to capacity and will not always be in the position to do so.

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	57,528	55,528	113,056	111,056	111,056
Total \$			57,528	55,528	113,056	111,056	111,056

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	0.5	0.5	0.5	0.5
A-Salaries and Wages	41,750	41,750	83,500	83,500	83,500
B-Employee Benefits	13,778	13,778	27,556	27,556	27,556
C-Professional Service Contracts					
E-Goods and Other Services	2,000		2,000		
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 \$	57,528	55,528	113,056	111,056	111,056

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
Building Energy Manager	106,000	0.3	0.3	0.3	0.3	0.3
Sustainability Manger	61,000	0.3	0.3	0.3	0.3	0.3
Total FTEs		0.5	0.5	0.5	0.5	0.5

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
057-1	State Building Construction Account	State	800,000	0	800,000	0	0
Total \$			800,000	0	800,000	0	0

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

IV. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts	800,000		800,000		
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	800,000	0	800,000	0	0

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

IV. C - Capital Budget Breakout

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

Construction Estimate	FY 2024	FY 2025	2023-25	2025-27	2027-29
Predesign/Design					
Construction					
Grants/Loans					
Staff					
Other	800,000		800,000		
Total \$	800,000		800,000		

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

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

NONE

In addition to the building energy manager, CWU will need an engineering consultant to work with the baseline reporting criteria during the first year which would then be managed by the Building Energy manage on an ongoing basis. The cost of the consultant is indeterminate at this time as it requires a full system evaluation. A rough order of magnitude for this effort would be a consultant engineering charge of \$.25/SF, which would then be multiplied by the applicable building square footage as assessed by the consultant. An example cost scenario has been provided in the note section above based on 3.2mil sq ft., however the actual cost is indeterminate.

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Revised

Bill Number: 1390 HB	Title: District energy systems	Agency: 376-The Evergreen State College
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

	2023-25		2025-27		2027-29	
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Pre-design/Design	25,000	0	0	0	0	0
Construction	0	0	0	0	0	0
Grants/Loans	0	0	0	0	0	0
Staff	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total \$	25,000	0	0	0	0	0

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: Megan McPhaden	Phone: 360-786-7114	Date: 01/17/2023
Agency Preparation: Daniel Ralph	Phone: 360-867-6500	Date: 01/24/2023
Agency Approval: Dane Apalategui	Phone: 360-867-6517	Date: 01/24/2023
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 01/24/2023

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.

HB 1390 relates to district energy systems.

Section 2 (1) defines “campus” and “state campus energy district system.”

Section 2 (2) (a) requires owners of state campus energy districts to develop de-carbonization plans that include (i) mechanisms to replace fossil fuels in the heating plants, (ii) an evaluation of nearby resources that might provide options for sharing waste heat and cooling, and (iii) an examination of opportunities to add buildings or other facilities to the system once it is decarbonized, a strategy to incentivize growth of a decarbonized system, and requirements for facilities joining the system, and (iv) an evaluation of the possibility of reducing energy through conservation efforts.

Section 2 (3) requires that the owner must begin developing a decarbonization plan by June 30, 2024 and must submit one to the Department of Commerce by June 30, 2025.

Section 2 (5) (a) states that owners will not be required to make capital investments in order to comply with the meet the performance standard requirements identified in RCW 19.27A.200 and RCW 19.27A.250 if (i) a decarbonization plan is being implemented or has been implemented and (ii) the system meets the performance requirements in the above RCW’s.

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.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
057-1	State Building Construction Account	State	25,000	0	25,000	0	0
Total \$			25,000	0	25,000	0	0

IV. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts	25,000		25,000		
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	25,000	0	25,000	0	0

IV. C - Capital Budget Breakout

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

Construction Estimate	FY 2024	FY 2025	2023-25	2025-27	2027-29
Predesign/Design	25,000		25,000		
Construction					
Grants/Loans					
Staff					
Other					
Total \$	25,000		25,000		

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

NONE

In order to comply with this bill, we will need to review and revise our existing energy plan. We estimate the cost to hire a consultant to assist in this endeavor at \$25,000, 100 hours x \$250 per hour. Our estimates for construction are as follows and include a 4% increase each year for estimated construction cost increases:

FY2024...\$3,000,000; FY2025...\$10,000,000; FY2026...\$10,400,000; FY2027...\$10,816,000; FY2028...\$11,249,000; FY2029...\$11,699,000; FY2030...\$12,167,000; FY2031...\$12,654,000

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 1390 HB	Title: District energy systems	Agency: 380-Western Washington University
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

	2023-25		2025-27		2027-29	
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Predesign/Design	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Grants/Loans	0	0	0	0	0	0
Staff	0	9,933	0	0	0	0
Other	0	50,000	0	0	0	0
Total \$	0	59,933	0	0	0	0

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

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: Megan McPhaden	Phone: 360-786-7114	Date: 01/17/2023
Agency Preparation: Gena Mikkelsen	Phone: 3606507412	Date: 01/24/2023
Agency Approval: Kimberley Ayre	Phone: 3606503377	Date: 01/24/2023
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 01/24/2023

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.

Section 1: Outlines the climate benefits of a district energy policy to reduce commercial and large state-owned building emissions, including state-run campus facilities, using a multi-year plan for capital investments and climate funding.

Section 2(1): Provides definitions where “campus” means a collection of buildings served by a campus district heating/cooling, water reuse, or power system.

Section 2(2): Stipulates the owner of a state campus district energy system must develop a decarbonization plan that includes replacement of fossil fuel systems through incentives and partnerships.

Section 2(4): Decarbonization planning must begin by June 30, 2024; the plan must be submitted to the department of commerce by June 30, 2025. Allowable exceptions to compliance with energy standards in RCW 19.27A.200 are noted in Section 2(5).

Section 3: Outlines energy performance standards and compliance criteria (and exceptions) to be established by the department of commerce.

Section 3(7): Requires the owner of a covered commercial building to report compliance with the energy performance standards. Phased implementation is based on square footage per Section 3(8).

Section 3(10): Provides for monetary penalties for noncompliance.

Impact:

Additional reporting and administrative requirements for compliance review of our feasibility study and development of the “decarbonization plan” to the Dept. Of Commerce.

This bill will require minimal additional effort to adjust our existing heating conversion study to be compliant with these requirements.

This could require additional consulting services to adjust our study to a decarbonization plan as described with a nominal cost of \$50,000+ estimated.

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.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
057-1	State Building Construction Account	State	0	59,933	59,933	0	0
Total \$			0	59,933	59,933	0	0

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

IV. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.1	0.1		
A-Salaries and Wages		7,641	7,641		
B-Employee Benefits		2,292	2,292		
C-Professional Service Contracts		50,000	50,000		
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	59,933	59,933	0	0

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

IV. C - Capital Budget Breakout

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

Construction Estimate	FY 2024	FY 2025	2023-25	2025-27	2027-29
Predesign/Design					
Construction					
Grants/Loans					
Staff		9,933	9,933		
Other		50,000	50,000		
Total \$		59,933	59,933		

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

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Business Analyst	76,401		0.1	0.1		
Total FTEs			0.1	0.1		0.0

Minimal additional work will be required to develop a compliant decarbonization plan from our existing District Heating Conversion Study.

One time consulting services could be necessary to convert our existing District Heating Conversion Study into a document that is compliant with the requirements of this bill.

Estimate for that effort is TBD, but would be at least \$50,000.

Capital expenditures for other entities that do not have this foundational document will be much higher.

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Revised

Bill Number: 1390 HB	Title: District energy systems	Agency: 699-Community and Technica College System
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

	2023-25		2025-27		2027-29	
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Predesign/Design	36,000	393,000	0	0	0	0
Construction	0	0	0	0	0	0
Grants/Loans	0	0	0	0	0	0
Staff	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total \$	36,000	393,000	0	0	0	0

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

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: Megan McPhaden	Phone: 360-786-7114	Date: 01/17/2023
Agency Preparation: Brian Myhre	Phone: 360-704-4413	Date: 01/24/2023
Agency Approval: Cherie Berthon	Phone: 360-704-1023	Date: 01/24/2023
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 01/24/2023

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 would require an owner of a state campus district energy system to develop a decarbonization plan.

A campus district energy system is defined as a district energy system that provides heating, cooling, or heating and cooling to a campus through a distribute system providing steam, hot water, or cool water to five or more buildings with more than 100,000 square feet of conditioned space.

Decarbonization plans must include:

- Mechanisms to replace fossil fuels in the heating plants;
- Evaluation of possible options to partner with nearby sources and uses of waste heat and cooling;
- Examination of opportunities to add buildings or other facilities to the system once it is decarbonized;
- Evaluation of potential for reduced energy use through conservation efforts.

The development of plans must begin by June 30, 2024 and submitted to the Department of Commerce by June 30, 2025.

The owner of a state campus district energy system is not required to comply with the state energy performance standard requirements if they are implementing a decarbonization plan and meet benchmarking, energy management and operations and maintenance planning requirements for the system.

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.

No cash receipts impact.

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.

No expenditure impact.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
057-1	State Building Construction Account	State	36,000	393,000	429,000	0	0
Total \$			36,000	393,000	429,000	0	0

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

IV. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts	36,000	393,000	429,000		
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	36,000	393,000	429,000	0	0

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

IV. C - Capital Budget Breakout

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

Construction Estimate	FY 2024	FY 2025	2023-25	2025-27	2027-29
Pre-design/Design	36,000	393,000	429,000		
Construction					
Grants/Loans					
Staff					
Other					
Total \$	36,000	393,000	429,000		

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

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

NONE

This bill would result in the following expenditure impact.

PLAN DEVELOPMENT:

Section 2(2) requires the owner of a state campus district energy system to develop a decarbonization plan. Based on per/Sq. Ft. cost to develop similar plans at another Institution of Higher Education, it is estimated to cost \$0.155/Sq. Ft. Currently, there are six community colleges that would fall under the requirements of the bill and need to develop decarbonization plans. At these colleges, there are 2,770,000 square feet of space that would be included in the plans.

2,770,000 sq. ft. X \$0.155/Sq. Ft. = \$429,000

The development of plans will begin in FY24 with the majority of the work occurring in FY25.

FY24 – \$36,000

FY25 – \$393,000

INDETERMINATE COSTS:

In addition to the costs shown above, it is anticipated there would be construction costs related to the implementation of the decarbonization plans. Until plans are developed, it is not known what these costs would be.

Part V: New Rule Making Required

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