

Multiple Agency Fiscal Note Summary

| | |
|-----------------------------|---|
| Bill Number: 5057 SB | Title: Energy standards/commercial |
|-----------------------------|---|

Estimated Cash Receipts

NONE

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 | .6 | 200,696 | 200,696 | 200,696 | .6 | 183,526 | 183,526 | 183,526 | .6 | 183,526 | 183,526 | 183,526 |
| Department of Enterprise Services | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 |
| Department of Social and Health Services | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 |
| Department of Corrections | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 |
| Superintendent of Public Instruction | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 |
| University of Washington | Fiscal note not available | | | | | | | | | | | |
| Washington State University | .6 | 170,000 | 170,000 | 170,000 | .0 | 0 | 0 | 0 | .0 | 0 | 0 | 0 |
| Eastern Washington University | Fiscal note not available | | | | | | | | | | | |
| Central Washington University | Fiscal note not available | | | | | | | | | | | |
| The Evergreen State College | Fiscal note not available | | | | | | | | | | | |
| Western Washington University | Fiscal note not available | | | | | | | | | | | |
| Community and Technical College System | Fiscal note not available | | | | | | | | | | | |
| Total \$ | 1.2 | 370,696 | 370,696 | 370,696 | 0.6 | 183,526 | 183,526 | 183,526 | 0.6 | 183,526 | 183,526 | 183,526 |

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 | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Department of Social and Health Services | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Department of Corrections | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Superintendent of Public Instruction | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| University of Washington | Fiscal note not available | | | | | | | | |
| Washington State University | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Eastern Washington University | Fiscal note not available | | | | | | | | |
| Central Washington University | Fiscal note not available | | | | | | | | |
| The Evergreen State College | Fiscal note not available | | | | | | | | |
| Western Washington University | Fiscal note not available | | | | | | | | |
| Community and Technical College System | Fiscal note not available | | | | | | | | |
| Total \$ | 0.0 | 0 | 0 | 0.0 | 0 | 0 | 0.0 | 0 | 0 |

Estimated Capital Budget Breakout

| | | |
|--------------------------------------|---------------------------------|---------------------------------------|
| Prepared by: Gwen Stamey, OFM | Phone: (360) 790-1166 | Date Published: Preliminary |
|--------------------------------------|---------------------------------|---------------------------------------|

Individual State Agency Fiscal Note

| | | |
|-----------------------------|---|---|
| Bill Number: 5057 SB | Title: Energy standards/commercial | Agency: 103-Department of Commerce |
|-----------------------------|---|---|

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 | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| Account | | | | | |
| General Fund-State 001-1 | 108,933 | 91,763 | 200,696 | 183,526 | 183,526 |
| Total \$ | 108,933 | 91,763 | 200,696 | 183,526 | 183,526 |

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

| | | |
|----------------------------------|-----------------------|------------------|
| Legislative Contact: Kim Cushing | Phone: (360) 786-7421 | Date: 01/19/2023 |
| Agency Preparation: Marla Page | Phone: 360-725-3129 | Date: 01/31/2023 |
| Agency Approval: Jason Davidson | Phone: 360-725-5080 | Date: 01/31/2023 |
| OFM Review: Gwen Stamey | Phone: (360) 790-1166 | Date: 01/31/2023 |

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 relates to delaying the state building performance standard for covered commercial building and creating a work group to evaluate the costs of the standard; amends RCW 19.27A.210 and 19.27A.250; creates a new section; and provides an expiration date.

Under the Clean Buildings Act (HB 1257, 2019) and its expansion (SB 5722, 2022) large non-residential and multifamily buildings must complete a series of efficiency activities and include: energy management planning; operations and maintenance; and energy use benchmarking.

This bill would delay the timeline for Tier 1 compliance by two years, for both buildings already meeting energy use intensity (EUI) targets and buildings not meeting EUI targets; delay timeline for all Tier 2 activity by two years including rulemaking and compliance reporting – and also delays the date for adoption of a performance standard for these Tier 2 buildings by two years. Effectively the standard would not take affect until 2033.

The bill would also create a workgroup to report on financial impact and provide recommendations to the legislature.

Section 1 amends RCW 19.27A.210 to delay energy performance compliance for the department by two years for the following: buildings more than 220,000 gross square feet from July 1, 2026 to 2028; buildings more than 90,000 gross square feet but less than 220,001 gross square feet from June 1, 2027 to 2029; and buildings more than 50,000 gross square feet but less than 90,001 square feet, from June 1, 2028 to 2030.

Section 2 amends RCW 19.27A.250 to delay state energy management and benchmarking requirements by two years for the following: Rule adoption for a state energy management and benchmarking requirement for Tier 2 covered buildings by two years from December 1, 2023 to 2025; Notification requirements to property owners of Tier 2 covered buildings from July 1, 2025 to 2027; Tier 2 owner report submittal to the department from July 1, 2027 to 2029; Benchmarking requirements to determine energy use and greenhouse gas emissions averages from July 1, 2029 to 2031; Report to legislature and governor with recommendations for cost-effective building performance standards for tier 2 covered buildings from October 1, 2029 to 2031; Rule adoption for Tier 2 covered buildings performance standards from December 31, 2030 to 2032; Rules effective date for regular legislative session changed from 2031 to 2033.

Effective date is assumed to be 90 days after adjournment of the session in which this bill is passed.

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

Under the Clean Buildings Act (HB 1257, 2019) and its expansion (SB 5722, 2022) large non-residential and multifamily buildings must complete a series of efficiency activities and include: energy management planning; operations and maintenance; and energy use benchmarking.

This bill would delay by 2 years a series of efficiency activities and include: energy management planning; operations and maintenance; and energy use benchmarking by the Building Unit within the department. This delay would have a significant financial and administrative impact. Existing materials and processes would need to be extensively re-designed, resulting in significant costs and staff time. This delay would require continued database work, with an additional two years of Tier 1 initial notifications before going into the regular 3-year Tier 1 refresh cycle once the compliance period has started. There will be system changes to support that out-of-cycle notification round, data research, as well as continued maintenance and support of the system since the timeframe is pushed out.

This bill delays the state building performance standard, there are no cost savings for the department in delaying work. Some costs will be pushed into future fiscal years (ex. Tier 2 rulemaking would not need to be completed in the near-term). Any near-term activity savings will be offset from the increase in customer assistance the department will need to provide. For example, when the first-round letters were sent out, the department received around 1,000 customer support tickets and anticipates the same or greater response with re-notification. The delay of compliance dates will impact the industry and market and increase the number of customer support and technical assistance requests the department receives.

The department assumes that buildings will need to be notified of this delay and will require on-time printing services for building owner notifications through Department of Enterprise Services (DES) of \$20,000.

The department is not a specified member of the workgroup created within the bill and anticipates no fiscal impact at this time.

The bill does not require any rulemaking activities but would delay planned Tier 2 rulemakings in 2023.

To accomplish this work the department estimates:

0.50 FTE Management Analyst 5 (1,044 hours) in FY24-FY29 to lead a database refresh prompted by delaying Tier 1 and Tier 2 building compliance dates by two years. This position would lead the work to re-identify buildings statewide.

Salaries and Benefits:

FY24: \$63,300

FY25-FY29: \$65,427 per fiscal year

Goods and Services:

Good and Services includes a one-time printing service for building owner re-notifications through DES \$20,000 FY24.

FY24: \$24,807

FY25-FY29: \$4,811 per fiscal year

Intra-agency Reimbursement

FY24: \$20,826

FY25-FY29: \$21,525 per fiscal year

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

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Total Costs:

FY24: \$108,933

FY25-FY29: \$91,763 per fiscal year

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 | 108,933 | 91,763 | 200,696 | 183,526 | 183,526 |
| Total \$ | | | 108,933 | 91,763 | 200,696 | 183,526 | 183,526 |

III. B - Expenditures by Object Or Purpose

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--------------------------------------|---------|---------|---------|---------|---------|
| FTE Staff Years | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |
| A-Salaries and Wages | 47,593 | 49,020 | 96,613 | 98,040 | 98,040 |
| B-Employee Benefits | 15,707 | 16,407 | 32,114 | 32,814 | 32,814 |
| C-Professional Service Contracts | | | | | |
| E-Goods and Other Services | 24,807 | 4,811 | 29,618 | 9,622 | 9,622 |
| 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 | 20,826 | 21,525 | 42,351 | 43,050 | 43,050 |
| 9- | | | | | |
| Total \$ | 108,933 | 91,763 | 200,696 | 183,526 | 183,526 |

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 | 0.1 | 0.1 |
| Management Analyst 5 | 95,185 | 0.5 | 0.5 | 0.5 | 0.5 | 0.5 |
| Total FTEs | | 0.6 | 0.6 | 0.6 | 0.6 | 0.6 |

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: 5057 SB | Title: Energy standards/commercial | Agency: 179-Department of Enterprise Services |
|-----------------------------|---|--|

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: Kim Cushing | Phone: (360) 786-7421 | Date: 01/19/2023 |
| Agency Preparation: Becky Guyer | Phone: (360) 407-9254 | Date: 01/30/2023 |
| Agency Approval: Ashley Howard | Phone: (360) 407-8159 | Date: 01/30/2023 |
| OFM Review: Cheri Keller | Phone: (360) 584-2207 | Date: 01/30/2023 |

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 establishes a work group to determine the costs associated with the Clean Buildings Act and delays compliance with the Act by two years for all Tier 2 buildings.

Section 1 amends RCW 19.27A.210 to extend the reporting compliance dates for covered commercial buildings by two years.

Section 2 amends RCW 19.27A.250 to extend all deadlines for Tier 2 buildings by two years.

Section 3 is a new section that directs the WSU Energy Extension office and the state energy office to convene a work group that includes representatives from higher education, K-12 education, state agencies (including Department of Enterprise services (DES)), and the national association for industrial and office parks to; a) report to the legislature the financial impacts to state-owned building compliance and b) make recommendations to the legislature regarding energy efficiency in the building sector to at least identify energy efficiency investments or other strategies to increasing building stock efficiency cost-benefit analysis for reducing greenhouse gas emissions.

DES participation in the workgroup can be completed within routine business processes, therefore, no fiscal impact.

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

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: 5057 SB | Title: Energy standards/commercial | Agency: 300-Department of Social and Health Services |
|-----------------------------|---|---|

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: Kim Cushing | Phone: (360) 786-7421 | Date: 01/19/2023 |
| Agency Preparation: Bill Jordan | Phone: 360-902-8183 | Date: 01/26/2023 |
| Agency Approval: Dan Winkley | Phone: 360-902-8236 | Date: 01/26/2023 |
| OFM Review: Jason Brown | Phone: (360) 742-7277 | Date: 01/26/2023 |

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 3 - Washington State University extension energy program, with assistance from the State Energy Office, is to convene a work group. The purpose of the work group is to evaluate the costs of the state energy performance standard for commercial buildings.

The Department of Social and Health (DSHS) is one of the members of the workgroup. An existing position within DSHS will need to take on this additional workload. There is no fiscal impact for DSHS for this bill.

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

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: 5057 SB | Title: Energy standards/commercial | Agency: 310-Department of Corrections |
|-----------------------------|---|--|

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: Kim Cushing | Phone: (360) 786-7421 | Date: 01/19/2023 |
| Agency Preparation: Stephanie Marty | Phone: (360) 725-8428 | Date: 01/26/2023 |
| Agency Approval: Ronell Witt | Phone: (360) 725-8428 | Date: 01/26/2023 |
| OFM Review: Cynthia Hollimon | Phone: (360) 810-1979 | Date: 01/26/2023 |

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.

SB 5057 amends section 2 RCW 19.27A.250 by extending all compliance deadlines an additional two years for all tier two buildings.

New section 3 (1) states the state energy office and the Washington state university extension energy program will create a work group to report the financial impacts to any state-owned buildings that are required to comply with the state energy performance standards under RCW 19.27A3210 (14).

Section 3 (2) requires the newly created work group to consist of multiple members from various agencies including one representative from the Department of corrections (DOC).

Section 3 (3) adds these financial impacts to state-owned buildings are required by December 15, 2023.

Section (4) This section expires January 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.

The DOC will provide a representative within current resources.

We assume this bill will have no fiscal impact to DOC.

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

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: 5057 SB | Title: Energy standards/commercial | Agency: 350-Superintendent of Public Instruction |
|-----------------------------|---|---|

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: Kim Cushing | Phone: (360) 786-7421 | Date: 01/19/2023 |
| Agency Preparation: Kirti Vijay | Phone: 3607256261 | Date: 01/27/2023 |
| Agency Approval: Randy Newman | Phone: 360 725-6267 | Date: 01/27/2023 |
| OFM Review: Val Terre | Phone: (360) 280-3973 | Date: 01/30/2023 |

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 proposed legislation delays by two years the Tier 1 covered buildings reporting schedule to comply with the state energy performance standard and delays by two years the Tier 2 covered buildings rulemaking and reporting requirements for state energy management and benchmarking.

Also, the proposed legislation creates a work group to evaluate the costs of the state energy performance standard for state-owned covered commercial buildings.

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 impact to OSPI's cash receipts.

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 impact to OSPI's operating budget.

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

No Fiscal impact to the Office of Superintendent of Public Instruction's (OSPI) K-12 capital grant programs.

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: 5057 SB | Title: Energy standards/commercial | Agency: 365-Washington State University |
|-----------------------------|---|--|

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 | 0.8 | 0.3 | 0.6 | 0.0 | 0.0 |
| Account | | | | | |
| General Fund-State 001-1 | 120,000 | 50,000 | 170,000 | 0 | 0 |
| Total \$ | 120,000 | 50,000 | 170,000 | 0 | 0 |

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

| | | |
|--------------------------------------|-----------------------|------------------|
| Legislative Contact: Kim Cushing | Phone: (360) 786-7421 | Date: 01/19/2023 |
| Agency Preparation: Anne-Lise Brooks | Phone: 509-335-8815 | Date: 01/25/2023 |
| Agency Approval: Chris Jones | Phone: 509-335-9682 | Date: 01/25/2023 |
| OFM Review: Ramona Nabors | Phone: (360) 742-8948 | Date: 01/26/2023 |

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 3 of Senate Bill 5057 states that the WSU Energy Program, with assistance from the state energy office, must convene a work group to report on the financial impacts to state-owned buildings required to comply with the state energy performance standard as reported under RCW 19.27A.210 (14).

The work group must make recommendations to the Legislature regarding energy efficiency in the building sector that include identifying energy efficiency investments or other strategies, and related timelines, for increasing energy efficiency in the buildings sector.

The work group must provide a cost-benefit analysis of options, including energy efficiency, to meet the goal of reducing greenhouse gas emissions from the buildings sector, and recommend any changes to chapter 285, Laws of 2019. Section 3 of SB 5057 also articulates the required composition of the work group.

In addition, under Section 3, the WSU Energy Program must submit financial impacts to state-owned buildings required to comply with the state energy performance standard by December 15, 2023, and a final report with recommendations to the Legislature regarding energy efficiency in the building sector by September 1, 2024.

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.

The deliverables outlined in Section 3 of SB 5057 would require focused WSU Energy Program staff time on the initial composition of the work group. Also on outreach, facilitating, staffing, providing technical expertise, and guiding the work group through its meetings and deliverables.

The WSU Energy Program assumes that the financial impact information is largely discoverable and available for the state-owned buildings. Compiling and delivering the financial impacts and a final report with recommendations would also require focused WSU Energy Program staff time. The collection of efforts characterized in this bill would require significant dedicated staff time from the following energy experts: Energy Program Coordinator and Energy Project Analyst.

In addition, staff time from various other technical and support staff would be required. Because of the high level of activity leading to a rapid turnaround time on immediate deliverables, the cost would be higher in the first year of the effort

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 | 120,000 | 50,000 | 170,000 | 0 | 0 |
| Total \$ | | | 120,000 | 50,000 | 170,000 | 0 | 0 |

III. B - Expenditures by Object Or Purpose

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--------------------------------------|---------|---------|---------|---------|---------|
| FTE Staff Years | 0.8 | 0.3 | 0.6 | | |
| A-Salaries and Wages | 55,408 | 23,438 | 78,846 | | |
| B-Employee Benefits | 36,189 | 15,291 | 51,480 | | |
| C-Professional Service Contracts | | | | | |
| E-Goods and Other Services | 27,403 | 10,771 | 38,174 | | |
| G-Travel | 1,000 | 500 | 1,500 | | |
| 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 \$ | 120,000 | 50,000 | 170,000 | 0 | 0 |

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

| Job Classification | Salary | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|----------------------------|---------|---------|---------|---------|---------|---------|
| Director | 111,686 | 0.1 | 0.1 | 0.1 | | |
| Energy Engineer | 104,142 | 0.0 | 0.0 | 0.0 | | |
| Energy Program Analyst | 59,962 | 0.2 | 0.1 | 0.1 | | |
| Energy Program Coordinator | 87,582 | 0.3 | 0.1 | 0.2 | | |
| Manager | 138,711 | | | | | |
| Professional Worker 1 | 32,287 | 0.2 | 0.1 | 0.1 | | |
| Total FTEs | | 0.8 | 0.3 | 0.6 | | 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.