

Multiple Agency Fiscal Note Summary

Bill Number: 5651 SB	Title: GMA/equity and env. justice
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Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	1.8	752,352	752,352	752,352	1.3	379,514	379,514	379,514	1.3	381,914	381,914	381,914
Environmental and Land Use Hearings Office	Fiscal note not available											
Total \$	1.8	752,352	752,352	752,352	1.3	379,514	379,514	379,514	1.3	381,914	381,914	381,914

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other			4,979,501			3,431,526			4,773,826
Local Gov. Other	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Local Gov. Total			4,979,501			3,431,526			4,773,826

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
Environmental and Land Use Hearings Office	Fiscal note not available								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

Prepared by: Gwen Stamey, OFM	Phone: (360) 790-1166	Date Published: Preliminary 2/ 9/2023
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Individual State Agency Fiscal Note

Bill Number: 5651 SB	Title: GMA/equity and env. justice	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	1.8	1.8	1.8	1.3	1.3
Account					
General Fund-State 001-1	374,791	377,561	752,352	379,514	381,914
Total \$	374,791	377,561	752,352	379,514	381,914

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: Maggie Douglas	Phone: 3607867279	Date: 02/03/2023
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 02/08/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 02/08/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/09/2023

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 amends RCW 36.70A.020 the citizen participation and coordination goal of the Growth Management Act (GMA) to include specific effort to involve and collaborate with vulnerable populations and overburdened communities and adds a new environmental justice goal to the GMA.

Section 2 amends RCW 36.70A.030 adding several definitions to the GMA associated with environmental justice.

Section 3 amends RCW 36.70A.070:

- Section 3(9) creates a new environmental justice mandatory element to the comprehensive plan that includes both independent goals, objectives, timelines, policies, and measures to reduce environmental harms, create environmental benefits, eliminate health disparities, and promote public participation in decision making by vulnerable populations and overburdened communities; addresses how these concepts are being addressed in the other mandatory comprehensive plan elements; and addresses how the entire comprehensive plan cumulatively achieves environmental justice goals.
- Section 3(9)(b) requires the Department of Commerce (department) to develop guidance for local governments to include in the environmental justice element to identify overburdened communities and vulnerable populations within the planning area.
- Section 3(10) amends the existing clause that the requirement to incorporate new or amended comprehensive plan elements is null and void until funds sufficient to cover applicable local government costs are appropriated and distributed by the state at least two years before the periodic update deadline to add that, alternatively, funds must be appropriated and distributed at least two years prior to the time for adoption as specified in new RCW 36.70A.130(10), which allows certain jurisdictions to adopt the environmental justice element by their 5-year implementation progress report deadline instead of their periodic update deadline.

Section 4 amends RCW 36.70A.130 providing that any county or city that is required to include the new environmental justice element in its comprehensive plan and that is also required by RCW 36.70A.130(5)(a) to complete its periodic update by June 30, 2025 must incorporate the environmental justice element into its comprehensive plan as part of the first implementation progress report required by RCW 36.70A.130(9). There is a discrepancy in this section, as the jurisdictions listed in 5(a) are required to complete their periodic update by December 31, 2024 and not June 30, 2025.

Section 5 amends RCW 36.70A.140 requiring the department prepare guidance for local governments on best practices to achieve equitable and inclusive public participation, with an emphasis on overburdened communities and vulnerable populations and collaboration and coordination with certain federally recognizes tribes. By June 30, 2024, local governments must determine which of these best practices to incorporate in their updated public participation programs.

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.

Assumptions:

- The department will contract for research into and development of environmental justice and equitable and inclusive public participation best practices policies and guidance for the department to utilize in its rulemaking updates to chapter 365-196 WAC and for guidance materials for local governments to use in the implementation of this bill. The department assumes this will cost \$200,000 over the first biennium.
- To resolve the discrepancy identified in Part II: Narrative Explanation, for purposes of this fiscal note, the department assumes that Section 3's provision allowing the incorporation of the new environmental justice element into the comprehensive plan by the implementation progress report deadline, rather than the periodic update deadline, applies to the Central Puget Sound jurisdictions listed in RCW 36.70A.130(5)(a).
- Grant assumptions: The department assumes that the legislature will appropriate and distribute funds sufficient to cover applicable local government costs at least two years prior to the applicable deadlines and that such additional funding will be included in existing grants that the department issues to jurisdictions planning under the GMA for their periodic updates. Thus, some additional FTE work will go towards existing grant management for larger grant funds, but not towards establishing and managing a new grant program.
- The department will conduct rulemaking during the first biennium to amend parts 4 (comprehensive plan elements) and 6 (public participation) of chapter 365-196 WAC to implement the legislation. The department assumes \$15,000 in the first biennium in AAG rulemaking review and consultation for rulemaking required throughout this bill, including the development of the new environmental justice element in Section 3 and equitable and inclusive public participation in Section 5, based on similar GMA guidance and rulemaking review.

1.0 FTE Commerce Specialist 3 (2,088 hours) in FY24-FY29, to provide technical assistance on environmental justice and inclusive public participation, assist Management Analyst 4 with rulemaking, work with consultant on developing environmental justice and inclusive public participation guidance and best practices, support regional planners and local governments as they incorporate the new environmental justice element and revised public participation policies into their comprehensive plans. and assist with grant management.

0.25 FTE Management Analyst 4 (522 hours) in FY24-FY25, to conduct rulemaking and to support regional planners during the development and distribution of best practices guidance to local governments.

0.25 FTE Commerce Specialist 5 (522 hours) in FY24-FY25 and 0.10 FTE (209 hours) in FY25-FY29, to assist with the rulemaking process, provide supervisory support to regional planners during the development and distribution of best practices guidance to local governments, and conduct grant management to allocate funding to local governments to implement the bill.

Salaries and Benefits:

FY24: \$171,699

FY25: \$177,539

FY26-FY29: \$127,932 per fiscal year.

Professional Service Contracts:

\$100,000, FY24-FY25 each fiscal year, for a personal services contract to provide guidance materials based on best practices for environmental justice and inclusive and equitable public participation.

FY24-FY25: \$100,000 per fiscal year

Goods and Services:

Attorney General Costs: the department assumes \$15,000 in FY24-FY25, each fiscal year, for 71 hours at \$210 per hour for

legal review of draft guidelines and guidance through rulemaking.

FY24: \$41,603

FY25: \$41,612

FY26-FY29: \$19,735 per fiscal year.

Equipment:

Standard workstation for new team member and replacement equipment on the agency's five-year lifecycle replacement schedule.

FY24: \$5,000

FY28: \$2,400

Intra-agency Reimbursements:

FY24: \$56,489

FY25: \$58,410

FY26-FY29: \$42,090 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. Intra-agency administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

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Total Costs:

FY24: \$374,791

FY25: \$377,561

FY26-FY27: \$189,757 per fiscal year

FY28: \$192,157

FY29: \$189,757

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	374,791	377,561	752,352	379,514	381,914
Total \$			374,791	377,561	752,352	379,514	381,914

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.8	1.8	1.8	1.3	1.3
A-Salaries and Wages	127,405	131,228	258,633	188,644	188,644
B-Employee Benefits	44,294	46,311	90,605	67,220	67,220
C-Professional Service Contracts	100,000	100,000	200,000		
E-Goods and Other Services	41,603	41,612	83,215	39,470	39,470
G-Travel					
J-Capital Outlays	5,000		5,000		2,400
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	56,489	58,410	114,899	84,180	84,180
9-					
Total \$	374,791	377,561	752,352	379,514	381,914

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	0.3	0.3	0.3	0.2	0.2
Commerce Specialist 3	82,056	1.0	1.0	1.0	1.0	1.0
Commerce Specialist 5	95,185	0.3	0.3	0.3	0.1	0.1
Management Analyst 4	86,212	0.3	0.3	0.3		
Total FTEs		1.8	1.8	1.8	1.3	1.3

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.

The department will conduct rulemaking to update Part 4 of chapter 365-196 WAC (Features of the Comprehensive Plan) to add a new section on guidance for incorporating a new environmental justice mandatory element.

The department will conduct rulemaking to update Part 6 of chapter 365-196 WAC, at a minimum WAC 365-196-600 (public participation) and WAC 365-196-610 (periodic review and update of comprehensive plans and development regulations) to incorporate guidance and best practices on achieving equitable and inclusive public participation.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5651 SB

Title: GMA/equity and env. justice

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities: Cities fully planning under the Growth Management Act would have increased costs to adopt an Environmental Justice element into their comprehensive plans.
- Counties: Same as above.
- Special Districts:
- Specific jurisdictions only: Jurisdictions that are required to adopt an Environmental Justice element with comprehensive plans due before June 30, 2025, must incorporate this element as part of its first implementation progress report.
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time: Scope and scale of the changes to fully planning jurisdiction's public participation plans.

Estimated revenue impacts to:

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

Estimated expenditure impacts to:

Jurisdiction	FY 2024	FY 2025	2023-25	2025-27	2027-29
City	1,022,963	2,143,350	3,166,313	2,213,713	4,124,326
County	649,500	1,163,688	1,813,188	1,217,813	649,500
TOTAL \$	1,672,463	3,307,038	4,979,501	3,431,526	4,773,826
GRAND TOTAL \$					13,184,853

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

Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 02/06/2023
Leg. Committee Contact: Maggie Douglas	Phone: 3607867279	Date: 02/03/2023
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/06/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/07/2023

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

This legislation would establish environmental justice as a listed goal of the Growth Management Act and adds an environmental justice element to the list of mandatory elements included in fully planning jurisdiction's comprehensive plans. The bill would also amend the citizen participation goals to include participation from vulnerable populations and overburdened communities. This act requires fully planning jurisdictions to use best practices established by Commerce to support the participation of overburdened communities and vulnerable populations in the formation of public policy.

Sec. 1 would amend 36.70A.020 RCW

Includes environmental justice and involving and collaborating with vulnerable populations and overburdened communities to the goals of the GMA.

Sec. 2 would amend 36.70A.030 RCW

Establishes definitions for environmental benefit found in 70A.02.010 RCW within the definitions of GMA statute.

Sec. 3 would amend 36.70A.070 RCW

(9) Would create a new environmental justice mandatory element of the GMA for all fully planning jurisdictions. This element must include goals, objectives, timelines, policies, and measures, and their application that reduce environmental harms, create environmental benefits, work towards eliminating environmental health disparities, and promote public participation in decisions by vulnerable populations and overburdened communities.

This element must identify these populations and communities using guidance from state agencies.

The element must address how the entire comprehensive plan collectively addresses cumulative environmental health impacts faced by these communities and populations and how the overall plan advances the equitable distribution of environmental benefits.

(10) Comprehensive plans are to be adopted concurrent with the scheduled updates provided by 36.70A.130, unless another time of adoption is specified by subsection 10 of that section. Requirements to incorporate new or amended elements within this act are null and void until sufficient funds are appropriated and distributed by the state at least two years before the local government is required to update its comprehensive plan, or at least two years prior to the time for adoption of a new or amended element specified by 36.70A.130(10).

Sec. 3 would amend 36.70A.130 RCW

(10) A county or city that is required to include Sec. 3(9) of this act and is also required to complete an implementation progress report on or before June 30, 2025, must incorporate the environmental justice element into its comprehensive plan by the submission of its progress report.

Sec. 4 would amend 36.70A.140 RCW

(2) The Department of Commerce must prepare best practices to achieve equitable and inclusive public participation of population that historically been underserved to meet the goals, objectives, and policies of this act, to cities and counties that are required to fully plan under the GMA. Fully planning jurisdictions must determine which practices to incorporate into their updated public participation programs by June 30, 2024

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

The proposed legislation would have both determinate and indeterminate impacts on cities, towns and counties that fully plan under the provisions of the Growth Management Act (GMA).

For expenses that can be estimated at this time, there would be new comprehensive plan element costs of \$13.2 million over

six fiscal years, from FY24 to FY29. Each fully planning jurisdiction would have expenses for the new Environmental Justice element that would be similar to the new comprehensive plan element estimates from E2S HB 1099 (2022) and HB 1181 (2023) or between \$108,250 to \$162,375 for counties, and \$32,475 to \$108,250 for cities, depending on population size.

The leading cost factors of individual planning activities include: The length of time to complete the planning activity, the types of technical tasks required, the number of consultant contracts issued, the number meetings to gather input from the public, the number of stakeholder workgroups, and the types and frequency of public engagement used. The costs for city and county staff time are typically the largest cost component of any long-range planning work, which may require more than 50 percent of total costs for all planning activities. Local governments tend to rely on consultants more heavily for complex planning efforts, which include: new comprehensive plan elements, complex comprehensive plan updates, updates to critical areas ordinances, and Shoreline Master Programs. Community outreach, stakeholder workgroups, and data analysis are used most frequently across all planning activities when compared to modeling and other technical methods.

There would be indeterminate costs associated with the public engagement process to involve vulnerable population and overburdened communities. Best practices would be developed by the Department of Commerce, which may include processes that are more expensive than what a planning jurisdiction currently engages in with their public participation programs. The number of jurisdictions that would have more expensive public engagement cannot be known in advance. The Association of Washington Cities indicate that public engagement with the communities described in the bill may be more have extensive costs that those in current public participation programs.

PLANNING COSTS ASSUMPTIONS:

The amendments in this bill would not be a requirement for jurisdictions with comprehensive plans due in 2024 until funding is provided by the legislature for the specific purposes of this act. Jurisdictions with implementation progress reports specified in Sec. 4(9)(a) would have Environmental Justice elements due at this time.

If the legislature appropriates funding for the purposes of this act, the jurisdictions with comprehensive plans due in 2025 would be the first cohort of planning jurisdictions that receive funding. Based on assessments by AWC, WSAC, and the Department of Commerce, work on GMA comprehensive plans usually begins two years prior to the submission deadline. For example, jurisdictions with comprehensive plans due June 30, 2025, may start on July 1, 2023. Sec. 4(10) specifies that a county or city required to plan and implement an Environmental Justice element into their comprehensive plan must incorporate the element into its comprehensive plan as part of the first implementation progress report. The figures below assume jurisdictions with comprehensive plan due dates starting in 2025 start two years in advance of the comprehensive plan submission deadline, the jurisdictions with comprehensive plan implementation progress reports start in 2027, and encompass two years' worth of expenditures per planning jurisdiction.

STATE FISCAL YEAR PLANNING COST ESTIMATES:

These estimates assume work on comprehensive plans start two years before the jurisdiction's comprehensive plan is due to the Department of Commerce. These figures also assume that 50 percent of the planning costs are incurred from July 1 of the year a periodic comprehensive plan update begins, to June 30 of the following year, and 50 percent of costs are July 1 until the June 30 submission deadline the following year.

Combined

FY2024:	\$1,672,463
FY2025:	\$3,307,038
FY2026:	\$2,533,050
FY2027:	\$898,475
FY2028:	\$2,386,913

FY2029: \$2,386,913
Total: \$13,184,850

City

FY2024: \$1,022,963
FY2025: \$2,143,350
FY2026: \$1,667,050
FY2027: \$546,663
FY2028: \$2,062,163
FY2029: \$2,062,163
Total: \$9,504,350

County

FY2024: \$649,500
FY2025: \$1,163,688
FY2026: \$866,000
FY2027: \$351,813
FY2028: \$324,750
FY2029: \$324,750
Total: \$3,680,500

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

There would be indeterminate revenue impacts associated with this bill that would depend on whether the legislature appropriate funding for the specific purposes of this act. The revenue impact of this legislation is indeterminate.

SOURCES:

- Association of Washington Cities
- Local Government Fiscal Note Program, FN S HB 1099 (2022)
- Local Government Fiscal Note Program, FN S HB 1181 (2023)
- Senate Bill Report, SB 5651 (2023)