

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1735 HB	<b>Title:</b> GMA/net ecological gain
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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	No fiscal impact					
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
Office of the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Commerce	3.6	7,242,563	7,242,563	7,242,563	3.6	1,042,976	1,042,976	1,042,976	3.6	1,050,176	1,050,176	1,050,176
Office of Financial Management	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Transportation	.1	0	0	24,000	.1	0	0	24,000	.1	0	0	24,000
Department of Transportation	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Department of Ecology	Fiscal note not available											
Environmental and Land Use Hearings Office	Fiscal note not available											
State Conservation Commission	.2	53,714	53,714	53,714	.2	53,714	53,714	53,714	.2	53,714	53,714	53,714
Department of Fish and Wildlife	10.0	4,247,000	4,247,000	4,247,000	14.5	4,958,000	4,958,000	4,958,000	14.5	4,958,000	4,958,000	4,958,000
Puget Sound Partnership	Fiscal note not available											
Department of Natural Resources	Fiscal note not available											
Department of Agriculture	.0	0	0	0	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>13.9</b>	<b>11,543,277</b>	<b>11,543,277</b>	<b>11,567,277</b>	<b>18.4</b>	<b>6,054,690</b>	<b>6,054,690</b>	<b>6,078,690</b>	<b>18.4</b>	<b>6,061,890</b>	<b>6,061,890</b>	<b>6,085,890</b>

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	No fiscal impact								
Local Gov. Total									

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Office of Financial Management	.0	0	0	.0	0	0	.0	0	0
Department of Transportation	.0	0	0	.0	0	0	.0	0	0
Department of Ecology	Fiscal note not available								
Environmental and Land Use Hearings Office	Fiscal note not available								
State Conservation Commission	.0	0	0	.0	0	0	.0	0	0
Department of Fish and Wildlife	.0	0	0	.0	0	0	.0	0	0
Puget Sound Partnership	Fiscal note not available								
Department of Natural Resources	Fiscal note not available								
Department of Agriculture	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

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	No fiscal impact								
Local Gov. Total									

## Estimated Capital Budget Breakout

<b>Prepared by:</b> Matthew Hunter, OFM	<b>Phone:</b> (360) 529-7078	<b>Date Published:</b> Preliminary 2/11/2023
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1735 HB	<b>Title:</b> GMA/net ecological gain	<b>Agency:</b> 075-Office of the Governor
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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: Robert Hatfield	Phone: 360-786-7117	Date: 02/03/2023
Agency Preparation: Tracy Sayre	Phone: 360-890-5279	Date: 02/08/2023
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 02/08/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/08/2023

## 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.*

Sec 5. A Joint Oversight Body on Net Ecological Gain is established for the purpose of identifying criteria for, and a system for implementing, net ecological gain on public projects. The oversight body must include the Governor's Senior Policy Advisor on Natural Resources. The Senior Policy Advisor on Natural Resources will also be a co-chair of the oversight body.

Sec 7. Requires the Governor to require the Department of Fish and Wildlife to submit a budget request equal to 10% of any revenues to the general fund accruing in amounts exceeding 2022 revenues, and at least 10% of any budget surpluses identified by the State Economic and Revenue Forecast Council, to be committed to fulfilling the responsibilities required by the Net Ecological Gain rules adopted by WDFW (Sections 4), the Joint Oversight Body on Net Ecological gain (Section 5), and the review of existing conservation programs (Section 8).

Department of Fish and Wildlife assumes monthly in-person/virtual meetings of three hours in duration starting in FY 2024 and ongoing (with corresponding preparation time between meetings) concurrent with rulemaking and monitoring. Cochairing this committee is something the Office of the Governor would do as part of existing duties.

### 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

<b>Bill Number:</b> 1735 HB	<b>Title:</b> GMA/net ecological gain	<b>Agency:</b> 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	3.6	3.6	3.6	3.6	3.6
<b>Account</b>					
General Fund-State 001-1	3,621,075	3,621,488	7,242,563	1,042,976	1,050,176
<b>Total \$</b>	3,621,075	3,621,488	7,242,563	1,042,976	1,050,176

### Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Robert Hatfield	Phone: 360-786-7117	Date: 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: 02/10/2023

## 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 amends RCW 36.70A.080 amending the Growth Management Act (GMA), to add net ecological gain (NEG) to the list of optional comprehensive plan elements.

Section 3 amends RCW 3670A.030 adding NEG to the definition section of the GMA.

Section 4 adds a new section to RCW 36.70A requiring the Washington State Department of Fish and Wildlife (WDFW) to adopt rules that establish criteria for NEG that counties and cities must meet if they choose to adopt the voluntary NEG element in their comprehensive plans and to monitor progress towards NEG and salmon recovery goals.

Section 5 adds a new section to RCW 77.04 creating a new section of the Fish and Wildlife Code (RCW 77.04) to establish and staff a "joint oversight body" to develop criteria for implementing NEG on public projects; determine what actions, projects, and activities count towards achieving NEG; and develop a system for tracking credits. Other tasks include developing a system for identifying the ecosystem baseline and recommending ecological targets and goals as benchmarks of success. The director of the Department of Commerce (department) or the director's designee will be a member of the joint oversight body.

Section 6 adds a new section to RCW 36.70A creating a planning grant program in the GMA for the department to award up to \$100,000, subject to state funding, to cities and counties that choose to incorporate the optional NEG element into their comprehensive plans to assist with its implementation consistent with the rules adopted by WDFW. Awards over \$100,000 may be granted to jurisdictions that demonstrate extraordinary potential to increase NEG.

### 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:

- Based on WDFW assumptions and for the purposes of this fiscal note, the department assumes full participation by eligible jurisdictions. Therefore, the department assumes that all 246 eligible jurisdictions planning under the GMA will incorporate the optional NEG element into their comprehensive plans either at or before their periodic update deadline or the 5-year implementation progress report, if applicable.
- The level of funding that would be requested or appropriated is unknown. For illustrative purposes, the department assumes that 25% of participating jurisdictions would apply for the full planning grant, or 62 of the 246 jurisdictions, during the first biennium. Before development of criteria to exceed the maximum \$100,000 level, the award of 62 grants at the maximum amount would require an appropriation of \$6.2 million over FY24-FY25.
- The department assumes development of the grant criteria in consultation with WDFW will ensure appropriate grant ranges and careful consideration for grants that exceed \$100,000.
- Because section 4 requires WDFW to adopt rules establishing criteria and implementing regulations for the NEG element,

the department assumes it will engage in minimal rulemaking that can be absorbed into existing rulemaking update workloads. Specifically, WAC 365-196-445 will only need to be amended to include NEG as an optional comprehensive plan element, potentially with a citation to WDFW's applicable rules.

- The department assumes it will provide technical assistance to participating local jurisdictions about the NEG element and in coordination with WDFW guidance and outcomes monitoring.

1.0 FTE Commerce Specialist 3 (2,088 hours) in FY24-FY29, to provide technical assistance to participating jurisdictions and collaborate with WDFW in assisting local governments to establish and implement their NEG elements.

2.0 FTE Commerce Specialist 3 (4,176 hours) in FY24-FY29, to work with WDFW to establish planning grant criteria, create a grant intake process, conduct outreach to and consultation with local governments, develop a reporting system, and provide general grant contract management and program operation.

0.05 FTE Commerce Specialist 5 (105 hours) in FY24-FY29, to prepare for, attend, and conduct follow up tasks associated with membership on the joint oversight body.

Salaries and Benefits:

FY24: \$339,498

FY25-FY29: \$351,081 each fiscal year

Goods and Services:

FY24: \$54,882

FY25-FY29: \$54,901 each fiscal year

Equipment:

The department assumes standard workstations in FY24 and replacement tablet in FY28.

FY24: \$15,000

FY28: \$7,200

Grants, Benefits, Client Services:

The department assumes that 25% of participating jurisdictions would apply for the full planning grant, or 62 of the 246 jurisdictions, during the first biennium. Before development of criteria to exceed the maximum \$100,000 level, the award of 62 grants at the maximum amount would require an appropriation of \$6.2 million (\$100,000 x 62) over FY24-FY25.

FY24-FY25: \$3,100,000 each fiscal year

Intra-agency Reimbursements:

FY24: \$111,695

FY25-FY29: \$115,506 each 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: \$3,621,075

FY25: \$3,621,488

FY26-FY27: \$521,488 each fiscal year

FY28: \$528,688

FY29: \$521,488

**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	3,621,075	3,621,488	7,242,563	1,042,976	1,050,176
<b>Total \$</b>			3,621,075	3,621,488	7,242,563	1,042,976	1,050,176

**III. B - Expenditures by Object Or Purpose**

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	3.6	3.6	3.6	3.6	3.6
A-Salaries and Wages	250,927	258,455	509,382	516,910	516,910
B-Employee Benefits	88,571	92,626	181,197	185,252	185,252
C-Professional Service Contracts					
E-Goods and Other Services	54,882	54,901	109,783	109,802	109,802
G-Travel					
J-Capital Outlays	15,000		15,000		7,200
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	3,100,000	3,100,000	6,200,000		
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	111,695	115,506	227,201	231,012	231,012
9-					
<b>Total \$</b>	3,621,075	3,621,488	7,242,563	1,042,976	1,050,176

**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	0.5	0.5	0.5	0.5	0.5
Commerce Specialist 3	82,056	3.0	3.0	3.0	3.0	3.0
Commerce Specialist 5	95,185	0.1	0.1	0.1	0.1	0.1
<b>Total FTEs</b>		3.6	3.6	3.6	3.6	3.6

**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.*

The department will need to amend WAC 365-196-445 to add "Net Ecological Gain" as an optional comprehensive plan element. However, this minimal rulemaking can be absorbed into existing rulemaking workloads.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1735 HB	<b>Title:</b> GMA/net ecological gain	<b>Agency:</b> 105-Office of Financial Management
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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: Robert Hatfield	Phone: 360-786-7117	Date: 02/03/2023
Agency Preparation: Keith Thunstedt	Phone: 360-810-1271	Date: 02/08/2023
Agency Approval: Jamie Langford	Phone: 360-902-0422	Date: 02/08/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/08/2023

## 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 7 requires the Governor to require the Department of Fish and Wildlife to submit a budget request equal to 10% of any revenues to the general fund accruing in amounts exceeding 2022 revenues, and at least 10% of any budget surpluses identified by the State Economic and Revenue Forecast Council, to be committed to fulfilling the responsibilities required by the Net Ecological Gain rules adopted by WDFW (Sections 4), the Joint Oversight Body on Net Ecological gain (Section 5), and the review of existing conservation programs (Section 8). OFM would then be required to include the amount requested by WDFW without revision in the Governor's budget submittal.

Requirements defined by the bill would involve OFM:

- o Modifying the budget submittal instructions to require WDFW to submit a non-revisable budget request to implement the requirements of the net ecological gain rules adopted by WDFW.
- o Reviewing the non-revisable request from WDFW.

These tasks can be accomplished within current resources and responsibilities. There is no fiscal impact to OFM.

### 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

Revised

<b>Bill Number:</b> 1735 HB	<b>Title:</b> GMA/net ecological gain	<b>Agency:</b> 405-Department of Transportation
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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	0.1	0.1	0.1	0.1	0.1
<b>Account</b>					
Motor Vehicle Account-State 108 -1	12,000	12,000	24,000	24,000	24,000
<b>Total \$</b>	12,000	12,000	24,000	24,000	24,000

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

### Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Robert Hatfield	Phone: 360-786-7117	Date: 02/03/2023
Agency Preparation: Susan Kanzler	Phone: 360-705-7250	Date: 02/10/2023
Agency Approval: Eric Wolin	Phone: 360-705-7487	Date: 02/10/2023
OFM Review: Maria Thomas	Phone: (360) 229-4717	Date: 02/10/2023

## Part II: Narrative Explanation

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

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

See attached WSDOT fiscal note.

### II. B - Cash receipts Impact

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

### 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

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
108-1	Motor Vehicle Account	State	12,000	12,000	24,000	24,000	24,000
<b>Total \$</b>			12,000	12,000	24,000	24,000	24,000

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	0.1	0.1	0.1	0.1	0.1
A-Salaries and Wages	9,000	9,000	18,000	18,000	18,000
B-Employee Benefits	3,000	3,000	6,000	6,000	6,000
C-Professional Service Contracts					
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-					
<b>Total \$</b>	12,000	12,000	24,000	24,000	24,000

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
Transportation Planning Specialist 5	103,572	0.1	0.1	0.1	0.1	0.1
<b>Total FTEs</b>		0.1	0.1	0.1	0.1	0.1

### 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

<b>Bill Number:</b> 1735 HB	<b>Title:</b> Net Ecological Gain	<b>Agency:</b> 405-Department of Transportation
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## Part I: Estimates

Check applicable boxes and follow corresponding instructions, use the fiscal template table provided to show fiscal impact by account, object, and program (if necessary), **add rows if needed**. If no fiscal impact, check the box below, skip fiscal template table, and go to Part II to explain briefly, why the program believes there will be no fiscal impact to the department.

- No Fiscal Impact (Explain in section II. A)  
*If a fiscal note is assigned to our agency, someone believes there might be, and we need to address that, showing why there is no impact to the department.*
- Indeterminate Cash Receipts Impact (Explain in section II. B)
- Indeterminate Expenditure Impact (Explain in section II. C)

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

Expenditures	2023-25 Biennium		2025-27 Biennium		202-297 Biennium	
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
108-1-MOTOR VEHICLE	\$12	\$12	\$12	\$12	\$12	\$12
<b>Total Expenditures</b>	<b>\$12</b>	<b>\$12</b>	<b>\$12</b>	<b>\$12</b>	<b>\$12</b>	<b>\$12</b>
<b>Biennial Totals</b>	<b>\$24</b>		<b>\$24</b>		<b>\$24</b>	
FTEs	Salary		FY 2026		FY 2027	
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Transportaion Planning Specialist 5	\$103,572	0.1	0.1	0.1	0.1	0.1
<b>Annual Average</b>	<b>0.1</b>		<b>0.1</b>		<b>0.1</b>	
Objects of Expenditure	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
A - SALARIES AND WAGES	\$9	\$9	\$9	\$9	\$9	\$9
B - EMPLOYEE BENEFITS	\$3	\$3	\$3	\$3	\$3	\$3
Program H						

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

### Agency Assumptions

N/A
-----

### Agency Contacts:

Preparer: Susan Kanzler	Phone: 360-705-7250	Date: 2/7/2023
Approval: Eric Wolin	Phone: 206-240-4497	Date: 2/7/2023
Budget Manager: Doug Clouse	Phone: 360-705-7535	Date: 2/8/2023

# Individual State Agency Fiscal Note

## Part II: Narrative Explanation

### II. A - Brief description of what the measure does that has fiscal impact

*Briefly describe by section number (sections that will change WSDOT costs or revenue), the significant provisions of the bill, and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency.*

Section 4 requires rulemaking for the Washington State Department of Fish and Wildlife to ensure that net ecological gain is advanced through the appropriate selection of publicly funded projects. Rulemaking must also account for the impact of the urban heat island effect on ecological function. The Washington State Department of Transportation would review and comment on WDFW rulemaking.

Section 5 creates an oversight body which is required to meet at least three times each calendar year. The oversight body consists of directors (or designees) from eight state agencies, including the Washington State Department of Transportation and the Governor's Senior Policy Advisor on natural resources. This section also calls for advancing ecological gain through *appropriate selection* of publicly funded projects. The oversight body will identify criteria and a system for implementing net ecological gain on public projects. The cost of attendance at oversight body meetings by members must be borne by individual member agencies.

Section 8 requires WDFW, in collaboration with the oversight body on net ecological gain, to study current conservation programs including: fish passage barrier removal, salmon recovery funding, stormwater financial assistance, and the Model Toxics Control Act to assess how each conservation program achieves a net improvement in ecological conditions and requires WDFW to report to legislature by June 30, 2024.

### II. B – Cash Receipts Impact

*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.*

N/A

### II. C - Expenditures

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

#### Indeterminate Expenditures

Sections 4 and 5 pose uncertain future costs to public transportation projects. Some examples of future costs could include capital investment, management contingency costs, legal fees, administrative costs, ongoing costs for monitoring and reporting, risk mitigation, insurance, and inflation. The rulemaking required in Section 4 and the work of the oversight body in Section 5 may result in new project-level net ecological gain requirements (i.e., fish passage, stormwater treatment, urban heat island mitigation measures). The oversight body will determine what projects and actions count toward achievement of net ecological gain, and how many credits will be attributed to individual projects. The department is unable to estimate the costs associated with these requirements. The lead agency assumptions note “it is uncertain how many cities and counties will choose to adopt net ecological gain into their land use planning frameworks...” As a result, the costs associated with WSDOT’s compliance with new requirements for public transportation projects is indeterminate.

#### Determinate Expenditures

Related to Sections 5 and 8, the expenditure impact to the agency under this bill is estimated to be \$12,000 in fiscal year 2024 and ongoing to participate in the net ecological gain oversight body and to review/comment on WDFW rulemaking. The department estimates 0.1 FTE of a Transportation Planning Specialist 5 in fiscal years 2024-2029. The department assumes existing staff will provide policy direction and technical support. Section 5 creates an oversight body with directors (or designees) of several state agencies, including Department of Transportation. It requires the oversight body

# Individual State Agency Fiscal Note

to meet at least three times each calendar year. WDFW assumes monthly in-person/virtual meetings of three hours in duration starting in fiscal year 2024 and ongoing (with corresponding preparation time between meetings) concurrent with rulemaking and monitoring.

The Environmental Services Office (ESO) will likely participate on the net ecological gain oversight body, to serve as the WSDOT representative. The department believes there would be minimal fiscal impact because it's assumed WSDOT could manage these tasks with existing staff resources. The ESO has staff assigned to work on issues related to riparian habitat and salmon recovery.

ESO is a member of the Joint State-Tribal Riparian Workgroup (created as part of the Governor's riparian habitat initiative) and had participated in past workshops. ESO also participates on the Fish Barrier Removal Board, the Salmon Recovery Funding Board, and in other salmon recovery venues.

WSDOT's detailed expenditures are related to Sections 4 (WDFW rulemaking) 5 (oversight body participation in meetings) and 8 (oversight body participation in studies/review reports and priorities).

WSDOT Staffing Assumptions for Determinate Costs

Activity	Bill Sections	Position Class	FTE FY2024	FTE FY2025	FTE FY2026	FTE FY2027	FTE FY2028	FTE FY2029
Participate in meetings	4,5,8	Transportation Planning Specialist 5	0.08	0.08	0.08	0.08	0.08	0.08
Review reports/priorities	4,5,8	Transportation Planning Specialist 5	0.02	0.02	0.02	0.02	0.02	0.02

## Part III: Expenditure Detail

### III. A - Expenditures by Object or Purpose

See II. C – Expenditures detail above

## Part IV: Capital Budget Impact

N/A

## Part V: New Rule Making Required

*Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.*

N/A

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1735 HB	<b>Title:</b> GMA/net ecological gain	<b>Agency:</b> 471-State Conservation Commission
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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	0.2	0.2	0.2	0.2	0.2
<b>Account</b>					
General Fund-State 001-1	26,857	26,857	53,714	53,714	53,714
<b>Total \$</b>	26,857	26,857	53,714	53,714	53,714

### Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Robert Hatfield	Phone: 360-786-7117	Date: 02/03/2023
Agency Preparation: Karla Heinitz	Phone: 360-878-4666	Date: 02/08/2023
Agency Approval: Ron Shultz	Phone: 360-790-5994	Date: 02/08/2023
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 02/08/2023

## 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.*

Sec.2 to RCW 36.70A.080 adds net ecological gain as an additional element or study to a comprehensive plan under Growth Management Act (GMA).

Sec 3.(19) to RCW 36.70A.030 adds to the list of definitions “net ecological gain” means improvement over current conditions in ecological functions and values that support biodiversity and resiliency of native plant, animal and fungi species; water quality and quantity; air quality and food security for all species. Improvement is at a cumulative scale that can be incrementally implemented through site-specific actions, with any short-term loss of those functions and values being more than offset by overall ecological gains.

Sec. 4 directs the Department of Fish and Wildlife (DFW) with recommendations from the oversight body established in Section 5 to adopt rules and criteria for net ecological gain and consistency with applicable regional salmon recovery plans that counties and cities choose to adopt.

The rules adopted must not require or assume that individual projects achieve no net loss of ecological function. The rules adopted must ensure that net ecological gain is advanced through the appropriate selection of publicly funded projects, and voluntary funding from either public or private sources. DFW is encouraged to work with or seek feedback from local watershed groups in the review of the current environmental baseline conditions and monitoring efforts.

Sec. 5 a joint oversight body on net ecological gain is established for the purpose of identifying criteria for, and a system for implementing, net ecological gain on public projects.

The oversight body consists of:

- Director of Ecology or designee
- Governor’s senior policy advisor on natural resources;
- Director of the Department of Agriculture or designee
- Director of Department of Fish and Wildlife or designee
- Executive Director for the State Conservation Commission or designee
- Commissioner of Public Lands or designee
- Secretary of the Department of Transportation or designee
- Executive Director of the Puget Sound Partnership or designee
- Director of the Department of Commerce or designee

Sec. 6 a county or city that plans to include within its comprehensive plan a net ecological gain element is eligible to apply for planning grant assistance of up to \$100,000, subject to funds available.

Sec. 8 a new chapter to RCW 77.04 is added and directs DFW in collaboration with the joint oversight body on net ecological gain to conduct a study of current conservation programs including, but not limited to:

- Fish passage barrier removal;
- Salmon recovery funding;
- Stormwater financial assistance; and
- Model toxics control act capital grants

In the study, DFW in collaboration with the joint oversight body on net ecological gain must assess the degree to which each conservation program achieves a net improvement in ecological conditions.

The report is due to the appropriate committees of the legislature no later than June 30, 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 State Conservation Commission anticipates hiring an Environmental Planner 4 .20 FTE to attend the monthly 3-hour meetings of the joint oversight committee. The FTE would prep for the meetings as well as provide input at meetings and collaborate on the study of current conservation programs including, but not limited to:

- (a) Fish passage barrier removal;
- (b) Salmon recovery funding;
- (c) Stormwater financial assistance; and
- (d) Model toxics control act capital grants.

The study in collaboration with the joint oversight body on net ecological gain, must assess the degree to which each conservation program achieves a net improvement in ecological conditions.

The report is due to the appropriate committees of the legislature no later than June 30, 2024.

**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	26,857	26,857	53,714	53,714	53,714
<b>Total \$</b>			26,857	26,857	53,714	53,714	53,714

**III. B - Expenditures by Object Or Purpose**

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	0.2	0.2	0.2	0.2
A-Salaries and Wages	16,190	16,190	32,380	32,380	32,380
B-Employee Benefits	5,667	5,667	11,334	11,334	11,334
C-Professional Service Contracts					
E-Goods and Other Services	5,000	5,000	10,000	10,000	10,000
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-					
<b>Total \$</b>	26,857	26,857	53,714	53,714	53,714

**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
Environmental Planner 4, Range 63 Step H	80,952	0.2	0.2	0.2	0.2	0.2
<b>Total FTEs</b>		0.2	0.2	0.2	0.2	0.2

**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

<b>Bill Number:</b> 1735 HB	<b>Title:</b> GMA/net ecological gain	<b>Agency:</b> 477-Department of Fish and Wildlife
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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	8.5	11.5	10.0	14.5	14.5
<b>Account</b>					
General Fund-State 001-1	1,895,000	2,352,000	4,247,000	4,958,000	4,958,000
<b>Total \$</b>	1,895,000	2,352,000	4,247,000	4,958,000	4,958,000

### Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Robert Hatfield	Phone: 360-786-7117	Date: 02/03/2023
Agency Preparation: Tiffany Hicks	Phone: 3609022544	Date: 02/08/2023
Agency Approval: Tiffany Hicks	Phone: 3609022544	Date: 02/08/2023
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 02/08/2023



## 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 4, Adopting rules establishing criteria for NEG and consistency with regional salmon recovery plans. This rulemaking is to be in consultation with local tribes and other local governments.

Section 4, Monitoring progress towards the goals set forth in regional salmon recovery plans. Establishing the current environmental baseline conditions within each city/county planning under 36.70A.040, identifying monitoring data gaps and making recommendations to fill those gaps, then monitoring and reporting progress that each jurisdiction has made toward achieving no net loss of ecological function and NEG.

Section 4, Facilitating an ongoing and collaborative process to identify gaps and targets related to salmon habitat and funding,

Section 5, Serve on a NEG Oversight Body, fund meeting operations, and provide staff support

Section 6, Consult with COM on NEG Grant criteria

Section 7, Provide WDFW revenues to the general fund

Section 8, Study conservation programs (one year)

### 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.*

Section 4(1)

Requires WDFW to adopt rules that establish criteria for consistency with the applicable regional salmon recovery plans. Rulemaking will require the following staff:

0.5 FTE Environmental Planner 3 (EP3) in FY 2024, 1.5 EP3 in FY 2025, and 2.0 EP3 in FY 2026 and ongoing as more jurisdictions enter the periodic update cycle across all six regions. (These EP3 will build upon the two existing regions EP3s already hired to support the periodic update). EP3s will review existing data and plans for these counties, begin dialogue with those counties, and support the rulemaking effort, including with county-specific feedback, issues, and examples. EP3 duties will be split between rule implementation (this subsection) and monitoring (subsection 4(5)).

0.5 FTE Environmental Planner 4 (EP4) beginning in FY 2024 and ongoing to support rulemaking, review plans and integrate elements into rules, establish performance goals for land use elements, identify key salmon recovery plan components that need to be integrated into land use plans, and consult with all interested parties. EP4 duties will be split between rule implementation (this subsection) and monitoring (subsection 4(5)) and will work closely with the other EP4.

0.5 FTE Management Analyst 4 in FY 2024 and FY 2025 onetime funding, to be the primary point of contact for rulemaking.

Salaries and benefits for 1.5 FTEs totaling \$173,000 in FY 2024, 2.5 FTEs totaling \$284,000 in FY 2025, and 3.0 FTEs totaling \$339,000 in FY 2026 and ongoing.

Professional service contracts, Object C, includes \$150,000 in FY 2024 and FY 2025 for environmental and economic impact statements which are required for rulemaking.

Goods and services, Object E, includes \$56,120 (460 hrs. x \$122 per hr.) in FY 2024 and FY 2025 for Attorney General services for rulemaking based on previous complex rulemaking, and \$10,000 (4 hearings x \$2,500 per hearing) in FY 2025 for public hearings.

#### Section 4(5)

Requires WDFW to work with other state agencies, local governments, federally recognized Indian tribes, and regional salmon recovery boards to monitor and report on progress towards the goals set forth in the regional salmon recovery plans, establish the current watershed function conditions, identify any monitoring data gaps, and make recommendations to fill those gaps. Information gathered from the initial monitoring will help inform the rulemaking, which in turn, along with continued monitoring, will provide guidance to local governments during the update of their Comprehensive Plans. Section 4(7) also requires WDFW to provide a report to the governor, legislative committees, and affected local governments of its monitoring. This will require the following staff:

0.5 FTE Environmental Planner 3 (EP3) in FY 2024, 1.5 EP3 in FY 2025, and 2.0 EP3 in FY 2026 and ongoing as more jurisdictions enter the periodic update cycle across all six regions. (These EP3 will build upon the two existing regions EP3s already hired to support the periodic update). EP3s will monitor key watershed indicators and working with Commerce and local governments to track no net loss through permitted private projects, as well as documenting restoration projects and the net ecological gain. EP3 duties will be split between monitoring (this subsection) and rule implementation (subsection 4(1)).

0.5 FTE Environmental Planner 4 (EP4) beginning in FY 2024 and ongoing to dedicated to the monitoring program and consultation with all interested parties. EP4 duties will be split between rule implementation (this subsection) and monitoring (subsection 4(5)) and will work closely with the other EP4.

1.0 FTE Fish & Wildlife Research Scientist 2 beginning in FY 2024 and ongoing to focus on understanding and interpreting habitat and ambient environmental data. to provide the foundation of how the environmental and habitat data (for example, the specified parameters that affect salmonid health, including effects of urban heat islands).

3.0 FTE Fish & Wildlife (Habitat) Biologist 2s in FY 2024, 4.0 in FY 2025, and 6.0 in FY 2026 and ongoing as more jurisdictions enter the periodic update cycle across all six regions, to monitor each jurisdiction's implementation of their comprehensive plan relative to the program created in this bill, visit sites, and evaluate/assist applicants and the jurisdiction within WDFW regions.

1.0 FTE IT App Development-Senior/Specialist beginning in FY 2024 and ongoing, to assist the planning section to synthesize and draw conclusions from the ongoing monitoring program.

Salaries and benefits for 6.0 FTEs totaling \$667,000 in FY 2024, 8.0 FTEs totaling \$871,000 in FY 2025, and 10.5 FTE totaling \$1,110,000 in FY 2026 and ongoing.

#### Section 4(6)

Requires WDFW to facilitate an ongoing and collaborative process to identify gaps and targets related to salmon habitat and funding as informed by the monitoring program. Contractor for collaborative process facilitation for \$100k in FY 2024 and ongoing.

0.5 FTE Environmental Planner 4 (EP4) beginning in FY 2024 and ongoing to dedicated to the monitoring program and

consultation with all interested parties. EP4 duties will be split between the collaborative process (this subsection) and the Oversight Body (section 5) and will work closely with the other EP4.

Salaries and benefits for 0.5 FTE totals \$61,000 in FY 2024 and ongoing. Object C includes \$100,000 to contract with a professional facilitator for collaborative process (section 4(6)) and the oversight body (section 5).

**Section 5**

Directs WDFW to serve on a NEG Oversight Body, fund meeting operations, and provide staff support. This will require hiring a contractor for facilitation for \$100k in FY 2024 and ongoing. One meeting facilitation contract can cover sections 4 and 5 (we accounted for this cost under section 4(6) only).

0.5 FTE EP4 will serve as a lead interagency oversight body member beginning in FY 2024 and ongoing. EP4 duties will be split between the Oversight Body (this subsection) and the collaborative process (section 5) and will work closely with the other EP4.

Salaries and benefits for 0.5 FTE totals \$61,000 in FY 2024 and ongoing.

**Section 6**

Requires consultation with Commerce on NEG Grant criteria beginning in FY 2026 and ongoing (post-rulemaking), given that awards may be granted in advance of adoption of NEG policies. The monitoring team (EP4, RS2, and IT Specialist) will be well suited to assess the level of effort proposed by a county or city toward the achievement of net ecological gain to assist with the grant award process. Staff costs are incorporated into other sections.

**Section 8**

Requires WDFW to study conservation programs and assess the degree to which each program achieves a net improvement in ecological conditions.

Professional Services Contracts, Object C, includes \$100k to hire an environmental consultant contractor in FY 2024 to complete this work within the one-year deadline.

Goods and services, Object E, includes \$6,000 per FTE, per year, for WDFW standard costs, which cover an average employee's supplies, communications, training, and subscription costs per year. An infrastructure and program support rate of 33.5% is included in object T and is calculated based on WDFW's federally approved indirect rate.

Total costs for the WDFW are \$1,895,000 in FY 2024, \$2,352,000 in FY 2025, and \$2,479,000 in FY 2026 and ongoing.

**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	1,895,000	2,352,000	4,247,000	4,958,000	4,958,000
<b>Total \$</b>			1,895,000	2,352,000	4,247,000	4,958,000	4,958,000

**III. B - Expenditures by Object Or Purpose**

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	8.5	11.5	10.0	14.5	14.5
A-Salaries and Wages	704,000	931,000	1,635,000	2,282,000	2,282,000
B-Employee Benefits	258,000	346,000	604,000	860,000	860,000
C-Professional Service Contracts	350,000	350,000	700,000	400,000	400,000
E-Goods and Other Services	107,000	135,000	242,000	174,000	174,000
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	476,000	590,000	1,066,000	1,242,000	1,242,000
9-					
<b>Total \$</b>	<b>1,895,000</b>	<b>2,352,000</b>	<b>4,247,000</b>	<b>4,958,000</b>	<b>4,958,000</b>

**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
ENVIRONMENTAL PLANNER 3	80,952	1.0	3.0	2.0	4.0	4.0
ENVIRONMENTAL PLANNER 4	89,292	2.0	2.0	2.0	2.0	2.0
FISH & WILDLIFE BIOLOGIST 2	91,524	3.0	4.0	3.5	6.0	6.0
FISH & WILDLIFE RESEARCH SCIENTIST 2	64,788	1.0	1.0	1.0	1.0	1.0
IT APP DEVELOPMENT - SENIOR/SPECIALIST	115,824	1.0	1.0	1.0	1.0	1.0
MANAGEMENT ANALYST 4	82,896	0.5	0.5	0.5	0.5	0.5
<b>Total FTEs</b>		<b>8.5</b>	<b>11.5</b>	<b>10.0</b>	<b>14.5</b>	<b>14.5</b>

**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

<b>Bill Number:</b> 1735 HB	<b>Title:</b> GMA/net ecological gain	<b>Agency:</b> 495-Department of Agriculture
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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: Robert Hatfield	Phone: 360-786-7117	Date: 02/03/2023
Agency Preparation: Kelly McLain	Phone: 360-902-1945	Date: 02/03/2023
Agency Approval: Jeannie Brown	Phone: 360-902-1989	Date: 02/03/2023
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 02/03/2023

## 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 1735 adds net ecological gain as a voluntary element of the comprehensive plans under the growth management act, amending RCW 36.70A.080, 36.70A.030 and 43.88.090, adds new sections to chapters 36.70A and 77.04 RCWs, and creates a new section.

Section 5 establishes a joint oversight body on net ecological gain consisting of Directors from the department of ecology, department of agriculture, department of fish and wildlife, and department of commerce, the executive directors of the state conservation commission and Puget Sound partnership, commissioner of public lands, and the secretary of the department of transportation. The oversight body will meet time to time but no less than 3 times per calendar year and is responsible for determining what actions, projects, and activities count toward the achievement of ecological gain. Staff support for the oversight body is provided by the department of fish and wildlife.

No fiscal impact to WSDA as Director work as a member of the joint oversight body does not create new or additional costs.

### 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 receipt impacts.

### 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 1735 adds net ecological gain as a voluntary element of the comprehensive plans under the growth management act, amending RCW 36.70A.080, 36.70A.030 and 43.88.090, adds new sections to chapters 36.70A and 77.04 RCWs, and creates a new section.

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No fiscal impact to WSDA as Director work as a member of the joint oversight body does not create new or additional costs.

## 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 capital impacts.

**Part V: New Rule Making Required**

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



# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1735 HB

Title: GMA/net ecological gain

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

### Legislation Impacts:

- Cities:
- Counties:
- Special Districts:
- Specific jurisdictions only:
- Variance occurs due to:

## Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option: Jurisdictions fully planning under the Growth Management Act may adopt a net ecological gain element into their comprehensive plan. These jurisdictions would be eligible for planning assistance grants from the Department of Fish and Wildlife, subject to amounts appropriated for the purposes of this act.
- Key variables cannot be estimated with certainty at this time:

### Estimated revenue impacts to:

None

### Estimated expenditure impacts to:

None

## Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 02/07/2023
Leg. Committee Contact: Robert Hatfield	Phone: 360-786-7117	Date: 02/03/2023
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/07/2023
OFM Review: Matthew Hunter	Phone: (360) 529-7078	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 proposed legislation would amend the voluntary elements of the Growth Management Act (GMA) to include a net ecological gain (NEG) element, which fully planning cities and counties may include in its comprehensive plan.

The Department of Fish and Wildlife (WDFW) would be authorized to adopt rules to establish criteria for NEG that must be achieved by jurisdictions that choose to adopt net ecological gain as an element within their comprehensive plans. WDFW would monitor the progress that each jurisdiction that chooses to include a voluntary NEG element in its comprehensive plan has made toward achieving net ecological gain.

Sec. 2 would amend 36.70A.080 RCW

Amends the voluntary elements of the GMA to include a net ecological gain element.

Sec. 3 would amend 36.70A.030 RCW

Amends the definitions of the GMA to include a definition of net ecological gain.

Sec. 4 would add a new section to chapter 36.70A

The WDFW, with recommendations from the oversight board established in Sec. 5, must adopt rules that establish criteria for net ecological gain and consistency with the application of regional salmon plans that jurisdictions choosing to voluntarily adopt a net ecological gain element into their comprehensive plan must meet. Rules adopted under this section must ensure that net ecological gain is advanced, through appropriate publically funded projects, and voluntary project whose purposes is salmon recovery. WDFW must monitor progress towards goals set forward in regional salmon recovery plans, including parameters such as stream temperature, impervious surfaces, and tree canopy, which affect salmonid health. This data must be obtained from relevant and reliable sources, such as local governments participating in the regional salmon plans and the voluntary NEG element. WDFW must establish the current environmental baseline conditions within each county and city planning under the GMA, identify any monitoring gaps, and monitor progress in achieving NEG in jurisdictions that voluntarily choose to adopt this element.

Sec. 5 would by a new section added to 77.04 RCW

Establishes a joint oversight body on net ecological gain.

Sec. 6 would be a new section added to 36.70A

A fully planning jurisdiction that chooses to adopt the voluntary NEG element may apply for planning assistance grants from the WDFW subject to amounts appropriated by the legislature for the specific purposes of this act.

### **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.*

This legislation does not require jurisdictions that fully plan under the Growth Management Act (GMA) to take action and would have no expenditure impact. For jurisdictions that voluntary adopt the net ecological gain (NEG) element proposed by this act as a local option, there would be indeterminate costs for cities and counties to adopt the element into their comprehensive plans.

The Department of Fish and Wildlife identified that adopting the rules specified in Sec. 4 of this act would require up to two years of rulemaking and several additional years, at a minimum, to provide technical assistance to local jurisdictions on implementation. Therefore, the guidelines required to adopt the voluntary element may not be complete until FY27 and jurisdictions would not begin to adopt the voluntary element until after this time.

FOR JURISDICTIONS CHOOSING THE LOCAL OPTION:

Net Ecological Gain Element Costs:

Indeterminate - Expenses for fully planning jurisdictions to adopt a new complex element would likely have estimated costs similar to those found in HB 1076 (2023) which range from \$75,000 to \$100,000 per city, and greater than \$115,000 per county. The costs are varied based on the population size and internal planning capacity of the jurisdiction, and include costs for preparing analysis, assessing and applying NEG guidelines developed by the WDFW, developing new proposals for NEG policies, updating regulations, facilities planning during comprehensive plan updates related to NEG, updating mitigation approaches to ensure that advancement of NEG is achieved through the selection of publicly and privately funded projects, and implementation of the new voluntary element. Costs for the new element are also influenced by a number of different factors, including: 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.

Provisions in Sec. 4(5) specify that WDFW would establish a baseline assessment and gap analysis for all fully planning jurisdictions and monitor the advancement of NEG goals of the bill for all jurisdiction that adopt the voluntary element. It currently unclear if monitoring requirements would be mandatory for local governments that adopt the NEG element.

### **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.*

This proposed legislation would have no impact on local government revenues.

For jurisdictions fully planning under the Growth Management Act that choose the local option to adopt the net ecological gain (NEG) element, planning grants up to \$100,000 may be available subject to appropriations made by the legislature for the specific purposes of this act. The number of jurisdictions that would adopt the NEG element into their comprehensive plans is currently unknown.

#### **SOURCES:**

Association of Washington Cities

Department of Fish and Wildlife, Bill Analysis HB 1735 (2023)

Local Government Fiscal Note Program, FN 2S HB 1117 (2021)

Local Government Fiscal Note Program, FN HB 1076 (2023)