

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1181 E 2S HB	<b>Title:</b> Climate change/planning
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## Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of Attorney General	0	0	48,000	0	0	57,000	0	0	20,000
<b>Total \$</b>	<b>0</b>	<b>0</b>	<b>48,000</b>	<b>0</b>	<b>0</b>	<b>57,000</b>	<b>0</b>	<b>0</b>	<b>20,000</b>

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
Office of the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Attorney General	.2	0	0	48,000	.2	0	0	57,000	.1	0	0	20,000
Department of Commerce	9.0	3,326,580	3,326,580	3,326,580	7.8	2,629,770	2,629,770	2,629,770	7.8	2,646,570	2,646,570	2,646,570
Military Department	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Health	1.2	407,000	407,000	407,000	.0	0	0	0	.0	0	0	0
University of Washington	.8	173,525	173,525	173,525	.0	0	0	0	.0	0	0	0
Department of Transportation	.0	0	0	500,000	.0	0	0	0	.0	0	0	0
Department of Ecology	4.1	0	0	1,174,721	1.8	0	0	565,916	.0	0	0	0
Environmental and Land Use Hearings Office	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Fish and Wildlife	3.0	1,026,000	1,026,000	1,026,000	3.0	1,026,000	1,026,000	1,026,000	3.0	1,026,000	1,026,000	1,026,000
Department of Natural Resources	2.3	612,000	612,000	612,000	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>20.6</b>	<b>5,545,105</b>	<b>5,545,105</b>	<b>7,267,826</b>	<b>12.8</b>	<b>3,655,770</b>	<b>3,655,770</b>	<b>4,278,686</b>	<b>10.9</b>	<b>3,672,570</b>	<b>3,672,570</b>	<b>3,692,570</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			22,325,606			13,462,243			14,292,438
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			22,325,606			13,462,243			14,292,438

### 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
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Military Department	.0	0	0	.0	0	0	.0	0	0
Department of Health	Non-zero but indeterminate cost and/or savings. Please see discussion.								
University of Washington	.0	0	0	.0	0	0	.0	0	0
Department of Transportation	.0	0	0	.0	0	0	.0	0	0
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
Environmental and Land Use Hearings Office	.0	0	0	.0	0	0	.0	0	0
Department of Fish and Wildlife	.0	0	0	.0	0	0	.0	0	0
Department of Natural Resources	.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	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

### Estimated Capital Budget Breakout

Department of Health	Non-zero but indeterminate cost and/or savings. Please see discussion.
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<b>Prepared by:</b> Gwen Stamey, OFM	<b>Phone:</b> (360) 790-1166	<b>Date Published:</b> Final 3/13/2023
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1181 E 2S HB	<b>Title:</b> Climate change/planning	<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: Maggie Douglas	Phone: 3607867279	Date: 03/07/2023
Agency Preparation: Tracy Sayre	Phone: 360-890-5279	Date: 03/07/2023
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 03/07/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 03/07/2023

## 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.*

Engrossed Second Substitute HB 1181 does not require the Governor's Office to participate in any workgroups, committees, or activities and therefore doesn't have a fiscal impact.

### II. B - Cash receipts Impact

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

### II. C - Expenditures

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

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

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

NONE

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

NONE

### III. D - Expenditures By Program (optional)

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

### IV. B - Expenditures by Object Or Purpose

NONE

### IV. C - Capital Budget Breakout

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

NONE

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

NONE

**Part V: New Rule Making Required**

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

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1181 E 2S HB	<b>Title:</b> Climate change/planning	<b>Agency:</b> 100-Office of Attorney General
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## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Legal Services Revolving Account-State 405-1	24,000	24,000	48,000	57,000	20,000
<b>Total \$</b>	24,000	24,000	48,000	57,000	20,000

### 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	0.1
<b>Account</b>					
Legal Services Revolving Account-State 405-1	24,000	24,000	48,000	57,000	20,000
<b>Total \$</b>	24,000	24,000	48,000	57,000	20,000

### 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: Maggie Douglas	Phone: 3607867279	Date: 03/07/2023
Agency Preparation: Cam Comfort	Phone: (360) 664-9429	Date: 03/10/2023
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 03/10/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 03/10/2023

## 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 1: Amends RCW 36.70A.020 to guide the development of regional plans, policies, and strategies adopted under RCW 36.70A.210 and RCW 47.80. Language is added relating to achieving statewide targets for the reduction of greenhouse gas emissions and per capita vehicle miles traveled, to encourage the participation of vulnerable populations and overburdened communities, and to mitigate the effects of a changing climate.

Section 2: Amends RCW 36.70A.480 to reflect the increase in the number of goals set forth in RCW 36.70A.020 from 14 to 15.

Section 3: Amends RCW 36.70A.070 to add elements that a county or city must consider in developing comprehensive plans under RCW 36.780A.040, including green spaces, urban and community forests within the urban growth area, achieving environmental justice, reducing per capita vehicle miles within the jurisdiction, and reducing and mitigating the risk to lives and property posed by wildfires. Such plans also must include a climate change and resiliency element designed to address environmental related problems specific to the jurisdiction.

Section 4: Adds a new section to RCW 36.70A and establishes various thresholds for counties and cities.

Section 5: Adds a new section to chapter RCW 70A.45 to require the Department of Commerce (Commerce), in consultation with the Department of Ecology (Ecology), the Department of Health (DOH), and the Department of Transportation (WSDOT), to publish guidelines relating to increasing increase housing capacity within urban growth areas, reducing greenhouse gas emissions, and reducing per capital miles traveled. The first full set of guidelines is due December 31, 2025. Intermediate guidelines must be published by December 31, 2023.

Section 6: Adds a new section to chapter RCW 36.70A allowing counties and cities that are required to complete a greenhouse gas emissions reduction subelement to submit the subelement to Commerce for approval. Criteria for Commerce review is provided, including striving to achieve final action on a submitted greenhouse gas emissions reduction subelement within 180 days of receipt.

Section 7: Amends RCW 36.70A.280 to clarify that the Growth Management Hearings Board (GMHB) shall hear petitions alleging that Commerce's final decision to approve or reject a proposed greenhouse gas emissions reduction subelement was not in compliance with the joint guidance provided in Section 5.

Section 8: Amends RCW 36.70A.320 to add a reference to an effective date.

Section 9: Amends RCW 36.70A.190 to require Commerce to establish funding levels for grants to community-based organizations for the specific purpose of advancing participation of vulnerable populations and overburdened communities in the planning process. Commerce is required to develop, in collaboration with Ecology, the Department of Fish and Wildlife (DFW), the Department of Natural Resources (DNR), DOH, the Military Department's Emergency Management Division (EMD), and federally recognized tribes that choose to participate, and adopt by rule guidance that creates a model climate change and resiliency element that may be used by counties, cities, and multiple-county planning regions. Various requirements are listed.

Section 10: Adds a new section to RCW 47.80 to require WSDOT to compile, maintain, and publish the per capita vehicle miles travelled annually in each city in the state and each unincorporated portions of each county.

Section 11: Adds a new section to chapter RCW 90.58 to require Ecology to update its shoreline master program guidelines to require that the impact of sea level rise and increased storm severity be addressed.

Section 12: Amends RCW 86.12.200 to require consideration of climate change impacts.

Section 13: Adds a new section to RCW 43.21C to provide that the adoption of ordinances, amendments to comprehensive plans, amendments to development regulations, and other non-project actions taken by counties and cities pursuant to RCW 36.70A.070(9)(d) or (f) to implement Commerce measures pursuant to Section 5 are not subject to administrative or judicial appeals.

Section 14: Amends RCW 36.70A.030 to provide additional definitions.

Section 15: Amends RCW 36.70A.130 to provide that any county or city that is required to review and revise its comprehensive plan on or before December 31, 2024, must update its transportation element and incorporate a climate change and resiliency element into its comprehensive plan as part of the first progress implement report as required by subsection (9) of this section if funds are appropriate and distributed by December 31, 2027.

Section 16: Adds a new section to RCW 36.70A providing that jurisdictions subject to RCW 36.70A.130(5)(b) implement the requirements of this act before June 30, 2025.

Section 17: Adds a new section to RCW 43.20 requiring DOH, beginning June 30, 2024, to ensure water system plans for group A community public water systems serving 1,000 or more connections include a climate resilience element; specifies what the water systems must do to comply with the climate resilience element.

Section 18: Amends RCW 70A.125.180 to clarify that financing for the water systems acquisition and rehabilitation program may include grants or loans, for projects and planning required under RCW 36.70A.480.

Section 19: New section requiring specific funding by June 30, 2023, or this act is null and void.

## **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.*

Cash receipts are assumed to equal the Legal Services Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agencies are the Department of Ecology (Ecology) and the Department of Commerce (Commerce). The Attorney General's Office (AGO) will bill all clients for legal services rendered.

These cash receipts represent the AGO's authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agencies' fiscal note. Appropriation authority is necessary in the AGO budget.

### **AGO AGENCY ASSUMPTIONS:**

Ecology will be billed for non-Seattle rates:

FY 2024 – FY 2025 (each FY): \$14,000 for 0.05 Assistant Attorney General FTE (AAG) and 0.03 Legal Assistant 3 FTE (LA)

FY 2026: \$37,000 for 0.15 AAG and 0.08 LA.

Commerce will be billed for non-Seattle rates:

FY 2024 and each FY thereafter: \$10,000 for 0.04 AAG and 0.02 LA.



## 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.*

Attorney General's Office (AGO) Agency Assumptions:

This bill is assumed effective 90 days after the end of the 2023 legislative session.

Location of staffing housed is assumed to be in a non-Seattle office building.

Total workload impact in this request includes standard assumption costs for goods & services, travel, and capital outlays for all FTE identified.

Agency administration support FTE are included in the tables. The Management Analyst 5 (MA) is used as a representative classification. An example ratio is for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 FTE for a Legal Assistant 3 (LA) and 0.25 FTE of an MA.

Assumptions for AGO Ecology Division's (ECY) Legal Services for the Department of Ecology (Ecology):

The AGO will bill Ecology for legal services based on the enactment of this bill.

Rulemaking under Section 11 of the bill will be controversial and complex, with an anticipated need for the most AAG involvement in the third year. In addition, Ecology will require legal services to support its role as a consulting agency under other sections of the bill. In FY 2024 and FY 2025, ECY estimates a need for 0.05 AAG. In FY 2026, ECY estimates 0.15 AAG is needed for additional in-depth legal review and assistance with the final rule, as well as any litigation arising from the rulemaking.

ECY total FTE workload impact for non-Seattle rates:

FY 2024 and FY 2025 (each FY): \$14,000 for 0.05 AAG and 0.03 LA.

FY 2026: \$37,000 for 0.15 AAG and 0.08 LA.

Assumptions for the AGO Agriculture and Health Division's (AHD) Legal Services for the Department of Commerce (Commerce):

The AGO will bill Commerce for legal services based on the enactment of this bill.

AHD anticipates providing legal services to assist the client with rulemaking, adoption of a model element for a climate change & resiliency planning sub-element, legal advice related to Commerce approvals of planning jurisdictions' greenhouse gas emissions reduction sub-elements, and representation in appeals of approvals/rejections of sub-elements to the Growth Management Hearings Board (GMHB).

AHD total workload impact for non-Seattle rates:

FY 2024 and each FY thereafter: \$10,000 for 0.04 AAG and 0.02 LA.

AHD also determined the bill will not significantly increase or decrease the division's workload in representing the Department of Health (DOH). The bill would require other agencies to consult with DOH on certain matters and require DOH to ensure certain water system plans include a climate resilience element and to update its water system planning guidebook. New legal services are nominal, and costs are not included in this request.

The AGO Transportation and Public Construction Division (TPC) has reviewed this bill and determined it will not significantly increase or decrease the division’s workload in representing the Military Department’s Emergency Management Division (EMD). EMD’s requirement under Section 9(8) the bill is to coordinate with Commerce during rulemaking. New legal services are nominal, and costs are not included in this request.

The AGO TPC Division has reviewed this bill and determined it will not significantly increase or decrease the division’s workload in representing the Military Department (MIL) or Washington State Department of Transportation (WSDOT). The enactment of this bill will not impact the provision of legal services to MIL or to WSDOT. The requirement to coordinate with Commerce during Commerce’s rulemaking will require only nominal services. Therefore, costs are not included in this request.

The AGO Licensing & Administrative Law Division (LAL) has reviewed this bill and determined it will not significantly increase or decrease the division’s workload in representing the Environmental Land Use and Hearings Office (ELUHO). While the bill will likely increase appeals to GMHB, any legal advice would be limited. Therefore, costs are not included in this request.

The AGO LAL Division has reviewed this bill and determined it will not significantly increase or decrease the division’s workload in representing GMHB. New legal services are nominal, and costs are not included in this request.

The AGO Public Lands Conservation Division (PLC) has reviewed this bill and determined it will not significantly increase or decrease the division’s workload in representing the Department of Natural Resources (DNR) and Department of Fish and Wildlife (DFW).

Section 9(8) of the bill indicates that DNR and DFW will collaborate with Commerce (among other agencies) on rules Commerce will adopt to develop and implement climate change and resiliency plans and policies required by RCW 36.70A.070 (9).

DNR and DFW are not responsible for any direct rulemaking. PLC’s advice roles on DNR’s and DFW’s collaboration with Commerce are anticipated to be minimal. New legal services are nominal, and costs are not included in this request.

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
405-1	Legal Services Revolving Account	State	24,000	24,000	48,000	57,000	20,000
<b>Total \$</b>			24,000	24,000	48,000	57,000	20,000

**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	0.1
A-Salaries and Wages	16,000	16,000	32,000	39,000	14,000
B-Employee Benefits	5,000	5,000	10,000	12,000	4,000
E-Goods and Other Services	3,000	3,000	6,000	6,000	2,000
<b>Total \$</b>	24,000	24,000	48,000	57,000	20,000

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Assistant Attorney General	118,700	0.1	0.1	0.1	0.1	0.0
Legal Assistant 3	55,872	0.1	0.1	0.1	0.1	0.0
Management Analyst 5	91,524	0.0	0.0	0.0	0.0	0.0
<b>Total FTEs</b>		0.2	0.2	0.2	0.2	0.1

**III. D - Expenditures By Program (optional)**

<b>Program</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>2023-25</b>	<b>2025-27</b>	<b>2027-29</b>
Agriculture & Health Division (AHD)	10,000	10,000	20,000	20,000	20,000
Ecology Division (ECY)	14,000	14,000	28,000	37,000	
<b>Total \$</b>	<b>24,000</b>	<b>24,000</b>	<b>48,000</b>	<b>57,000</b>	<b>20,000</b>

**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> 1181 E 2S HB	<b>Title:</b> Climate change/planning	<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	8.9	9.0	9.0	7.8	7.8
<b>Account</b>					
General Fund-State 001-1	1,620,145	1,706,435	3,326,580	2,629,770	2,646,570
<b>Total \$</b>	1,620,145	1,706,435	3,326,580	2,629,770	2,646,570

### 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: 03/07/2023
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 03/08/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 03/08/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 03/08/2023

## 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.*

Differences between E2SHB 1181 and 2SHB 1181:

No amendments in E2SHB 1181 will change the Department of Commerce's (department) assumptions about the fiscal impact of the bill from 2SHB 1181:

- Sections 3(1) and 3(8) contain include clarifying language that reference to community forests and canopy evaluation "within urban growth areas", respectively. Section 3(6) contains revised language related to transportation facilities. Section 3(9) removes references to the Healthy Environment for All Act (RCW 70A.02) throughout, while in the 2SHB 1181 this reference was paired with the term "overburdened communities".
- Section 4 removes the applicability language regarding climate element changes to the Rural Element, and it deletes the exemption for counties with a population under 20,000.
- Section 5(9) is added, defining, for purposes of this section, "overburdened communities" and "vulnerable populations" means the same as provided in RCW 36.70A.030."
- Section 14 adds new definitions for "overburdened community" and "vulnerable populations."

Summary of E2SHB 1181:

Sections 1-4 amends RCW 36.70A, the Growth Management Act (GMA) to create a new climate change goal and new climate change and resiliency element required for all fully planning counties and cities.

Section 3 amends RCW 36.70A.070 changing several required elements for comprehensive plans under GMA, including new climate change provisions, and it adds a new climate change and resiliency element requirement for comprehensive plans under GMA, including new greenhouse gas (GHG) and resiliency sub-elements. The section outlines these new elements in detail.

Section 4 adds a new section to RCW 36.70A creating a new section in the GMA that outlines the applicability and requirements for the GHG sub-element of the climate change and resiliency element. It further outlines the applicability to local jurisdictions of several amendments to elements in, under Section 3 of this bill.

Section 5 adds a new section to RCW 70A.45 requiring the department to publish guidelines and measures that will provide jurisdictions the option to reduce greenhouse gas (GHG) through increased housing capacity. This section further requires the department to publish intermediate guidelines by December 31, 2023, and adopt by rule, a full set of guidelines by December 31, 2025. After 2025, the department is required to evaluate the impact of the climate change element. The section includes additional provisions outlining department implementation and specific parameters for the new guidelines.

Section 6 adds a new section to RCW 36.70A creating a new section to the GMA that allows a county or city to submit a GHG sub-element for approval to the department, which (if approved) would become effective on the date of approval by the department. The section includes provisions for notice to apply for approval, and specific details regarding new department procedures for approval, decisions, appeals, and publication.

Section 8 amends RCW 36.70A.320 creating a grant program for community-based organizations, and it directs the department to collaborate with state agencies to create a model climate and resilience element and guidance by rule.

Section 14 amends RCW 36.70A.030 adding definitions to the GMA related to provisions of this bill.

Section 15 amends RCW 36.70A.130 adding a requirement to the GMA that counties and cities with comprehensive plan

and development regulation updates due by December 31, 2024, must incorporate the climate change and resiliency elements into and update their transportation elements as part of the first implementation progress report, subject to funds being appropriated and distributed by December 31, 2027, as required under RCW 36.70A.070(10).

Section 16 adds a new section to RCW 36.70A adding a requirement the counties and the cities within these counties, with GMA update deadlines of June 30, 2025, must implement the requirements of this bill; and any funding provided to cover applicable local government costs related to implementation shall be considered timely.

## **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 changes in Section 4, removing the exemption for counties with populations of 20,000 or greater, would require four additional counties to update their Rural Elements: San Juan, Pend Oreille, Columbia and Garfield.
- The department assumes that the requirement in Section 15 for certain jurisdictions to update their transportation element by the implementation progress report deadline, which element must now include a transition plan for transportation as required in Title II of the Americans with Disabilities Act, will not create a new fiscal impact on the department and will be absorbed into existing technical assistance work.
- The department received funding in the biennial budget to cover costs necessary to begin implementation of the GHG reduction framework in Section 5 and to the development of the model climate resilience element required in Section 8. The department assumes these staff will continue with the program past FY23 and do not represent new costs until FY24.
- If any updates to the guidance are published after 2025, then the department will need to provide an evaluation of the impact that the climate change elements have had on zoned housing capacity, and reduction of GHG emissions and VMT (Section 5).
- The department would undertake rulemaking under Section 8 for development of a model climate element that is developed in collaboration with the departments of Ecology, Fish and Wildlife, Transportation, Natural Resources, and Health, and the Emergency Management Division of the Washington Military Department.
- The department assumes 246 fully planning counties and cities under the GMA will be required to develop and adopt the new climate change and natural hazard resiliency element within their comprehensive plans, beginning during the next GMA periodic update cycle in FY24-FY27. Based on current GMA review and comment technical assistance for comprehensive plan periodic updates, the department estimates approximately 40 hours to review each climate change element, and additional criteria for other plan elements, required under Section 4. This equals approximately 9,840 hours (246 x 40 hours) of professional planner and administrative time.
- In addition, 109 local jurisdictions, comprised of 13 fully planning counties, and cities within those counties, will be required to develop and adopt the GHG sub-element and resiliency sub-element, based on population density criteria in Section 4. Based on current GMA review and comment technical assistance for comprehensive plan periodic updates, the department estimates approximately 40 hours to review and approval for each local sub-element, including related administrative work. This equals approximately 4,360 hours (136 x 40 hours) of professional planner and administrative staff time.

- The department assumes this bill will require adjustments to the climate program work that began with the 2021 budget proviso. The bill will require adjusting the technical guidance. The department assumes that staff will need to develop training for fully planning counties and cities to implement the new climate change element and sub-elements outlined in Sections 1-4; development and ongoing review and publication of the guidance under Section 5; initial development and ongoing administration of the sub-element approval program and rulemaking under Section 6; and creation of the model element for climate change.
- The department assumes this bill will require the expansion to the current Climate Program beyond the 2021 budget proviso, which is currently staffed with 3.0 FTE.
- This bill will require sufficient staff levels for increased plan review, with specific climate change and land use planning expertise under the GMA. Additional 3.0 FTE Commerce Specialist 3 will be required in FY22-FY27 to provide ongoing technical assistance to local government.
- The department must develop a model climate change and resiliency element for local governments under Section 8.
- The department must develop and manage a new environmental justice program under Section 8, including the management of an indeterminant grant program to community-based organizations. The department assumes a \$100,000 per year as a service contract to support an organization(s) within the region with advancing participation of vulnerable populations.
- The department assumes \$10,000 per fiscal year, FY24-FY25, in AAG rulemaking review and consultation for rulemaking required throughout this bill, including guidelines in Section 5, and model element adopted by rule under Section 6, and general guidance updates, based on similar, high level GMA guidance and rulemaking review.
- Additional department IT work will be required to upgrade its internal planning data system for the new sub-element review and approval process and tracking submitted materials, FY24-FY25, along with the development of online interactive climate guidance, which will support the creation of the new climate element. The department assumes \$25,000 a year for the first two years for contractor assistance, and 0.3 FTE for two IT staff to maintain Plan View throughout the program.
- The department assumes that sufficient funding appropriated to local governments under section 15(10) will be distributed and received.
- Significant development of new climate change planning guidance through rulemaking is required that will revise guidance on comprehensive elements, including the initial creation and adoption of a climate change element and sub-elements under Section 4 during the upcoming periodic update cycle under RCW 36.70A.130(5).
- Immediate work will begin to develop a new approval program for GHG and resiliency sub-elements, as required under Section 6. This will require increased workload and IT support in FY24 and FY25 as noted above.
- Based on prior grant programs administered for local comprehensive plan review and updates, the department assumes a grant program will be needed to assist counties and cities with implementation of this bill. Assuming sufficient funding is appropriated, the department assumes it would develop and administer a grant program, based on prior GMA planning grants provided for local comprehensive plan updates schedule to with deadlines in FY24-FY27 (December 2024-June 2027). The department assumes that all counties and cities will continue to receive sufficient periodic update grant during the next scheduled update deadlines under RCW 36.70A.130(5).

All sections:

1.0 FTE Managing Director WMS2 (2,088 hours) in FY24-FY29, to provide leadership, oversight, supervision, rules coordination and decision-making over all elements of the program. Staff provides expert policy advice or consultation on a

range of issues specific to the Climate Program and to areas that have agency wide implications.

1.0 FTE Commerce Specialist 4 (2,088 hours) in FY24-FY29, to function as an agency expert for Climate Program. Staff may represent the agency at legislative hearings or state and national meetings; provide high-level consultative assistance to other recognized experts; developing, negotiating and monitoring complex contracts with local governments, public and private entities as well as with community organizations.

3.0 FTE Commerce Specialist 3 (6,264 hours) in FY24-FY29, during the GMA periodic update cycle (RCW 36.70A.130), in which there are 136 counties and cities, comprised of ten fully planning counties, and cities within those counties that may voluntarily develop and adopt the greenhouse gas (GHG) sub-element and resiliency sub-element, along with the mandated updates. Based on current GMA review and comment, and technical assistance for comprehensive plan periodic updates, the department estimates approximately 40 hours to review each local sub-element. This includes approximately 2,720 hours a biennium of professional planner (3.0 FTE) and administrative staff time.

1.0 FTE Commerce Specialist 2 (2,088 hours) in FY24-FY29, for grant assistance. This position would provide administrative support concerning billing, communication and other tasks associated with administration of two grant programs.

1.0 FTE Management Analyst 4 (2,088 hours) in FY24- FY25, for rule making assistance and research. To serve as a consultant to executive management, implementing legislative directives, and developing policies and procedures. Activities could include identifying problems; analyzing and evaluating operating deficiencies or difficulties; providing alternatives and recommended courses of action.

0.3 FTE for IT Business Analyst Journey (626 hours) in FY24-FY29, to maintain the Plan View database throughout the program.

0.3 FTE for IT Application Developer Journey (626 hours) in FY24-FY29, to maintain the Plan View database throughout the program.

Attorney General costs:

\$10,500 each fiscal year, FY24-FY25 each year, for legal review of draft guidelines adopted by rule for the new Section 1-4 guidance through rulemaking, the Section 5 guidelines adopted by rule and procedures adopted by rule for the sub-element approval program under Section 6.

IT costs:

\$50,000 each fiscal year, FY24-FY25, for changes to the plan review tracking data system, including major data system upgrades for the new program.

Salaries and Benefits:

FY24: \$918,237

FY25: \$949,267

FY26-FY29: \$829,353 per fiscal year

Professional services contracts:

Section 1-15:

\$80,000, in FY24-FY29, each year, to provide support to small local jurisdictions to conduct vulnerability assessments, following success of FY23 Pilot Program (Section 4).



\$80,000, in FY25, for development of evaluation tool for Climate Element (Section 5).  
\$50,000, in FY24-FY25, each year, for support to create a new grant program (Section 6).

Section 3(9):

\$50,000, in FY24-FY25, each year, for development of GHG reduction measures.

FY24: \$180,000

FY25: \$260,000

FY26-FY29: \$80,000 per fiscal year

Goods and Services:

Attorney General costs: \$10,500 in FY22-FY23 for 50 hours at \$210 per hour each fiscal year. The department assumes legal review of draft guidelines adopted by rule for the new Section 1-4 guidance through rulemaking, the Section 5 guidelines adopted by rule and procedures adopted by rule for the sub-element approval program under Section 6.

FY24: \$166,128

FY25: \$166,179

FY26-FY29: \$113,495 per fiscal year

Travel:

Travel includes stakeholder outreach and necessary collaboration with state agencies.

FY24-FY29: \$13,300 per fiscal year

Equipment:

In addition to the standard goods and services estimates, the department assumes the purchase of standard workstations for the new staff in FY24 and the purchase of replacement laptops /tablets in FY28 based on the department's replacement cycle and includes agency cell phones.

FY24: \$40,880

FY25-FY27: \$5,880

FY28: \$22,680

FY29: \$5,880

Intra-Agency Reimbursements:

FY24: \$302,100

FY25: \$312,309

FY26-FY29: \$272,857 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: \$1,620,145

FY25: \$1,706,435

FY26-FY27: \$1,314,885 per fiscal year

FY28: \$1,331,685

### 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	1,620,145	1,706,435	3,326,580	2,629,770	2,646,570
<b>Total \$</b>			1,620,145	1,706,435	3,326,580	2,629,770	2,646,570

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	8.9	9.0	9.0	7.8	7.8
A-Salaries and Wages	686,315	706,903	1,393,218	1,236,210	1,236,210
B-Employee Benefits	231,922	242,364	474,286	422,496	422,496
C-Professional Service Contracts	180,000	260,000	440,000	160,000	160,000
E-Goods and Other Services	165,628	165,679	331,307	226,990	226,990
G-Travel	13,300	13,300	26,600	26,600	26,600
J-Capital Outlays	40,880	5,880	46,760	11,760	28,560
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	302,100	312,309	614,409	545,714	545,714
9-					
<b>Total \$</b>	1,620,145	1,706,435	3,326,580	2,629,770	2,646,570

#### 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	1.3	1.4	1.4	1.2	1.2
Commerce Specialist 2	70,799	1.0	1.0	1.0	1.0	1.0
Commerce Specialist 3	82,056	3.0	3.0	3.0	3.0	3.0
Commerce Specialist 4	86,212	1.0	1.0	1.0	1.0	1.0
IT APP Development	120,457	0.3	0.3	0.3	0.3	0.3
IT Business Analyst	86,212	0.3	0.3	0.3	0.3	0.3
Management Analyst 4	86,212	1.0	1.0	1.0		
WMS Band 2	122,841	1.0	1.0	1.0	1.0	1.0
<b>Total FTEs</b>		8.9	9.0	9.0	7.8	7.8

#### 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.*

Rulemaking is needed to revise chapter 365-196 WAC:

Sections 1-4: New guidance for counties and cities to update the requirements to comprehensive elements and to develop guidance for applicability of the new requirements and develop general guidance for updates to the GMA.

Section 5: Additional guidelines that specify the proportionate reductions of GHG and VMT. The department assumes these will be guidelines adopted by new rule and subsequently amended every four years.

Section 6: Development of the process requiring the department to approve GHG emission reduction sub-elements. A corresponding new rule to adopt new procedures would be required to establish parameters of department approval.

Section 7: New guidance for the requirements in the new climate change and resiliency element to the comprehensive plan.

Section 8: Development of a new model climate change and resiliency element by rule for local governments.

Section 14: New guidance for an amendment to GMA definitions.

Section 15: Additional guidance for the periodic update and first implementation progress report.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1181 E 2S HB	<b>Title:</b> Climate change/planning	<b>Agency:</b> 245-Military Department
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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: Maggie Douglas	Phone: 3607867279	Date: 03/07/2023
Agency Preparation: Serina Roberts	Phone: 2535127388	Date: 03/09/2023
Agency Approval: Timothy Rajcevich	Phone: 2535127596	Date: 03/09/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 03/09/2023

## 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.*

There is no fiscal impact to the Military Department in this bill. All items in the bill related to the Military Department are currently part of the Emergency Management Division's normal business and will not increase workload or 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.*

### 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> 1181 E 2S HB	<b>Title:</b> Climate change/planning	<b>Agency:</b> 303-Department of Health
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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	1.9	0.5	1.2	0.0	0.0
<b>Account</b>					
General Fund-State      001-1	325,000	82,000	407,000	0	0
<b>Total \$</b>	325,000	82,000	407,000	0	0

### Estimated Capital Budget Impact:

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

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Maggie Douglas	Phone: 3607867279	Date: 03/07/2023
Agency Preparation: Katie Osete	Phone: 3602363000	Date: 03/09/2023
Agency Approval: Kristin Bettridge	Phone: 3607911657	Date: 03/09/2023
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 03/10/2023

## 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.*

The fiscal impact to the Department of Health (DOH) has not changed from the previous fiscal note.

The tasks in S HB 1181 that will have a fiscal impact on Department of Health (DOH) includes:

Section 5: Commerce will lead a process in consultation with DOH and other agencies to publish guidelines that specify a set of measures counties and cities have available for both climate change mitigation (reducing GHG emissions) and adaptation (addressing impacts of a changing climate). The work on these tasks started last session when a version of this bill did not pass but was funded in the budget. The work calls on the use of, but no changes to, the Washington Tracking Network.

Section 8: Commerce will lead rulemaking, in collaboration with other state agencies including the Department of Health. The rule will create a model climate change and resiliency element of the Growth Management Act (GMA).

Adding Section 17 – (mirroring language from 5094 SB): Beginning with water system plans initiated after June 30, 2024; DOH and the State Board of Health (SBOH) shall ensure group A water systems serving 1,000 or more connections include in their water system plans a climate resilience element. DOH must update the water system planning guidebook to assist these water systems in implementing the climate resilience element, including guidance on any available technical and financial resources. DOH must also develop loan or grant criteria for evaluating climate readiness project applications.

Section 18: The bill is amended to add that projects and planning of climate resilience elements are to be included as potential receivers of grants or loans from the water system acquisition and rehabilitation program. DOH, through the water system acquisition and rehabilitation program shall provide financial assistance to partially cover projects and planning required by this bill in section 2, the climate resilience element.

### 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.*

Sections 5 and 8

This governor's request bill updates the Growth Management Act.

It adds a climate change and resiliency goal to the existing GMA goals and specifies both mitigation and adaptation and specifically names protecting human health and safety under the climate goal. It also adds environmental justice and wildfire risk reduction considerations to the existing land use element.

The bill also requires state agency coordination, with Commerce as lead, on climate change mitigation and adaptation guidance for city and county planning departments. It also requires a similar coordination, with Commerce as lead, on creating a model climate change and resiliency element of the GMA.

The following is an estimate of staffing for the biennium:

Health Service Consultant 4 (0.50 FTE). The HSC4 will continue the work started in the previous fiscal year on the climate



change mitigation and adaptation guidance documents led by the Department of Commerce. The HSC4 will also serve as technical support on the use of the Environmental Health Disparities Map and liaison to the Washington Tracking Network. And will also collaborate with Commerce and support them in the rulemaking process.

Cost for Health Service Consultant 4:

Fiscal Year (FY) 2024 \$83,000 and 0.50 FTE

Fiscal Year (FY) 2025 \$82,000 and 0.50 FTE

Section 17: Added

Program updates and application criteria:

This bill requires DOH to update respective water system planning manuals and criteria for loan or grant climate readiness applications. This work is minimal, closely aligned with current criteria already in place and falls within normal work duties. No fiscal impact to DOH for program updates and application criteria.

Assisting water systems in implementing the climate resilience element:

In order to assist water systems in implementing the climate resilience element, including facilitating stakeholder conversations on information needs and developing responsive training resources, DOH plans to coordinate with the University of Washington Climate Impacts Group to develop processes and assemble tools that water systems can use to identify current and future climate-change hazards to water systems for various timeframes. This coordination is part of normal work duties. No fiscal impact to DOH.

Rulemaking:

Rulemaking is needed to amend both the Drinking Water State Revolving Fund (DWSRF) WAC and the Group A Public Water Systems WAC to include the elements of climate resilience required by the bill. DOH and SBOH will conduct this work on these WACS, respectively and with cooperation with each other. Costs are listed out separately here.

Rulemaking DOH:

Assumptions:

- Section 18 is allowing grants and loans for large group A public water systems to partially cover a climate resilience element that is now required by this bill as part of their water system plans. DOH will need to amend chapter 246-296 WAC (DWSRF) to include the required climate resilience elements.

To complete this one-time work, DOH will require 1.0 FTE in FY 2024 to:

- Provide guidance and rule writing.
- Engage with water planning experts on the need for centralized climate data projections.
- Coordinate with stakeholders (including water systems, state agency staff, local agency staff, local decision makers, and affected constituent groups), facilitate and participate in stakeholder meetings, and lead development of policy-heavy components of the rule.
- Arrange meeting rooms, take notes during stakeholder meetings, and deal with other logistical and communication issues associated with the rulemaking.

Attorney General time to review and advise on rulemaking will be \$2,000 in FY 2024.

Travel required for stakeholder meetings: total \$680

Assumptions:

- Two subject matter experts from DOH will meet with stakeholders four times during the rulemaking process.
- Meeting space will be provided by local health partners at no cost.
- Meetings will be held in 4 locations: Spokane, Everett, Vancouver, and Yakima.
- Staff will carpool in state vehicles.

- All assumptions for costs in the fiscal note are based on similar rulemaking with similar work that the DOH has completed in the past.
- Travel is based on:
  - o Use of state vehicles
  - o Per diem lunch \$20
  - o Per diem meals and lodging average of \$150 per day

Spokane:  
2 staff X \$150 per diem meals and lodging = \$300

Everett:  
2 staff X \$20 per diem lunch = \$40

Vancouver:  
2 staff X \$20 per diem lunch = \$40

Yakima:  
2 staff X \$150 per diem meals and lodging = \$300

DOH rulemaking costs for FY 2024: 1.0 FTE and \$176,000

**Rulemaking SBOH:**

SBOH will conduct rulemaking in FY 2024 to adopt rules in chapter 246-290 WAC (Group A Public Water Supplies) to include new climate resilience elements to the Group A rule's water system plans. Group A rules would also need to be amended to incorporate climate resilience projects such as fire protection. SBOH will work closely with DOH to coordinate the update of these rules along with DOH's rule updates to chapter 246-296 WAC.

To complete this rulemaking including analyses required by the Administrative Procedures Act and Regulatory Fairness Act as well as interested party and community engagement, SBOH will require 0.4 FTE and \$66,000 in FY 2024. This includes Office of the Attorney General costs of \$2,000 in FY 2024.

SBOH rulemaking costs for fiscal year 2024: 0.4 FTE and \$66,000

Rulemaking Total costs: FY 2024: 1.4 FTE and \$242,000

Total costs for this fiscal note:  
FY 2024: 1.9 FTE and \$325,000  
FY 2025: 0.5 FTE and \$82,000

**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	325,000	82,000	407,000	0	0
<b>Total \$</b>			325,000	82,000	407,000	0	0

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.9	0.5	1.2		
A-Salaries and Wages	175,000	44,000	219,000		
B-Employee Benefits	62,000	16,000	78,000		
E-Goods and Other Services	70,000	18,000	88,000		
G-Travel	1,000		1,000		
J-Capital Outlays	2,000		2,000		
T-Intra-Agency Reimbursements	15,000	4,000	19,000		
9-					
<b>Total \$</b>	325,000	82,000	407,000	0	0

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
ENVIRONMENTAL PLANNER 3	80,952	0.2		0.1		
ENVIRONMENTAL PLANNER 4	91,524	0.2		0.1		
HEALTH SERVICES CONSULTAN 4	82,896	0.5	0.5	0.5		
MANAGEMENT ANALYST 5	91,524	0.4		0.2		
PUBLIC HEALTH ADVISOR 4	82,896	0.4		0.2		
WMS02	114,360	0.2		0.1		
<b>Total FTEs</b>		1.9	0.5	1.2		0.0

**III. D - Expenditures By Program (optional)**

NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

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

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

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

**IV. C - Capital Budget Breakout**

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

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

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

NONE

Section 18

Assumptions:

- Legislative funding and appropriation will be provided through the state capital budget from bonds.
- Based on the current Drinking Water System Repairs & Consolidation program, financial assistance provided to water systems in this bill will be grants, not loans. The small size and minimal number of climate resilience projects projected based upon current DWSRF capital projects would make a loan program ineffective for this bill's purpose.
- There are 243 water systems having 1,000 or more connections in the state.
- Water system plans are on a 10-year revolving cycle.

- DOH anticipates demand at 5 annual grants for this funding at \$1,010,000 per grant to assist with climate resilience planning and projects under this bill.
- Water system plans will involve costly environmental studies and modeling to complete.
- No additional staffing is required for these additional 5 annual grants. This work will be performed by existing program grant staff as part of their normal work duties funded through the 04R- Drinking Water Assistance Account.

The capital budget impact of this bill is indeterminate. Awards and expenditures are contingent on a legislative appropriation in the capital budget. The number of awards will vary based on the appropriation and capital requests received.

## **Part V: New Rule Making Required**

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

New rulemaking is required in Section 8 (8) for a climate resiliency element in the GMA for planning organizations, but Commerce is the lead agency with Department of Health (DOH) listed as a collaborator.

Section17: Requires DOH and the SBOH to adopt and update rules for group A water systems with 1,000 or more connections to include in their water system plans a climate resilience element.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1181 E 2S HB	<b>Title:</b> Climate change/planning	<b>Agency:</b> 360-University of Washington
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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	1.3	0.4	0.8	0.0	0.0
<b>Account</b>					
General Fund-State 001-1	130,137	43,388	173,525	0	0
<b>Total \$</b>	130,137	43,388	173,525	0	0

### Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Maggie Douglas	Phone: 3607867279	Date: 03/07/2023
Agency Preparation: Charlotte Shannon	Phone: 2066858868	Date: 03/09/2023
Agency Approval: Charlotte Shannon	Phone: 2066858868	Date: 03/09/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 03/13/2023

## 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.*

E2S HB 1181 relates to improving the state's climate response through updates to the state's planning framework.

The E2S HB 1181 includes a new section 17, and specifically requires the Department of Health to provide technical assistance to public waters systems as they seek to meet the climate resilience planning requirement. Subject to the availability of amounts appropriated for this specific purpose, the University of Washington (UW) climate impacts group shall assist the department in the development of tools for the technical assistance to be provided in (c) of this subsection contract with the University of Washington Climate Impacts Group.

The E2S HB 1181 does not change in a manner that impacts our fiscal analysis in comparison to the 2S version. However, since our last analysis, we have noted the timeline for implementation for the Department of Health has shifted one year from June 30, 2024, to June 30, 2025. Given the revised timeline, for the purposes of this FN the University of Washington assumes 75% of this work would be completed in FY24, and 25% would be completed in FY25, and have revised our fiscal note to reflect those changes, please see below.

### 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 UW Climate Impacts Group (UW CIG) has several existing datasets, tools, and research efforts that could be expanded to support the inclusion of climate resilience in water system planning more broadly across the state, including as required by E2S HB 1181. Under the requirements of E2S HB 1181, the UW Climate Impacts Group would coordinate with DOH's Office of Drinking Water to develop processes and assemble local data that water systems can use to identify future climate-change hazards to water systems for various timeframes. This would expand upon previous and existing collaborations between the two groups that are aimed at advancing climate resilience for Washington water systems.

UW CIG's work would support DOH to provide the relevant guidance to water systems (as required by the bill) in applying locally specific, relevant scenarios of the expected change in climate hazards, so that water systems can make climate-informed decisions in their water system planning.

UW CIG will synthesize existing regional data on multiple future biophysical climate hazards that have the potential to damage water infrastructure (pipes, pumps, etc.) and/or severely impact drinking water quality (due to increased turbidity, inundation of contaminants, increased concentration of bacterial loads, etc.) or disrupt the reliable supply of drinking water. The UW CIG will develop data summaries for water system planning regions that can be used by water systems to identify and assess risks associated with these changing hazards. Building from an existing collaboration between UW CIG and DOH, CIG staff will work with DOH staff to develop examples and case studies of options, relevant to water system size and source type, for how these data can be used in the climate risk assessment and planning process and to identify changes in operations or infrastructure upgrades.

Under the requirements of E2S HB 1181, in order to assist the Washington Department of Health (DOH) Office of Drinking Water in the development of tools for technical assistance the UW Climate Impacts Group (CIG) would require an additional 1.25 FTE in FY24 and .42 FTE in FY25: FY 24 total costs \$130,137, FY 25 total costs \$43,388

- UW CIG, Research Scientist 2, Planning: 0.41 FTE in FY24 and .14 FTE in FY25, \$67,000 salary, \$21,306 benefits for communications, training, and working with DOH staff on methodology and options for incorporating climate resilience into water system planning specific to water system size, source, and region.
- UW CIG, Research Scientist 2, Data: 0.44 FTE in FY24 and .15 FTE in FY25, \$71,532 salary, \$22,747.176 benefits for summarizing data and increasing accessibility of data on climate hazards and trends specific to regional planning areas for local water systems.
- UW CIG, Climate Adaptation Specialist: 0.22 FTE in FY24 and .07 FTE in FY25, \$109,284 salary, \$34,752 benefits for project management, oversight, and strategic planning on the methodology for using data on climate hazards and trends in local water system planning for climate resilience.
- UW CIG, Administrative Assistant: 0.09 FTE in FY24 and .03 FTE in FY25, \$72,900 salary, \$23,182 benefits for administrative support services.
- UW CIG, Grants and Financial Manager 0.09 FTE in FY24 and .03 FTE in FY25, \$89,340 salary, \$28,410 benefits for budgeting and financial services.
- Travel: 4 trips between Seattle and Olympia \$320, estimated to cost \$80 per trip, would include the use of a university motor pool vehicle, for the purpose of meeting with DOH for project coordination.
- Other: \$1,268 for laptops, office supplies, and software necessary to carry out the work prescribed.
- All benefits are at the professional staff benefits rate of 31.8%.

**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	130,137	43,388	173,525	0	0
<b>Total \$</b>			130,137	43,388	173,525	0	0

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.3	0.4	0.8		
A-Salaries and Wages	97,837	32,618	130,455		
B-Employee Benefits	31,112	10,373	41,485		
C-Professional Service Contracts					
E-Goods and Other Services	948	317	1,265		
G-Travel	240	80	320		
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>	130,137	43,388	173,525	0	0

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Assistant	72,900	0.1	0.0	0.1		
Climate Adaptation Specialist	109,284	0.2	0.1	0.2		
Grants and Contracting Manager	89,340	0.1	0.0	0.1		
Research Scientist 2 (data)	71,532	0.4	0.2	0.3		
Research Scientist 2 (planning)	67,488	0.4	0.1	0.3		
<b>Total FTEs</b>		1.3	0.4	0.9		0.0

**III. D - Expenditures By Program (optional)**

NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

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

NONE

**IV. C - Capital Budget Breakout**

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

NONE

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

NONE

**Part V: New Rule Making Required**

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



# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1181 E 2S HB	<b>Title:</b> Climate change/planning	<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
<b>Account</b>					
Multimodal Transportation Account-State 218-1	254,000	246,000	500,000	0	0
<b>Total \$</b>	254,000	246,000	500,000	0	0

### Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Maggie Douglas	Phone: 3607867279	Date: 03/07/2023
Agency Preparation: Anna Ragaza-Bourassa	Phone: 509-324-6201	Date: 03/09/2023
Agency Approval: Kerri Woehler	Phone: 360-705-7958	Date: 03/09/2023
OFM Review: Maria Thomas	Phone: (360) 229-4717	Date: 03/09/2023

## 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.

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
218-1	Multimodal Transportation Account	State	254,000	246,000	500,000	0	0
<b>Total \$</b>			254,000	246,000	500,000	0	0

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages	154,000	154,000	308,000		
B-Employee Benefits	55,500	55,500	111,000		
C-Professional Service Contracts					
E-Goods and Other Services	31,000	31,000	62,000		
G-Travel	1,500	1,500	3,000		
J-Capital Outlays	12,000	4,000	16,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	254,000	246,000	500,000	0	0

**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.*

**Part I: Estimates**

Use the fiscal tables provided below to show fiscal impact by account, object, and program (if necessary), **add rows if needed**. For **NO FISCAL IMPACT**, check the box below, skip fiscal tables, and go to **Part II to explain briefly**, why the program believes there will be no fiscal impact to the department.

- NO FISCAL IMPACT**
- PARTIALLY INDETERMINATE**
- INDETERMINATE**

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. *(This section refers to the State Capital Budget not the Transportation Budget Capital Budget funding.)*
- Requires new rule making, complete Part V.

*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.*

**Dollars in Thousands**

		2023-25 Biennium		2025-27 Biennium		202-297 Biennium	
Expenditures		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
218-1-MULTIMODAL TRANSPORTATION		\$254.0	\$246.0				
<b>Total Expenditures</b>		<b>\$254.0</b>	<b>\$246.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>	<b>\$0.0</b>
<b>Biennial Totals</b>		<b>\$500.0</b>		<b>\$0.0</b>		<b>\$0.0</b>	
FTEs		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Transportation Planning Specialist 5 (TPS5)	\$144	1.0	1.0				
Transportation Planning Specialist 4 (TPS4)	\$66	0.5	0.5				
<b>Annual Average</b>		<b>1.5</b>		<b>0.0</b>		<b>0.0</b>	
Objects of Expenditure		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
A - SALARIES AND WAGES		\$154.0	\$154.4				
B - EMPLOYEE BENEFITS		\$55.5	\$55.5				
E - GOODS AND SERVICES		\$31.0	\$31.0				
G - TRAVEL		\$1.5	\$1.5				
J - CAPITAL OUTLAYS		\$12.0	\$4.0				
Expenditures by Program		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
PROGRAM T		\$254	\$246				

## Agency Assumptions:

1. This fiscal note identifies fiscal impacts of E2SHB 1181, 2SHB 1181, SHB 1181 and HB 1181 since there is no difference in the impact to WSDOT between the four bills.
2. The Governor’s proposed 2023-2025 transportation budget includes \$500,000 for WSDOT to fulfill new Growth Management Act requirements pertaining to the agency’s work (as outlined in HB 1181): provide VMT data, work on metrics to reduce VMT, implement level-of-service changes, and support the Department of Commerce.
3. The work activities and deliverables associated with new Growth Management Act requirements (described in HB 1181) are complementary but separate from the proposal in the Governor’s budget to provide \$1.75 million to continue ongoing work related to VMT reduction targets. Vehicle miles traveled reductions targets and actions to meet those targets will be set by region for those regions who opt to pilot the new process. The department shall provide technical assistance to local partners in developing targets, conducting modeling and analysis, identifying appropriate strategies to meet targets, and conducting outreach. Elements include:
  - a. A WSDOT FTE to lead VMT reduction efforts. A dedicated staff resource is essential for maintaining momentum.
  - b. Continued partnerships with the Department of Commerce on land use and transportation integration.
  - c. Consulting services from an independent, objective consultant to facilitate outreach and collaborative work with local communities.
  - d. Technical assistance to, and pilot projects from, local authorities who opt into being early adopters of local VMT reduction target setting.

## Agency Contacts:

Agency Preparer: Anna Ragaza-Bourassa	Phone: 509.324.6201	Date: 3/8/2023
Agency Approval: Kerri Woehler	Phone: 360.480.1962	Date: 3/8/2023
Agency Budget Analyst: Stacey Halverstadt	Phone: 360.705.7544	Date: 3/8/2023

## Part II: Narrative Explanation

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

*Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, which have revenue or expenditure impact on the responding agency.*

- E2SHB 1181 included language that WSDOT recommended for amendments to RCW 36.70A.070(6)(iii)(E) concerning analysis of safety benefits: "Priority must be given to inclusion of transportation facilities and services providing the greatest multimodal safety benefit to each category of roadway users for the context and speed of the facility." This version also clarified the population threshold for the rural element amendment requirements, definitions for “overburdened communities” and “vulnerable populations” and added clarifying language related to community forests and tree canopy coverage within the urban growth area. None of the changes in E2SHB 1181, compared to 2SHB 1181, change the agency assumptions described above or assign additional new duties to WSDOT. Therefore, the fiscal impact to WSDOT remains the same as the previous fiscal note analysis for 2SHB 1181, as described below.
- Section 3(6)(iii)(B); page 13 relating to level of service standards: “if the Department of Transportation has prepared such standards.”
  - This bill adds active transportation considerations to the comprehensive plan requirements. This work will fall to the cities, counties, and regional planning organizations. However, it does indicate that WSDOT collaborate with the Department of Commerce to provide guidance, which will likely include information about 1) methods for conducting an inventory of active transportation facilities, 2) a level of service standard that considers active transportation, 3) a methodology for defining active transportation demand, 4) a list of measures to reduce vehicle miles traveled, and 5) vehicle miles traveled data for each city and

count The department has already started this work and/or will fall within existing WSDOT staff duties. There will be some fiscal impact associated with the work that extends beyond that.

- Section 5(2)(a); page 21 relating to VMT reduction measures: “The department of commerce, in consultation with the department of transportation, shall publish guidelines that specify a set of measures counties and cities may have available to them to take through updates to their comprehensive plans and development regulations that have a demonstrated ability to reduce per capita vehicle miles traveled, including measures that are designed to be achievable throughout the state, including in small cities and rural cities
  - Related work is underway through the department of transportation’s vehicle miles of travel reduction proviso and Commerce’s parallel proviso related to greenhouse gas emissions and a model climate element. Specifically, WSDOT is already assisting Commerce in developing a set of measures with demonstrable benefits for the model climate change element they are developing. Additional work will be needed to collaborate with Commerce on updates to its [guidebook](#) for transportation plan elements in a comprehensive plan. Relevant sections include Chapter 2 on land use connection (p22), rural areas (p35, p48); Chapter 4 on active transportation (p115), demand management (p190); Chapter 6 on complete streets (p227), TSMO (p235), transit (p240), freight (p252), parking (p267), and access (p267).) Resources are also needed for web publishing and providing training on the new guidance.
- Section 5(2)(b)(iii); page 22, related to per capita vehicle miles travelled: “The most recent summary of per capita vehicle miles traveled as compiled by the department of transportation.”
  - WSDOT already produces [vehicle miles traveled information](#). Combined with OFM figures on population, minimal effort is required to produce per capita figures.
- Section 9, on page 28, on per capita vehicles miles of travel, **does not mention WSDOT**, but states: “NEW SECTION. Sec. 9. A new section is added to chapter 47.80 RCW to read as follows: The department shall compile, maintain, and publish a summary of the per capita vehicle miles traveled annually in each city in the state, and in the unincorporated portions of each county in the state.”
  - An acceptable version of this can already be produced from the vehicle miles of travel data WSDOT produces annually.

## II. B - Cash receipts Impact

*Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.*

This proposed legislation has no anticipated impact on cash receipts.

## 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.*

**Section 3(6)(iii)(B); page 13:** \$288,000 is estimated for 1.0 FTE Transportation Planning Specialist 5 (TPS5) salaries and benefits in 2023-25 to update level of service standards for highways of statewide significance for consistency with VMT reduction goals and to provide technical assistance to local governments working to incorporate level-of-service standards for state-owned facilities in comprehensive plans. In addition, the department estimates \$18,000 to cover standard costs for the FTE, including supplies and materials, telephone & postage, professional development, computer/IT costs, and travel.

**Section 5(2)(a); page 21:** the department estimates \$131,000 for 0.5 FTE Transportation Planning Specialist 4 (TPS) salaries and benefits to support Department of Commerce on updating and publishing the guidebook. An additional \$13,000 is estimated to cover standard costs for the FTE, including supplies and materials, telephone & postage, professional development, computer/IT costs, and travel, and \$50,000 in goods and services to fund web publishing and guidebook training and outreach.

These funds are one-time.

## **Part III: Expenditure Detail**

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

Stated in II.C – See Expenditures by Object Table

## **Part IV: Capital Budget Impact**

No anticipated impact.

## **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.*

No anticipated impact.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1181 E 2S HB	<b>Title:</b> Climate change/planning	<b>Agency:</b> 461-Department of Ecology
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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	3.9	4.2	4.1	1.8	0.0
<b>Account</b>					
Climate Commitment Account-State 26C-1	567,309	607,412	1,174,721	565,916	0
<b>Total \$</b>	567,309	607,412	1,174,721	565,916	0

### Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Maggie Douglas	Phone: 3607867279	Date: 03/07/2023
Agency Preparation: Jessica Moore	Phone: 360-529-7583	Date: 03/08/2023
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 03/08/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 03/09/2023



## 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.*

The differences between 2SHB 1181 and E2SHB 1181 are as follows:

Section 3 clarifies that the land use element for community forests is to be within the urban growth area. The transportation element is modified to clarify where priority transportation facilities and services are required to be directed. The park and recreation element for tree canopy coverage is clarified to be within the urban growth area. The resilience subelement is modified to remove the reference to chapter 70A.02 RCW for the definition of “overburdened communities.”

Section 4 is modified to remove the requirement for counties to have a population of 20,000 or greater as of April 1, 2021, to participate in the amendments to the rural element within the bill.

Section 5 is modified to replace the reference to chapter 70A.02 RCW for the definition of “overburdened communities” and “vulnerable populations” with a reference to RCW 36.70A.030.

Section 14 adds the definitions of “overburdened communities” and “vulnerable populations.”

These changes do not result in a change to the fiscal impact for Ecology.

Under current law, Ecology works in partnership with local governments to implement chapter 90.58 RCW (Shoreline Management Act) to promote public access, encourage water-dependent uses, protect shoreline resources, and develop, adopt, and administer shoreline master programs.

Department of Commerce is lead agency for rule-making and technical assistance to local governments under the GMA.

This bill would add a climate change resiliency and environmental justice goal to GMA and require amendments to growth management and shoreline plans to address resilience to changing climate conditions and would require Ecology to update shoreline master program rules for local governments to address the impact of sea level rise and increased storm severity.

Section 1 would amend the GMA RCW 36.70A.020 to incorporate environmental justice and resiliency by expanding existing goals, adopting a new climate goal, and adding the Shoreline goal that has been in place since 1995, but was formerly contained only in RCW 36.70A.480, separate from the other listed goals.

Section 2 would amend the section of GMA that covers Shorelines of the State (RCW 36.70A.480). The amendment would update the description of the Shoreline Management Act (SMA) as the 15th goal of GMA to reflect the addition of a new enumerated 14th goal for Climate Change added in Section 1.

Section 3 would amend RCW 36.70A.070 to modify numerous existing elements to give special consideration to achieving environmental justice goals and policies, defines greenhouse gas emission reduction goals, adds a new climate change and resiliency element, requires public entities that own utility systems to include information required to the extent possible, expands the transportation element to include multimodal levels of service as pertains to traffic and transportation and would require a transition plan for transportation as required under Title II of the Americans with Disabilities Act, and expands the park and recreation element under the GMA to include an evaluation of tree canopy coverage within the urban growth area.

Section 4 would add a new section to chapter 36.70A RCW to define which of the “fully planning” cities and counties would be required to meet the climate change and resiliency requirements outlined in section 3 of this bill.

Section 5 would amend chapter 70A.45 RCW, Limiting Greenhouse Gas (GHG) Emissions, to require Commerce to consult with the state Departments of Ecology, Health, and Transportation to publish guidelines defining the set of measures counties and cities would use to update their comprehensive plans and development regulations to achieve the statewide GHG emission reductions set forth in section 3 and including an environmental justice assessment. Commerce would be required to publish guidelines by December 31, 2025, and every five years thereafter. Intermediate guidelines would be required by December 31, 2023. Updates to the guidelines after 2025 would be required to include a determination of whether adequate progress has been made toward the statewide greenhouse gas emissions and per capita vehicle miles traveled reduction goals.

Section 6 would create a new section of GMA to add an option for local governments to obtain Commerce approval of the GHG reduction sub-element.

Section 7 would amend RCW 36.70A.280 of the GMA to outline what petitions the Growth Management Hearings Board would be required to hear and who would be eligible to file a petition.

Section 8 would amend a section of GMA related to Growth Management Hearings Board statutes (RCW 36.70A.320) to clarify that like SMPs, the GHG sub-element takes effect as provided in section 6 (14 days after public notice of Commerce approval).

Section 9 would amend the section of GMA that requires Commerce to provide technical and financial assistance to help local governments meet GMA obligations (RCW 36.70A.190). Section 8(8) would require Commerce to work with Ecology, WDFW, DNR, DOH, and the Military Department's Emergency Management Division (EMD) to adopt by rule guidance that creates a model resiliency element. Commerce would be required to establish funding levels for grants to community-based organizations to increase participation of vulnerable populations and overburdened communities in the planning process. The bill specifies the model element is optional.

Section 10 would add a new section to chapter 47.80 RCW, regional transportation planning organizations, that would require WSDOT to compile, maintain, and publish a summary of the vehicle miles traveled (VMT) annually for all cities, and unincorporated portions of each county.

Section 11 would create a new section in the SMA (chapter 90.58 RCW). Ecology would be required to update SMP guidelines (chapter 173-26 WAC) to include requirements for local governments to update SMPs to address the impact of sea level rise and increased storm severity on people, property, and shoreline natural resources and the environment.

Section 12 would amend RCW 86.12.200 that would require comprehensive flood control management plans to include consideration of climate impacts.

Section 13 would amend chapter 43.21C RCW, State Environmental Policy Act (SEPA), to make adoptions of ordinances, amendments to comprehensive plans, amendments to development regulations, and other non-project actions taken by a county or city under RCW 36.70A.070 (9) (a) or (c) exempt from administrative or judicial appeals.

Section 14 would amend RCW 36.70A.030 to include definitions of "per capita vehicles miles traveled," "active transportation," "transportation system," "environmental justice," "active transportation facilities," "green space," "green infrastructure," "overburdened communities," and "vulnerable populations."

Section 15 would amend RCW 36.70A.130, the GMA periodic update schedule, to require counties and cities that have a December 31, 2024, deadline to complete a transportation element update and incorporate the requirements for a climate change and resiliency element as part of their "5-year check-in" deadline (December 31, 2029). This applies to King, Kitsap, Pierce and Snohomish counties and cities within them with a population over 6,000. Updates would only be required if funding is appropriated by December 31, 2027.

Section 16 would amend chapter 36.70A RCW to require jurisdictions subject to the implementation requirements to complete implementation by June 30, 2025, and would include a new expiration for the section of July 31, 2025.

Section 17 would amend chapter 43.20 RCW, administered by the State Board of Health, to require water system plans initiated after June 30, 2024, for group A community public water systems serving 1,000 or more connections to include a climate resilience element at the time of approval.

Section 18 would amend RCW 70A.125.180, administered by the Public Works Board and Commerce, to require Commerce to provide financial assistance through a new water system acquisition and rehabilitation program and adopt guidelines for the program.

Section 19 would void the requirements of this bill if funding is not provided by the legislature by June 30, 2023.

## **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 expenditure impact to Ecology under this bill is estimated to be greater than \$50,000 from Fiscal Year (FY) 2024 to FY 2025, and less than \$50,000 in FY 2026, to implement the requirements of sections 3, 5, 9 and 11.

Note: The Governor's 2023-25 proposed operating budget includes funding for this proposed legislation (CPC – Comprehensive Planning - Climate). Expenditures are estimated in the Climate Commitment Account consistent with the Governor's proposed budget.

Section 3 would amend RCW 36.70A.070 which outlines requirements for GMA elements. In consultation with Commerce, Ecology assumes that Commerce would engage in rulemaking to implement this section of the bill and that Ecology consultation and technical assistance would be required. Based on shared assumptions with Commerce, Ecology assumes this would involve monthly meetings with meeting preparation, research, and reading required in between meetings and stakeholder coordination from FY 2024 to FY 2025. Based on previous efforts, Ecology estimates that this would require 0.25 FTE of an Environmental Planner 5 and 0.25 FTE of an Environmental Planner 4 in each of these fiscal years.

Section 5(1) would require Commerce to consult with the state Departments of Ecology, Health, and Transportation to publish guidelines defining the set of measures counties and cities would use for updates to their comprehensive plans and development regulations to achieve the statewide GHG emission reductions set forth in section 3 and including an environmental justice assessment. Commerce would be required to publish guidelines by December 31, 2025, and every five years thereafter. Intermediate guidelines would be required by December 31, 2023. Updates to the guidelines after 2025 would be required to include a determination of whether adequate progress has been made toward the statewide greenhouse gas emissions and per capita VMT reduction goals. In consultation with Commerce, Ecology assumes that Commerce would engage in rulemaking to implement this section of the bill and that Ecology consultation and technical assistance would be required. Based on shared assumptions with Commerce, Ecology assumes this would involve monthly meetings with meeting preparation, research, and reading required in between meetings and stakeholder coordination from FY 2024 to FY 2026. Ecology estimates that this would require 0.10 FTE of an Environmental Specialist 4 to evaluate GHG emission reductions from proposed actions and 0.07 FTE of an Environmental Planner 4 to attend meetings, provide input on the guidelines, and review drafts of the guidelines for FY 2024-2025, and 0.05 FTE of an Environmental Specialist 4 and 0.03 FTE of an Environmental Planner 4 for FY 2026.

Section 6 would create a new section of GMA to add Commerce approval of the GHG reduction sub-element. The process

would be based on the SMP approval process described in RCW 90.58.090. The process would include clarification that like SMP approvals, the appeal of a GHG sub-element is an appeal of Commerce's approval to the Growth Management Hearings Board. Based on shared assumptions with Commerce, Ecology had assumed that Commerce would develop procedural rules for their approval of local GHG emissions sub-elements between 2030 and 2032 and that Ecology consultation and technical assistance would be required during this time. This is outside the scope for estimating on a fiscal note, so no estimate is made here.

Section 9 would require Ecology to participate in Commerce rulemaking to create a model climate resiliency element. In consultation with Commerce, Ecology assumes that Commerce would engage in rulemaking to implement this section of the bill and that Ecology consultation and technical assistance would be required on sea level rise, the handling of ground water, co-benefits of Salmon, as well as functions and values of floodplains and wetlands. Based on shared assumptions with Commerce, Ecology assumes this would involve monthly meetings with meeting preparation, research, and reading required in between meetings and stakeholder coordination from FY 2024 through FY 2025. Based on previous effort, Ecology estimates that this would require 0.25 FTE of an Environmental Planner 4 each fiscal year.

Section 11 would require Ecology to update SMP rules to address impacts of sea level rise and increased storm severity resulting from climate change. Based on previous experience with the controversial nature of climate change principles, Ecology assumes that rulemaking would involve extensive public participation and controversy. Ecology also assumes that the rulemaking would be a Significant Agency Action under the HEAL Act, and subject to the environmental justice assessment requirements under RCW 70A.02.060. Ecology further assumes that rulemaking would need to be completed by the end of FY 2026 to ensure that local government has adequate preparation time for new requirements to their SMPs during their next scheduled periodic review, starting in FY 2027. (The first deadlines for the next scheduled periodic review are at the end of FY 2028 and SMP updates typically take two years. Therefore, we assume local partners would begin their next updates starting in FY 2026.) Therefore, Ecology estimates that the rulemaking efforts required under this bill would take 36 months to complete, between July 1, 2023, and June 30, 2026. Rulemaking would require a rulemaking lead, technical staff, and economic research staff.

The rulemaking lead would oversee project management, lead rule development, manage stakeholder engagement, and perform other tasks as necessary. Ecology estimates that this work would require 1.0 FTE in FY 2024, FY 2025, and FY 2026 of an Environmental Planner 3.

Ecology assumes that the environmental justice reviews that are currently taking place will be replaced by the HEAL mandated Environmental Justice (EJ) assessments. Therefore, Ecology estimates no additional cost to incorporating the EJ assessment into the rulemaking effort for this bill.

Technical staff would work with the rulemaking lead to create the rule language and lead the overall policy change of the rulemaking. Ecology estimates that this work would require 0.75 FTE of an Environmental Planner 5, 0.50 FTE of an Environmental Planner 4, and 0.25 FTE of an Environmental Specialist 4 in FY 2024, FY 2025, and FY 2026, each fiscal year.

Economic research staff would complete economic and regulatory analysis in support of the rule as required by law. Ecology estimates that this work would require 0.25 FTE of an Economic Analyst 3 and 0.10 FTE of a Regulatory Analyst 2 in FY 2026.

Ecology would hold three public meetings in FY 2026 and three public hearing(s) in FY 2026 for rulemaking. Goods and services estimates include facility rental costs estimated at \$1,000 per event (total Goods and Services costs of \$6,000 in FY 2026). Due to the controversial and complexity of the topic area, Ecology assumes that a facilitator would be required for the public meetings and hearings. Contract estimates include facilitator contract costs estimated at \$2,100 per event (total estimated contract costs of \$12,600 in FY 2026).

The Public Outreach Coordinator would provide web and social media updates, meeting planning and attendance, and a

communications strategy. Ecology estimates that this work would require 0.25 FTE in FY 2025 and again in FY 2026 of a Communication Consultant 5. Ecology assumes six ads in newspapers for required public notices at \$500 each (total Goods and Services costs of \$3,000 in FY 2026).

The Attorney General's Office (AGO) estimates a need for 0.05 AAG FTE at a cost of \$14,000 in FY 2024 and FY 2025, and 0.15 AAG FTE at a cost of \$37,000 in FY 2026.

Section 12 would amend RCW 86.12.200 that would require comprehensive flood control management plans to include consideration of changing conditions. Comprehensive flood control management plans are voluntary and there is no schedule for updates. Ecology has updated the Flood Planning Guidance and changing conditions are included in the scope of work. The existing rule (WAC 173-145) requires that jurisdictions that opt to prepare or update a comprehensive flood control management plan address the kinds of flooding impacts that will be aggravated by changing conditions in the future. The direction in section 11 that would ensure a plan includes consideration of changing conditions can be implemented consistent with existing rules without need for rule amendments. Additionally, the Flood Planning Guidance provides more specific details on how to include consideration of changing conditions. Therefore, no new rule updates would be necessary to implement this section of the bill, and there would be no new fiscal impact to Ecology.

SUMMARY: The expenditure impact to Ecology under this bill is:

Section 3 CONSULTATION ON COMMERCE RULEMAKING is estimated to require

FY 2024: \$86,155 and 0.6 FTEs

FY 2025: \$86,155 and 0.6 FTEs

Section 5(1) CONSULTATION ON COMMERCE RULEMAKING is estimated to require:

FY 2024: \$25,099 and 0.2 FTEs

FY 2025: \$25,099 and 0.2 FTEs

FY 2026: \$11,731 and 0.1 FTEs

Section 9 CONSULTATION ON COMMERCE RULEMAKING is estimated to require:

FY 2024: \$41,042 and 0.3 FTEs

FY 2025: \$41,042 and 0.3 FTEs

Section 11 RULEMAKING is estimated to require:

FY 2024: \$415,013 and 2.9 FTEs

FY 2025: \$455,116 and 3.2 FTEs

FY 2026: \$554,185 and 3.6 FTEs

The TOTAL Expenditure Impact to Ecology under this bill is estimated to be:

FY 2024: \$567,309 and 3.9 FTEs

FY 2025: \$607,412 and 4.2 FTEs

FY 2026: \$565,916 and 3.7 FTEs

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36% of salaries.

Contract costs of \$12,600 in FY 2026 are included for three public meeting and three hearing facilitations.

Goods and Services are the agency average of \$5,224 per direct program FTE. Also included is \$6,000 in FY 2026 for meeting facility costs and public notices and \$3,000 in FY 2026 for newspaper advertisements. In addition, AGO costs of \$14,000 in FY 2024 and FY 2025, and \$37,000 in FY 2026 are included in object E.

Travel is the agency average of \$1,563 per direct program FTE.

Equipment is the agency average of \$1,031 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 28.75% of direct program salaries and benefits, and is shown as object 9. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development - Journey.

### Part III: Expenditure Detail

#### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
26C-1	Climate Commitment Account	State	567,309	607,412	1,174,721	565,916	0
<b>Total \$</b>			567,309	607,412	1,174,721	565,916	0

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	3.9	4.2	4.1	1.8	
A-Salaries and Wages	300,727	322,513	623,240	275,530	
B-Employee Benefits	108,261	116,104	224,365	99,191	
C-Professional Service Contracts				12,600	
E-Goods and Other Services	31,866	33,172	65,038	62,612	
G-Travel	5,346	5,737	11,083	4,971	
J-Capital Outlays	3,527	3,785	7,312	3,280	
9-Agency Administrative Overhead	117,582	126,101	243,683	107,732	
<b>Total \$</b>	567,309	607,412	1,174,721	565,916	0

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
COMM CONSULTANT 5	87,144		0.3	0.1	0.1	
ECONOMIC ANALYST 3	85,020				0.1	
ENVIRONMENTAL PLANNER 3	80,952	1.0	1.0	1.0	0.5	
ENVIRONMENTAL PLANNER 4	89,292	1.1	1.1	1.1	0.3	
ENVIRONMENTAL PLANNER 5	98,592	1.0	1.0	1.0	0.4	
ENVIRONMENTAL SPEC 4	73,260	0.4	0.4	0.4	0.2	
FISCAL ANALYST 2		0.3	0.4	0.4	0.2	
IT APP DEV-JOURNEY		0.2	0.2	0.2	0.1	
REGULATORY ANALYST 2	82,896				0.1	
<b>Total FTEs</b>		3.9	4.2	4.1	1.9	0.0

#### III. D - Expenditures By Program (optional)

NONE

### Part IV: Capital Budget Impact

#### IV. A - Capital Budget Expenditures

NONE

#### IV. B - Expenditures by Object Or Purpose

NONE

#### IV. C - Capital Budget Breakout

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

NONE

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

NONE

## **Part V: New Rule Making Required**

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

Sections 3, 5, and 9 would require Ecology to participate in three GMA rule-making efforts with Commerce as lead agency. Section 11 would require Ecology to lead rulemaking for the Shoreline Management Act rule (chapter 173-26 WAC).

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1181 E 2S HB	<b>Title:</b> Climate change/planning	<b>Agency:</b> 468-Environmental and Land Use Hearings Office
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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: Maggie Douglas	Phone: 3607867279	Date: 03/07/2023
Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 03/09/2023
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 03/09/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 03/09/2023



## 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.*

NO CHANGES TO ANTICIPATED IMPACTS from earlier versions.

This version adds definitions for overburdened communities and vulnerable populations and makes minor clarifications.

ELUHO estimates 3 new appeals to the Growth Management Hearings Board (GMHB) as a result of the bill.

ELUHO assumes the GMHB can absorb costs to manage the few appeals likely to be generated by this bill.

### II. B - Cash receipts Impact

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

### II. C - Expenditures

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

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

NONE

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

NONE

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

NONE

### III. D - Expenditures By Program (optional)

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

### IV. B - Expenditures by Object Or Purpose

NONE

### IV. C - Capital Budget Breakout

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

NONE

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

NONE

## **Part V: New Rule Making Required**

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

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1181 E 2S HB	<b>Title:</b> Climate change/planning	<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	3.0	3.0	3.0	3.0	3.0
<b>Account</b>					
General Fund-State 001-1	513,000	513,000	1,026,000	1,026,000	1,026,000
<b>Total \$</b>	<b>513,000</b>	<b>513,000</b>	<b>1,026,000</b>	<b>1,026,000</b>	<b>1,026,000</b>

### 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: 03/07/2023
Agency Preparation: Tiffany Hicks	Phone: (360) 902-2544	Date: 03/08/2023
Agency Approval: Tiffany Hicks	Phone: (360) 902-2544	Date: 03/08/2023
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 03/08/2023

## 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.*

NO CHANGE FROM PREVIOUS FISCAL NOTE: Differences in this bill version do not change the fiscal impact for WDFW.

This bill would improve the state's climate response through updates to the state's planning framework. It adds requirements for reducing greenhouse gas emissions and vehicle miles traveled and includes discussions about environmental justice and least cost.

It also requires that local (city and county) land use planning actions be tied directly into regional policies, plans, and strategies.

Finally, this bill adds strength to WDFW's fish and wildlife conservation interests in GMA by requiring that the open space goal result in enhancement of fish and wildlife habitat, not just protection; and introducing a new climate resiliency element that includes enhancing environmental health and the resiliency of natural and human systems. Further, it requires Commerce to consult with WDFW (and other agencies) in the development of guidance regarding this new goal, as well as in subsequent rulemaking to adopt this guidance as rule.

The bill will have several operational impacts on WDFW:

Section 1 adds a new "Climate change and resiliency" GMA goal to local comprehensive plans.

Section 3 adds a "climate change and resiliency element" that is designed to result in reductions in overall greenhouse gas emissions and enhance resiliency to climate change in human communities and ecological systems through goals, policies, and programs consistent with the best available science.

Section 8 (subsection 8) directs Commerce (WDFW, and other state agencies) to develop and adopt by rule guidance that creates a model climate change and resiliency element that may be used by counties, cities, and multiple-county planning regions for developing and implementing climate change and resiliency plans and policies.

WDFW may help address the impact of sea level rise and increased storm severity on people, property, and shoreline natural resources and the environment within Ecology's update of shoreline master program guidelines and programs (new section 10) and counties' comprehensive flood control management plans (new section 11).

### 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.*

No changes to fiscal impact for this version of the bill.

The bill's new planning goals and elements pertaining to fish and wildlife habitat protection, enhancement, and resilience (sections 1 and 3) will trickle down in implementation through the new climate guidance/rule statewide over time for the foreseeable future (section 8).

Better planning guidance for habitat connectivity via open space and natural areas (sections 1 and 3) will be fundamental to species' adaptation to and ability to disperse/migrate within new climatic conditions, especially in wildfire prone ecoregions (section 8).

To fulfill the new land use planning requirements this bill would create will require increased capacity and partnership within WDFW headquarters and regions, as described below.

#### 1. Ongoing headquarters capacity for climate rulemaking and implementation

First, as highlighted above, the bill calls for WDFW's participation in climate-related rulemaking led by Commerce and (we assume) in Ecology's update of shoreline master program guidelines/rules and programs.

Second, WDFW will need to play an ongoing role to implement the new climate guidance/rule during the current GMA periodic update cycle, which will continue county by county (including cities) through FY 2027 and again in ten years. A science-policy team has been and will be well-suited to fulfill this need:

- A Research Scientist 2 will assemble and review existing scientific literature related to the effects of climate change on fish and wildlife and their habitat in Washington State and develop resources focusing on enhancing areas of vital habitat for safe passage, species migration, and climate resilience to support salmon recovery and ecosystem health services. This work will also require increased capacity to analyze spatial data and develop management recommendations for Priority Habitats and Species.

- An Environmental Planner 5 will present climate guidance/rule to local planners/jurisdictions to support updates to their Growth Management Act Comprehensive Plans and Critical Area Ordinances, such as webinars describing resilience measures in land use planning. Within the Ecosystem Services Division, this position may span the Priority Habitats and Species section and the Land Use Conservation and Policy section in the development of tools/products/resources that can be applied programmatically across regions in support of local governments. Other important roles include training regional staff and coordinating with other state agencies for consistency in policy interpretations and communications.

#### 2. Increased regional capacity for implementing climate guidance/rule

This bill would increase the need for technical assistance to local governments from WDFW for implementation of new climate guidance/rule in concert with the other existing habitat-related GMA and SMA land use planning efforts our regional staff are already supporting.

- First, the heightened need for WDFW's advisory role continues for at least the next 4.5 years of this GMA periodic update cycle (through FY 2027). Local governments will increasingly need to rely on our local SMEs to provide the technical assistance to meet the bill's new climate resilience requirements (as reflected in their Comprehensive Plans and CAOs) on top of BAS-related and other updates.

- Then, WDFW responsibilities will shift to the next cycle of SMP periodic reviews (SMA). The SMEs will adapt their assistance to reflect Ecology's update of shoreline master program guidelines/rules and SMPs called for in this bill (new section 10). The combination of GMA and SMA land use planning work becomes a continuous cycle alternating every five years, requiring ongoing staffing to advise local governments statewide.

WDFW will fulfill this growing need with a new region-based Environmental Planner 3 to support those local governments most in need of technical assistance. This approach is consistent with the EP3s currently being hired in regions 4 and 6 to support the first four counties (and their cities) in the GMA periodic update cycle (with a 2024 deadline). Ten more counties' (and their cities') updates are due in 2025, 9 more counties (and their cities) are due in 2026, and the remaining 16 counties (and their cities) are due in 2027. We anticipate the need for at least one EP3 will be needed in each of WDFW's

six regions over time.

WDFW expenditures by bill section: Assumptions

- To conduct the duties as outlined above, Sections 1 and 3 will require an Environmental Planner 5 and a Fish and Wildlife Research Scientist 2 each for:
  - o 0.4 FTE in FY 2024 and FY 2025 and 0.8 FTE in FY 2026 and FY 2027 to develop/provide programmatic implementation tools for GMA updates
  - o 0.2 FTE in FY 2028 and FY 2029 to develop/provide programmatic implementation tools for SMP updates
- To conduct the duties as outlined above, Sections 1 and 3 will require an Environmental Planner 3 for:
  - o 0.8 FTE in FY 2024-27 to implement tools for GMA updates
  - o 0.2 FTE in FY 28 and FY29 to implement tools for SMP updates
- To conduct the duties outlined above, Section 8 will require an Environmental Planner 5 and a Fish and Wildlife Research Scientist 2 each for:
  - o 0.5 FTE in FY 2024 and FY 2025 for GMA rulemaking consultation
- To conduct the duties as outlined above, Sections 10 and 11 will require an Environmental Planner 5 and a Fish and Wildlife Research Scientist 2 each for:
  - o 0.1 FTE in FY 2024 and FY 2025 to provide consultation on SMP rule making
  - o 0.2 FTE in FY 2026 and FY 2027 and 0.8 FTE in FY 2028 and FY 2029 to develop/provide programmatic implementation tools for SMP updates
- To conduct the duties as outlined above, Sections 10 and 11 will require an Environmental Planner 3 for:
  - o 0.2 FTE each in FY 2024-27 and 0.8 FTE in FY 2028 and FY 2029 to implement tools for SMP updates

**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	513,000	513,000	1,026,000	1,026,000	1,026,000
<b>Total \$</b>			513,000	513,000	1,026,000	1,026,000	1,026,000

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	3.0	3.0	3.0	3.0	3.0
A-Salaries and Wages	271,000	271,000	542,000	542,000	542,000
B-Employee Benefits	96,000	96,000	192,000	190,000	190,000
C-Professional Service Contracts					
E-Goods and Other Services	18,000	18,000	36,000	36,000	36,000
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	128,000	128,000	256,000	258,000	258,000
9-					
<b>Total \$</b>	513,000	513,000	1,026,000	1,026,000	1,026,000

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
ENVIRONMENTAL PLANNER 3	80,952	1.0	1.0	1.0	1.0	1.0
ENVIRONMENTAL PLANNER 5	98,592	1.0	1.0	1.0	1.0	1.0
FISH & WILDLIFE RESEARCH SCIENTIST 2	91,524	1.0	1.0	1.0	1.0	1.0
<b>Total FTEs</b>		3.0	3.0	3.0	3.0	3.0

**III. D - Expenditures By Program (optional)**

NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

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

NONE

**IV. C - Capital Budget Breakout**

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

NONE

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

NONE

**Part V: New Rule Making Required**

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

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1181 E 2S HB	<b>Title:</b> Climate change/planning	<b>Agency:</b> 490-Department of Natural Resources
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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	2.3	2.3	2.3	0.0	0.0
<b>Account</b>					
General Fund-State 001-1	306,000	306,000	612,000	0	0
<b>Total \$</b>	306,000	306,000	612,000	0	0

### Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Maggie Douglas	Phone: 3607867279	Date: 03/07/2023
Agency Preparation: Nicole Dixon	Phone: 360-902-1155	Date: 03/09/2023
Agency Approval: Nicole Dixon	Phone: 360-902-1155	Date: 03/09/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 03/09/2023



## 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.*

No change from previous fiscal note.

This bill would require additional technical expertise from the Department of Natural Resources (DNR) Policy and Resilience as well as from WA Geological Survey, Wildfire, Aquatics, Forest Resilience/Urban and Community Forestry to address the following elements within the bill, to be coordinated by Policy and Resilience:

Section 3(1): Land use plans must reduce risk posed by wildfire, including by reduction of wildfire risk at wildland-urban interface.

Section 3(9): Land use plans must consider natural hazard mitigation plans, including sea level rise, landslides, and wildfire

Section 8(8): Identifies that DNR will participate in the development of model guidance for climate change and resiliency elements including infrastructure plans; identifications of natural hazards including sea level rise, landslides, and wildfire; and recognition of benefits of salmon recovery, forest healthy, ecosystem services, and health and resilience. This bill is an extension of the current model element working group.

Section 10: Requires updating the SMP guidelines, which would likely have a direct impact to the Aquatics division.

Section 14 (37): Expands definitions of green space to include vegetation which provides relief from urban heat effects, which implicates UCF as a technical expert for incorporation of green space into local plans.

### 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 8(8) of this bill names DNR to participate in development of model guidance for climate change and resiliency elements including infrastructure plans; identifications of natural hazards including sea level rise, landslides, and wildfire; and recognition of benefits of salmon recovery, forest healthy, ecosystem services, and health and resilience. Total estimated staff costs for FY24 and FY25 are detailed below.

DNR Policy and Resilience estimates 0.5 FTE per year of a Policy Advisor to attend meetings, coordinate program technical expertise, and provide technical guidance on model element deliverables or final deliverable products as needed. Staffing support is estimated based on current model element product review and interagency coordinating meeting schedules.

Washington Geological Survey (WGS) estimates 0.25 FTE per year of an Environmental Planner 4 (Geologic Planning Liaison) will be needed to attend meetings, provide contributing feedback, and technical guidance with respect to climate change impacts to geological phenomena relating to the work WGS performs, continuing the collaborative work with the department of Commerce over the last year.

Wildfire estimates 0.25 FTE per year of an Environmental Planner 4 will be needed to attend meetings, provide contributing

feedback, and technical guidance with respect to climate resilience, mitigation, or hazard planning as needed for the model guidance deliverable.

Forest Resilience estimates 0.25 FTE per year of an Environmental Planner 4 will be needed to attend meetings, provide contributing feedback, and technical guidance with respect to climate resilience, mitigation, or hazard planning as needed for the model guidance deliverable.

Aquatics estimates 0.5 FTE per year of an Environmental Planner 4 will be needed to attend meetings, provide contributing feedback, and technical guidance with respect to climate resilience, mitigation, or hazard planning as needed for the model guidance deliverable. This will include providing technical expertise to the Department of Ecology’s Shoreline Management Act.

Total Costs per Fiscal Year (FY24 & FY25):

Environmental Planner 4: 1.25 FTE : \$149,100

Policy Advisor: .5 FTE : \$65,900

Goods and services and travel are calculated on actual program averages per person.

Administrative costs are calculated at 31% of staff salary and benefits and staff-related goods and services and travel and are represented as a Fiscal Analyst 2.

**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	306,000	306,000	612,000	0	0
<b>Total \$</b>			306,000	306,000	612,000	0	0

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.3	2.3	2.3		
A-Salaries and Wages	161,500	161,500	323,000		
B-Employee Benefits	53,500	53,500	107,000		
C-Professional Service Contracts					
E-Goods and Other Services	19,700	19,700	39,400		
G-Travel	2,000	2,000	4,000		
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	69,300	69,300	138,600		
9-					
<b>Total \$</b>	306,000	306,000	612,000	0	0

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Environmental Planner 4	89,292	1.3	1.3	1.3		
Fiscal Analyst 2	55,872	0.5	0.5	0.5		
Policy Advisor	10,000	0.5	0.5	0.5		
<b>Total FTEs</b>		2.3	2.3	2.3		0.0

### III. D - Expenditures By Program (optional)

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

### IV. B - Expenditures by Object Or Purpose

NONE

### IV. C - Capital Budget Breakout

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

NONE

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

NONE

## Part V: New Rule Making Required

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

DNR would not be required to adopt new administrative rules. The proposed rule changes may have indirect costs as a result from the amended requirements within this bill. Costs to utilize DNR mapping or data services including geologic hazard maps, small forest landowner's portal, or additional DNR resources to support local jurisdictions in meeting the proposed rule changes.

This bill requires rule making activities, amending chapter 365-196 WAC.

Sections 1-4: New guidance for counties and cities to update the requirements to comprehensive elements and to develop guidance for applicability of the new requirements, and develop general guidance for updates to the GMA.

Section 5: Additional guidelines that specify the proportionate reductions of GHG and VMT. The department assumes these will be guidelines adopted by new rule and subsequently amended every five years.

Section 6: Development of the process requiring the department to approve GHG emission reduction model elements. A corresponding new rule to adopt new procedures would be required to establish parameters of department approval.

Section 7: New guidance for the requirements in the new climate change and resiliency element to the comprehensive plan.

Section 8: Development of a new model climate change and resiliency element by rule for local governments.

Section 14: New guidance for an amendment to GMA definitions.

Section 15: Additional guidance for the periodic update and first implementation progress report.

# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

<b>Bill Number:</b> 1181 E 2S HB	<b>Title:</b> Climate change/planning
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**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 (GMA) would have to amend and adopt mandatory elements within their comprehensive plans. Cities with Shoreline Master Programs would have to update their plans with new sea level rise and storm severity guidelines.
- Counties:** Same as above.
- Special Districts:**
- Specific jurisdictions only:** Fully planning jurisdictions meeting population criteria thresholds, as determined by the Office of Financial Management, would be required to amend or adopt new GMA mandatory elements. Fully planning jurisdictions that are required to submit implementation progress reports in 2029 would have certain mandatory elements due along with the submission of these reports.
- Variance occurs due to:**

**Part II: Estimates**

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option:** Planning jurisdictions may use existing natural hazard mitigation plans in their Resiliency subelement but may be required to supplement those plans to fully comply with the provisions of this subelement. Counties' comprehensive flood control plans may include a consideration of climate change impacts and sea level rise, as a local option. Jurisdictions that are required to create GHG emissions reduction subelements may submit them to the Department of Commerce voluntarily.
- Key variables cannot be estimated with certainty at this time:** Number of jurisdictions that would submit greenhouse gas emissions reductions subelement to the Department of Commerce for approval; number of jurisdictions that would use natural hazard mitigation plans which would need to be supplemented with additional work to satisfy the requirements of the resiliency subelement, and the costs related to incorporating the Shoreline Master Program guidelines for sea level rise and climate change resiliency would be based on the forthcoming guidelines developed by the Department of Ecology.

**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	5,399,778	10,741,941	16,141,719	9,941,706	12,984,938
County	2,201,356	3,982,531	6,183,887	3,295,537	1,082,500
Special District				225,000	225,000
<b>TOTAL \$</b>	7,601,134	14,724,472	22,325,606	13,462,243	14,292,438
<b>GRAND TOTAL \$</b>					<b>50,080,287</b>

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: 03/13/2023
Leg. Committee Contact: Maggie Douglas	Phone: 3607867279	Date: 03/07/2023
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 03/13/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 03/13/2023

## **Part IV: Analysis**

### **A. SUMMARY OF BILL**

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

This fiscal note reflects language in E2S HB 1181, 2023 Legislative Session.

#### **CHANGE FROM PRIOR BILL VERSION:**

Sec. 3: Amends the land use element to specify the designation of urban and community forests only in urban growth areas. Specifies that the transportation element forecast must prioritize the inclusion of transportation facilities and services providing the greatest multimodal safety benefit to each category of roadway users for the context and speed of the facility. Amends the parks and recreation element such that tree canopy coverage analysis is confined only to urban growth areas.

Sec. 14: Amends the definitions of “overburdened community” and “vulnerable populations” in the definitions of the Growth Management Act (GMA).

No amendments to E2S HB 1181 would change the assumptions about the fiscal impact of the bill from 2S HB 1181.

#### **SUMMARY OF CURRENT BILL VERSION:**

This engrossed second substitute bill would require jurisdictions fully planning under the Growth Management Act (GMA) to incorporate measures that plan for and mitigate the impacts of climate change on the state of Washington, enhance the climate resiliency of its residents and habitats, and prioritize environmental justice goals for overburdened communities and vulnerable populations. Through these amendments, vulnerable populations and overburdened communities are encouraged to participate in comprehensive plan updates, efforts, goals, and funding opportunities to reduce localized greenhouse gas (GHG) emissions and climate impacts under the provisions of this bill.

All jurisdictions fully planning under the GMA would be required to implement a climate change and resiliency element that enhances a jurisdiction’s ability to mitigate or respond to the adverse impacts of climate change. These jurisdictions must also account for the locations and capacities of green infrastructure in the capital facilities plan element and utility systems in utilities elements. As part of the substitute bill, utility elements must include systems location and capacities of special district utility systems within the planning jurisdiction. All fully planning jurisdictions must also amend their parks and recreation elements to account for tree canopy coverage within the urban growth area.

The most populous and fastest growing fully planning jurisdictions would be required conduct additional long-range planning, including:

--Amending the land use element to avoid worsening environmental health disparities and mitigating risk from wildfires by separating human development from wildfire prone areas. The land use element must designate the location and uses of land for green spaces as well as urban and community forests within urban growth areas.

--Adopting a subelement within the climate change and resiliency element that reduces overall GHG emissions in transportation and land use as well as reduces vehicle miles traveled within the jurisdiction. These goals must be met without increasing emissions in other parts of the state or limiting population growth within the jurisdiction. The subelement must also prioritize reductions in GHG emissions that benefit overburden communities. For jurisdictions with comprehensive plan submission deadlines of December 31, 2024, cities and counties must incorporate the climate change and resiliency element into their comprehensive plan if they are also required to submit an implementation progress report in 2029. This legislation includes a safe harbor provision from State Environmental Policy Act (SEPA) administrative and judicial review for jurisdictions that adopt planning actions to implement the climate change and resiliency element. The substitute bill authorizes that petitions alleging noncompliance may be heard by the Growth Management Hearings Board as they relate to the final decisions of a GHG emissions reduction subelement made pursuant to Sec. 5

--Amending the transportation element to incorporate active transportation, multimodal level of service facility needs, a transition plan for transportation as required by Title II of the Americans with Disabilities Act, and establish equitable

access to multimodal transportation inside and outside of urban growth areas.

Amendments to Shoreline Master Program guidelines would require fully planning jurisdictions to address the impact of sea level rise and increased storm severity on people, property, the environment, and shoreline natural resources. The substitute bill authorizes the Department of Health to provide financial assistance for Shoreline Master Program planning and implementation from the Water System Acquisition and Rehabilitation program.

Under this engrossed second substitute bill, the water system plans for all Group A water systems with 1,000 or more connections, initiated after June 30, 2025, must include a climate resilience element. Water system plans would be eligible for grants or loans from the Water System Acquisition and Rehabilitation program.

## **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.*

### **CHANGES FROM PRIOR VERSION OF BILL:**

No amendments to E2S HB 1181 would change the assumptions about the expenditures impact of the bill from 2S HB 1181.

### **EXPENDITURE IMPACT OF CURRENT BILL:**

The proposed engrossed second substitute legislation would have both determinate and indeterminate impacts on cities, towns, and counties planning under the provisions of the Growth Management Act (GMA), Shoreline Management Act, as well as cities and special purpose districts with Group A water systems with more than 1,000 connections. For costs that can be estimated at this time, this bill would have a local government expenditure impact of approximately \$50.1 million from FY24 to FY29.

Using assumptions from the Association of Washington Cities (AWC) and the Washington State Association of Counties (WSAC), the estimated planning and implementation costs of Sec. 3 for all fully planning jurisdictions would exceed \$48.9 million distributed over six fiscal years, beginning in FY2024 until FY2029. Only jurisdictions with comprehensive plans due from 2025 to 2027, per the update schedule specified by RCW 36.70A.130, would be required to implement the amended comprehensive elements of Sec. 3 by their submission due date. The jurisdictions that meet the population thresholds detailed in Sec. 4 would have greater planning requirements and higher costs to comply with this act. Fully planning jurisdictions with comprehensive plans due December 31, 2024, that are required to submit implementation progress reports in 2029, would be required to submit amended Transportation and Climate Change and Resiliency elements along with these reports.

Additional local government expenses in this bill include incorporating Climate Resilience elements into Water System Plans (WSPs) for Group A systems with more than 1,000 connections in Sec. 17. As many as 84 impacted local governments would be required to incorporate these elements into their WSPs between FY26 and FY29 at a cost of approximately \$1.1 million.

This proposed engrossed second substitute bill would have indeterminate costs for amended Shoreline Master Programs because the guidelines have not yet been established by the Department of Ecology (Ecology). It is unknown which jurisdictions would have costs to modify Shoreline Master Plans that exceed the funding that Ecology provides for these updates. For fully planning jurisdictions that choose to incorporate a natural hazard mitigation plan as a supplement for the Climate Change and Resiliency element, there may be additional costs if the jurisdiction does not meet the requirements outlined in Sec. 3(9)(e). The number of jurisdictions that would be required to amend natural hazard mitigation plans cannot be known in advance and is indeterminate at this time.

Jurisdictions that are required to adopt GHG emissions reduction subelements per Sec. 3(9)(d) may submit them for review and approval to the Department of Commerce as a local option.

### **COMPREHENSIVE PLANNING COSTS ASSUMPTIONS:**

Due to the funding appropriation deadline statute in RCW 36.70A.070(10) and 36.70A.130(5), the funding window has

closed for jurisdictions with comprehensive plans due December 31, 2024. Jurisdictions with comprehensive plan due dates in 2024, and that receive funding on or before December 31, 2027, must adopt the amended Transportation element and the new Climate Change and Resiliency element into their comprehensive plans with their implementation progress reports. These jurisdictions would have amended elements and supporting subelements due December 31, 2029. For the purposes of this fiscal note, the Local Government Fiscal Note Program assumes that funding would be provided to indicate potential costs that would occur from FY28 to FY29.

If this bill becomes law and the legislature appropriates funding for the purposes of this act by June 30, 2023, the jurisdictions with comprehensive plans due in 2025 would be the first cohort of planning jurisdictions that are required to incorporate the provisions of this act into their comprehensive plans. 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 in June 30, 2023. However, Sec. 16 establishes that any funding appropriated for the purposes of this act would be considered timely for the jurisdictions with comprehensive plans due in June 2025, notwithstanding the requirements of RCW 36.70A.070(10). The figures below assume all jurisdictions start two years in advance of the comprehensive plan submission deadline and encompass two years' worth of expenditures per planning jurisdiction.

**STATE FISCAL YEAR COMPREHENSIVE 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 June 30 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:	\$7,601,134
FY2025:	\$14,724,472
FY2026:	\$10,000,291
FY2027:	\$2,876,953
FY2028:	\$6,853,719
FY2029:	\$6,853,719
Total:	\$48,910,288

**City**

FY2024:	\$5,399,778
FY2025:	\$10,741,941
FY2026:	\$7,461,934
FY2027:	\$2,119,772
FY2028:	\$6,312,469
FY2029:	\$6,312,469
Total:	\$38,348,363

**County**

FY2024:	\$2,201,356
FY2025:	\$3,982,531
FY2026:	\$2,538,356
FY2027:	\$757,181
FY2028:	\$541,250
FY2029:	\$541,250



Total: \$10,561,925

#### MAIN DETERMINATES OF PLANNING COSTS:

The local government expenditure impact for this bill is primarily determined by:

1. The number of jurisdictions required to amend or adopt mandatory elements or subelements,
2. Population thresholds that mandate implementation of certain mandatory elements or subelements, and
3. The planning complexity of each new or amended mandatory element or subelement, which each planning jurisdiction administer at varying degrees of internal capacity.

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.

Additional cost factors for this bill include the rate of inflation for goods and services. Both AWC and WSAC indicate that due to rising costs of services in the broader economy, the planning cost estimates from E2S HB 1099 (2022) which are used as the basis for this fiscal note would require an increase by a rate of inflation that reflects higher costs for these goods and services. As such, the Local Government Fiscal Note program increased cost estimates of comprehensive plan element amendments by a rate of 8.25%.

#### IMPACTS OF SECTION 3:

Note: For more detailed information on each amended comprehensive plan element please see the local government fiscal note for S HB 1181.

##### Sec. 3(1): Amended Land Use Element

Cities, complex element update: \$42,475 to \$118,250, per city, for 28 fully planning cities meeting Sec. 4(3) thresholds

Counties, complex element update: \$96,188 to \$123,250, per county, for 20 fully planning counties meeting Sec. 4(3) thresholds

The amended requirements of the Land Use element would require planning activities such as community outreach, stakeholder workgroups, data analysis, and technical work such as modeling. This work may involve the use of consultants depending on the internal capacity of the planning jurisdiction. AWC and WSAC indicate that the combination of these factors would require a complex element update for certain jurisdictions that meet the population thresholds of Sec. 4(3) with comprehensive plans due between June 30, 2025 and June 30, 2027. Jurisdictions that meet the population threshold with comprehensive plans due in December 31, 2024 would have these amendments due in 2034.

##### Sec. 3(3): Amended Capital Facilities Plan Element

Cities, non-complex element update: \$16,238 to \$32,475, per city, for 136 fully planning cities

Counties, moderately element update: \$81,188, per county, for 24 fully planning counties

Capital facilities plan elements generally require complex amendments. However, the scope and scale of the updates

required by this act would have varying complexities depending on the amount of green infrastructure within the jurisdiction. AWC indicate that this amendment would require a non-complex element update to city's Capital Facilities Plan element, while WSAC estimate that this would be a moderately complex amendment for counties, and would apply to all fully planning jurisdictions with comprehensive plans due between June 30, 2025 and June 30, 2027. Jurisdictions with comprehensive plans due in December 31, 2024 would have these amendments due in 2034.

Sec. 3(4): Amended Utilities Element

Cities, complex element update: \$54,125 to \$108,250, per city, for 136 fully planning cities

Counties, complex element update: starting at \$81,188 to \$108,250, per county, for 24 fully planning counties

This work would involve community outreach, stakeholder workgroups, and data analysis, as well as mapping of utility systems. AWC and WSAC indicate that the combination of these new utilities being included in the Utilities element would require a complex element update for all planning jurisdictions with comprehensive plans between June 30, 2025 and June 30, 2027. Jurisdictions with comprehensive plans due in December 31, 2024 would have these amendments due in 2034.

Sec. 3(6): Amended Transportation Element

Cities, complex element update: \$54,125 to \$108,250, per city, for 109 fully planning cities meeting Sec. 4(2) thresholds and those cities that are required to submit an implementation progress report in 2029. There would be an indeterminate increase in costs for the Transition Plan.

Counties, complex element update: \$108,250, per county, for 11 fully planning counties meeting Sec. 4(2) thresholds and those counties that are required to submit an implementation progress report in 2029. There would be an indeterminate increase in costs for the Transition Plan.

The amended requirements of the Transportation element would require planning activities such as community outreach, stakeholder workgroups, data analysis, and technical work such as transportation modeling. This work would likely involve the use of consultants depending on the internal capacity of the jurisdiction's planning department. Assessment by AWC and WSAC indicate that these amendments would require a complex element updated and would impact certain planning jurisdictions that meet the population thresholds in Sec. 4(2). All fully planning jurisdictions that meet the population threshold would be required to update this element by the submission date of their next period comprehensive plan update, or the implementation progress report, for jurisdictions with these reports due in 2029.

Sec. 3(8): Amended Parks and Recreation Element

Cities, minor element update: \$20,000 to \$40,000, per city, for 136 fully planning cities

Counties, minor element update: starting at \$64,950 to \$86,600, per county, for 24 fully planning counties

Costs to incorporate tree canopy analysis into the Parks and Recreation element may have costs between \$20,000 and \$40,000 per impacted city, based on eligible projects with grant availability from the UCF Program, 2022-2023 Community Forest Assistance Grant. WSAC indicate that these costs may be similar to the costs of a minor element amendment. This element amendment would be due for planning jurisdictions with comprehensive plans due between June 30, 2025 and June 30, 2027 with their next periodic comprehensive update. Jurisdictions with comprehensive plans due in December 31, 2024 would have these amendments due in 2034.

Sec. 3(9) and Sec.3 (9)(e): Amended Climate Change and Resiliency Element

Cities, new element: \$81,188 to \$108,250, per city, for all 196 fully planning cities and those cities that are required to

submit an implementation progress report in 2029

Counties, new element: \$162,375, per county, for all 28 fully planning counties and those counties that are required to submit an implementation progress report in 2029

Note: All 28 fully planning counties would be required to implement the Climate Change and Resiliency element and associated subelement, however, these costs are not contained in this fiscal note estimate because the costs are assumed to be covered by the FEMA grants.

The Climate Change and Resiliency element would require planning activities such as community outreach, stakeholder workgroups, data analysis, and technical work such as modeling that would be informed by regional- and state-level climate research, and may likely involve the assistance from consultants to conduct this work. AWC indicate that creating a new complex element and the associated subelement may have costs that are similar to updating a complex element. WSAC indicate that similar costs for a complex element update would be accurate for the costs of this new element and subelement. However, WSAC states that grants counties receive from the Federal Emergency Management Agency (FEMA) for hazard mitigation plans would be used to cover the costs of this new complex mandatory element and associated subelement. All fully planning jurisdictions would be required to update this element by the submission date of their next period comprehensive plan update, or the implementation progress report, for jurisdictions with these reports due in 2029. There would be 22 cities that do not have implementation progress reports due in 2029, that would complete this element in 2034.

Sec. 3(9)(d): GHG Emissions Reduction Subelement

Cities, complex subelement: \$54,125 to \$108,250, per city, for 84 fully planning cities meeting Sec. 4(1) thresholds and those cities that are required to submit an implementation progress report in 2029

Counties, complex subelement: \$162,375, per county, for 11 fully planning counties meeting Sec. 4(1) thresholds and those counties that are required to submit an implementation progress report in 2029

AWC indicate that creating a new complex subelement may have costs that are similar to updating a complex element. WSAC indicate that similar costs for a complex element update would be accurate for the costs of this new element and subelement. All fully planning jurisdictions meeting the population threshold in Sec. 4(1) would be required to adopt this subelement by the submission date of their next period comprehensive plan update, or the implementation progress report, for jurisdictions with these reports due in 2029.

Sec. 3(9)(e)(ii) Incorporating Natural Hazard Mitigation Plans in the Resiliency Subelement:

Indeterminate - For jurisdictions that intend to reference a natural hazard mitigation plan to satisfy the requirements of the Resiliency sub-element of their comprehensive plans, there may be reduce costs for all applicable planning jurisdictions. However, if the natural hazard mitigation plan does not satisfy all of the requirements of Sec. 3(9)(e) then the planning jurisdiction would have to supplement their Resiliency sub-element with the necessary information to fully comply with this subsection. The number of planning jurisdictions that would reference an existing natural hazard mitigation plan and the jurisdictions where the plan is not sufficient to satisfy the requirements of Sec. 3(9)(e) is indeterminate and would vary by jurisdiction.

IMPACT OF SECTION 6:

Local Option - Jurisdictions that are required to create GHG emissions reduction subelements per Sec. 3(9)(d) may submit them for review to the Department of Commerce voluntarily. Jurisdictions that were surveyed about the costs for this legislation indicated that it may cost as much as to \$10,000 to prepare the subelement for review and be involved with the review process described in Sec. 6. However, additional requirements in the substitute version of this bill may increase

costs that local governments incur due to the preparing the adopting or resolution and providing details of public hearings where action was taken related to the subelement. The number of planning jurisdictions that would choose to submit their GHG emissions reduction subelement is currently unknown.

#### IMPACT OF SECTION 7:

Indeterminate - Petitions to the Growth Management Hearings Board (Board) detailed in Sec. 7 would have additional local governments costs. The number of jurisdictions that would make petitions, or that would have petitions made by a third party, to the Board about final decisions cannot be known in advance.

#### IMPACT OF SECTION 10:

Indeterminate - Shoreline Master Plan (SMP) guidelines would be amended to include addressing the impact of sea level rise and increased storm severity on people, property, the environment, and shoreline natural resources. The costs to implement these guideline changes into Shoreline Master Plans is not currently known and is indeterminate at this time. These new guidelines could impact as many as 224 cities and 39 counties. If the guideline changes require jurisdictions to conduct an SMP update that is above the costs reported for a baseline update, there could be significant costs that potentially exceed \$17.1 million. Data from the AWC City Planning Cost Survey (2020) and WSAC indicate that there may be costs of \$57,373 per city, and \$108,500 per county, to conduct updated SMP guidelines.

#### Illustrative Example:

Cities –

\$57,373 per jurisdiction x 224 cities = \$12,851,440

2027 SMPs – 71 cities, \$4,073,448

2028 SMPs – 40 cities, \$2,294,900

2029 SMPs – 56 cities, \$3,212,860

2030 SMPs – 57 cities, \$3,270,233

Counties –

\$108,250 per jurisdiction x 39 counties = \$4,221,750

2027 SMPs – 3 counties

2028 SMPs – 10 counties

2029 SMPs – 10 counties

2030 SMPs – 16 counties

Total illustrative estimate: \$12,851,440 + \$4,221,750 = \$17,073,190

#### IMPACT OF SECTION 17

\$1,170,00 from FY26 to FY29 – Incorporating a climate resilience element within local government water system plans (WSP) may exceed \$1.1 million between FY26 and FY29 for the estimated 84 local governments that would be required to implement the new element during this time. Additional indeterminate costs for contract management may also increase local government expenses by \$185,000 from FY25 to FY29.

Outreach to purveyors indicated that the complexity of adopting and implementing a climate resiliency element would be primarily based on the guidelines developed by the Department of Health (DOH). Many jurisdiction's described the climate resiliency element as non-complex, at least compared to work on other elements such as preparing hydraulic analysis of a purveyor's water distribution system. Additional complexity may also depend on how well climate-related impacts on the system can be mitigated through system operations. This outreach also indicated that many smaller systems may try to meet the minimum requirements of this bill, while other small purveyors would spend significantly

more. Larger systems may typically put in significant effort and spending.

#### Local Government Fiscal Note Program Assumptions:

According to estimates from local governments, a complete WSP update may have the following total costs ranges:

Small to medium sized water system – \$50k to \$100k

Large water sized water system - \$100k to \$200k

Purveyors indicate that incorporating the climate resilience element may approximate to an additional 15 percent cost increase to existing WSP updates.

According to the DOH, there are total of 209 active local government community Group A water systems with more than 1,000 connections, including 133 cities/towns, 2 counties, and 74 special purpose districts. WAC-246-290-100 states that WSP are approved for 10 years, or approximately 21 local government WSP are submitted per year. (209 WSPs/10 years = ~21 WSP submitted per year). For estimation purposes that results in 13 cities/towns and 8 special districts per year, and one county every five years.

For FY26 through FY29 local government costs would include:

10 small and medium cities/towns x \$11,250 = \$112,500

3 large cities x \$22,500 = \$67,500

6 small special purpose districts x \$11,250 = \$67,500

2 large special purpose districts x \$22,500 = \$45,000

Total = (\$112,500 + \$67,500 + \$67,500 + \$45,000) = \$292,500

FY26 to FY29 Total: \$292,500 x 4 = \$1,170,000

#### Costs to Manage Contractors:

Indeterminate – Approximately \$465,000 in estimated costs from FY26 to FY29 to oversee work to complete a WSP with a climate resilience element. However, the types of specific staff that would oversee the work done by a contractor to complete the climate resilience element would vary by jurisdiction. Local government water system purveyors indicated that they would need to manage the contract, have regular meetings with the contractor, as well as be involved with writing staff reports and providing updates to the city council and within the department. These hours varied between 25 hours to 100 hours, averaged to 62.5 hours  $((25+100)/2 = 62.5 \text{ hours})$ .

According to the AWC 2022 City Salary Survey a public works director, planning director, or senior planner has estimated average costs per hour of \$56 per hour. Using the Local Government Fiscal Note program Unit Cost Model, which also factors in a benefits multiplier, the costs for a single local government to oversee a contractor would be: \$56 per hour x 1.58 benefits multiplier x 62.5 hours = \$5,530

For FY25-27 & FY29

\$5,530 x 21 WSPs = \$116,130 per fiscal year from FY26 to FY29

FY26-FY29 Total: \$116,130 x 4 = \$464,520

### 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.*

#### CHANGES FROM PRIOR VERSION OF BILL:

No amendments to E2S HB 1181 would change the assumptions about the revenue impact of the bill from 2S HB 1181.

#### REVENUE IMPACT OF CURRENT BILL:

The total revenue impact of this legislation is indeterminate and dependent on appropriation made by the legislature for the specific purposes of this act by June 30, 2023.

If the legislature were to appropriate funding for the specific purposes of this act, the grant revenue for local

government's conducting amendments to comprehensive plan elements, a new element, and accompanying subelements, may be commensurate with estimated costs, or \$48.9 million from FY24 to FY29.

The estimated revenue impact for the amendments to Shoreline Master Programs are indeterminate at this time as the guidelines for the Shoreline Master Plan updates are still being determined by the Department of Ecology (Ecology). Local governments required to amend Shoreline Master Programs and Water System Plans may receive planning and implementation grants from Ecology, and the Department of Health through the amendment in Sec. 18. The revenue impact for jurisdictions required to plan and implement these provisions would be subject to amounts appropriated for the specific purposes of this act.

**ILLUSTRATIVE COMPREHENSIVE PLANNING GRANT ESTIMATES:**

The revenue impact for affected planning jurisdictions may be commensurate with costs to implement the planning amendments proposed by this act. The amendment to Sec. 8(2) may increase funding in certain planning jurisdictions due to priority for assistance to be award based on the presence of overburdened communities. Due to Sec. 16, any funding provided to local governments for the costs to implement the provisions of this act that and are required to submit comprehensive plans by June 30, 2025, must be considered timely. To assist with the planning work two years before the due date, the first counties, and cities within those counties with comprehensive plan periodic updates due in June 2025, would receive their grant from the Department of Commerce starting FY24.

**State Fiscal Year Illustrative Comprehensive Planning Grant 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 incurred July 1 until the June 30 deadline the following year.

**Combined**

FY2024: \$7,601,134  
FY2025: \$14,724,472  
FY2026: \$10,000,291  
FY2027: \$2,876,953  
FY2028: \$6,853,719  
FY2029: \$6,853,719  
Total: \$48,910,288

**City**

FY2024: \$5,399,778  
FY2025: \$10,741,941  
FY2026: \$7,461,934  
FY2027: \$2,119,772  
FY2028: \$6,312,469  
FY2029: \$6,312,469  
Total: \$38,348,363

**County**

FY2024: \$2,201,356  
FY2025: \$3,982,531  
FY2026: \$2,538,356  
FY2027: \$757,181

FY2028: \$541,250  
FY2029: \$541,250  
Total: \$10,561,925

Sources:

Association of Washington Cities  
Association of Washington Cities, City Planning Survey (2020)  
Association of Washington, Cities' Salary Survey (2022)  
Department of Commerce  
Department of Commerce, Growth Management Services Transportation Guidebook (2012)  
Department of Health  
Department of Health and Human Services, "Spatial Disparities in the Distribution of Parks and Green Spaces in the USA" (Feb.2023)  
Department of Transportation  
House Bill Analysis, HB 1181 (2023)  
House Bill Report, S HB 1181 (2023)  
Senate Bill Report, E2S HB 1181 (2023)  
Local Government Fiscal Note Program, FN E2S HB 1099 AMS WM S5164.1 (2022)  
Local Government Fiscal Note Program, FN HB 1241 (2022)  
Local Government Fiscal Note Program, FN SB 5587 (2022)  
Local Government Fiscal Note Program, FN SB 5094 (2023)  
Local Government Fiscal Note Program, FN HB 1078 (2023)  
Local Government Fiscal Note Program, FN HB 1402 (2023)  
WAC 246-290  
WAC 365-196-420  
Washington State Association of Counties