

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1078 P 2S HB	<b>Title:</b> Urban forest management
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## Estimated Cash Receipts

NONE

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

## Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	Fiscal note not available											
Department of Natural Resources	.5	612,500	612,500	612,500	3.3	1,171,400	1,171,400	1,171,400	3.9	1,061,600	1,061,600	1,061,600
<b>Total \$</b>	<b>0.5</b>	<b>612,500</b>	<b>612,500</b>	<b>612,500</b>	<b>3.3</b>	<b>1,171,400</b>	<b>1,171,400</b>	<b>1,171,400</b>	<b>3.9</b>	<b>1,061,600</b>	<b>1,061,600</b>	<b>1,061,600</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 Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	Fiscal note not available								
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

NONE

<b>Prepared by:</b> Lisa Borkowski, OFM	<b>Phone:</b> (360) 742-2239	<b>Date Published:</b> Preliminary 1/25/2024
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1078 P 2S HB	<b>Title:</b> Urban forest management	<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	0.0	1.0	0.5	3.3	3.9
<b>Account</b>					
General Fund-State 001-1	0	612,500	612,500	1,171,400	1,061,600
<b>Total \$</b>	0	612,500	612,500	1,171,400	1,061,600

### 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: Dan Jones	Phone: 360-786-7118	Date: 01/22/2024
Agency Preparation: Andrew Hills	Phone: /	Date: 01/25/2024
Agency Approval: Brian Considine	Phone: 3604863469	Date: 01/25/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/25/2024

## Part II: Narrative Explanation

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

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

Section 3. Amends RCW 76.15.110 and requires the Department of Natural Resources (DNR) to establish optional model urban forestry ordinances and recommendations. DNR must also provide technical assistance and planning support to local jurisdictions utilizing the model ordinances and recommendations. Criteria must be established for including tree bank programs into urban forestry ordinances. Criteria must be established for designating areas for use as tree banks within priority regions and areas suffering from adverse environmental factors. DNR must, using Best Available Science (BAS), determine ratios for trees planted to trees removed and appropriate species of tree to be used in tree banks. DNR must provide a tree selection and siting tool for use by local jurisdictions and provide best practices for maintaining and growing newly planted trees within tree banks.

### 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.*

To accomplish the work required in this bill, DNR must address issues of insufficient capacity and the availability of affiliated tools to inform tree bank parameters. If assumptions regarding expectations around BAS hold true, additional needs associated with the establishment of best available science are required.

**Insufficient capacity:** Current DNR staffing for Urban and Community Forestry Program (UCF) does not provide the necessary capacity and expertise to develop model urban forestry ordinances, develop recommendations, establish criteria for including tree bank programs in urban forestry ordinances, or provide technical assistance and planning support to local jurisdictions.

**Lack of site-specific guidance tools:** To establish criteria for designating areas as tree banks, local jurisdictions will need to apply site-specific and location-informed data. The suitability of planting trees on a site is dependent on compatibility between tree species and site conditions. Determining appropriateness of tree species based on site conditions requires technical and professional expertise possessed by trained urban foresters. Most jurisdictions do not currently employ urban foresters and lack the expertise to effectively implement tree banks. To address this, DNR will provide an interactive tool allowing jurisdictions to identify siting and placement as well as explore appropriate tree species. No tool presently exists for Washington, so DNR will need to develop an online site-specific tree selection tool for use by local jurisdictions.

**Inadequate science:** Current or adequate science regarding appropriate ratios of tree planting to tree removal does not exist. Ratios would be driven by multiple, localized factors such as species, size, and location of trees to be both removed and planted as well as the social and monetary values placed on those trees. Values placed on trees to be removed or planted are affected by conditions that vary according to geography and socio-economic factors and these need to be considered before recommendations on tree bank value settings can be communicated to local jurisdictions. Developing guidance based on Best Available Science first requires the establishment of Best Available Science as described in RCW 36.70A.

Due to the lack of aggregated data and gaps in BAS to inform development, DNR will need to conduct a robust science synthesis on tree bank economic and biological feasibility as well as a scientific evaluation of the associated management implications which may include, at the least, a scientifically rigorous literature review and, at most, modeling and extrapolation of necessary elements. Additionally, to meet the standards of Best Available Science, the final product is

recommended to undergo scientific review by the Washington Academy of Sciences (WAS). DNR current lacks capacity to accomplish this objective and must contract this study.

Published Guidance: Completion of finalized model ordinance documents will require layout, design, and publication support. While some of this work may be accomplished in-house by DNR's Communications, additional professional services contracts are needed due to current staff capacity limitations.

### Section 3. Amending RCW 76.15.100

#### Establishing Planning Capacity:

To address capacity issues, DNR's Urban & Community Forestry Program requires a Lead Environmental Planner (EP4) to lead and accomplish the development of model urban forestry ordinances and recommendations and establish criteria for including tree bank programs in urban forestry ordinances. Further, technical assistance and planning support to local jurisdictions is highly localized and requires robust and timely interactions with local city and county planners and staff. To address the required technical assistance, an additional two (2) Environmental Planners (EP3) are needed who have the flexibility to focus where work arises.

#### FTE:

Environmental Planner 4 – 0.75 FTE in FY 25 and 1.0 FTE beginning in FY 26 and ongoing. Serves as Lead Urban Forestry Planner and is responsible for the facilitation, development, outreach, and final publication of the model urban forestry ordinances as well as management of any contracts and products. The reduced FTE in FY 25 accounts for normal delays in hiring and recruitment.

Environmental Planner 3 – 1.0 FTE in FY26 and 2.0 FTE ongoing - Two positions to serve as Urban Forestry Planning Specialists with responsibility for working at the local level with jurisdictions to provide technical assistance and planning support. One position will serve eastern WA, the other western. Delay in establishment of FTE takes into account the development of model ordinances and positions for these staff to support jurisdictions.

#### FY 2025 costs -

Salary: \$67,000

Benefits: \$22,600

Goods & Services: \$10,000 (includes 1 workstation)

Travel: \$4,550

Capital Outlays: \$172,566 (laptops and supplies, vehicles and supplies)

#### FY 2026 costs -

Salary: \$170,300

Benefits: \$58,800

Professional Service Contracts: \$10,000 for publication

Goods & Services: \$15,000 (includes 1 workstation)

Travel: \$12,200

#### FY 2027 costs -

Salary: \$251,200

Benefits: \$87,400

Goods & Services: \$19,000 (includes 1 workstation)

Travel: \$18,300

#### Ongoing costs -

Salary: \$251,200

Benefits: \$87,400

Goods & Services: \$12,000  
 Travel: \$18,300

**Tree Bank Siting and Tree Selection Tool:**

Due to the site-specific nature and lack of urban forestry expertise in most local jurisdictions, to achieve the objectives in the bill, DNR must develop tools to identify siting and placement as well as explore appropriate tree species. DNR will develop an online guidance tool enabling local jurisdictions to make appropriate decisions. IT capacity does not presently exist at DNR to accomplish this task and will require a professional services contract for development and ongoing hosting and maintenance.

The Environmental Planner 4 will also be responsible for oversight of contracts and associated products within this section.

FY 2025 costs -  
 Professional Services Contract: \$200,000 for tree bank tool

FY 2026 costs -  
 Professional Services Contract: \$200,000 for tree bank tool

FY 2027 and ongoing costs -  
 Professional Services Contract: \$25,000 for ongoing maintenance of tree bank tool

**Best Available Science:**

Insufficient scientific information exists to inform development. To fulfill the expectations of the bill, DNR will need to conduct a scientifically rigorous literature review and likely need to conduct modeling and evaluation to serve as the scientific foundation. Sufficient scientific capacity does not presently exist at DNR to accomplish this task and will result in a professional services contract.

The Environmental Planner 4 will also be responsible for oversight of contracts and associated products within this section.

FY 2025 costs -  
 Professional Services Contract: \$100,000 for contracted BAS study

FY 2026 costs -  
 Professional Services Contract: \$75,000 for contracted BAS study and WAS peer review.

Total costs for this bill are:

FY 25: \$612,500  
 25-27 BN: \$1,171,400  
 27-29 BN: \$1,061,600

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.

**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	0	612,500	612,500	1,171,400	1,061,600
<b>Total \$</b>			0	612,500	612,500	1,171,400	1,061,600

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		1.0	0.5	3.3	3.9
A-Salaries and Wages		67,000	67,000	421,500	502,400
B-Employee Benefits		22,600	22,600	146,200	174,800
C-Professional Service Contracts		300,000	300,000	310,000	50,000
E-Goods and Other Services		15,600	15,600	71,500	69,000
G-Travel		4,600	4,600	30,500	36,600
J-Capital Outlays		172,600	172,600		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		30,100	30,100	191,700	228,800
9-					
<b>Total \$</b>	0	612,500	612,500	1,171,400	1,061,600

**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				1.5	2.0
Environmental Planner 4	89,292		0.8	0.4	1.0	1.0
Fiscal Analyst 2	58,107		0.2	0.1	0.8	0.9
<b>Total FTEs</b>			1.0	0.5	3.3	3.9

**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.*

# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

**Bill Number:** 1078 P 2S HB

**Title:** Urban forest management

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

### Legislation Impacts:

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

## Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option: Cities and counties could adopt a model urban forest management ordinance with provisions for the siting and designation of tree banks in priority areas detailed in RCW 76.15.100 and areas where adverse environmental factors are present. Cities and counties could apply for grants from the Department of Natural Resources to adopt these ordinances.
- Key variables cannot be estimated with certainty at this time: Number of cities and counties that would adopt the model ordinance, number of cities and counties that would apply for grants, the dollar value of appropriations by the legislature made for the purposes of this act.

### Estimated revenue impacts to:

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

### Estimated expenditure impacts to:

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

## Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 01/25/2024
Leg. Committee Contact: Dan Jones	Phone: 360-786-7118	Date: 01/22/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/25/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 01/25/2024



## **Part IV: Analysis**

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

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

This proposed substitute bill would authorize the Department of Natural Resources (DNR) to establish an optional model urban forestry ordinance and recommendations that local governments could adopt into their municipal or county code. The model ordinances and recommendations would incorporate tree bank siting, designation, tree selection, management best practices, and best available science. Under this model ordinance, tree banks must be located in areas identified as priority regions under RCW 76.15.100 and areas where adverse environmental factors are present.

Sec. 2 of the substitute bill amends definitions of urban forest management statute, which includes a new definition for tree banks.

Sec. 3 is amended to authorize the DNR to establish an optional model urban forestry ordinance. The ordinance and recommendations developed by DNR must incorporate the criteria for tree bank programs, criteria for designating tree banks in priority regions under RCW 76.15.100 and areas with adverse environmental factors, use best available science, and provide best practices for maintaining and growing trees in the tree bank. Local governments that use the model ordinance developed by DNR would be eligible for technical assistance and planning support.

This bill would take effect 90 days after it is signed into law.

### **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.*

There would be indeterminate expenditure impact associated with this substitute legislation for local governments, because while it does not require them to take action, the number of cities and counties that would take the local option is likely non-zero.

Local governments may adopt the model ordinance specified by Sec. 3(6) of this act as a local option. For jurisdictions that take the local option, there would be costs associated with adopting the ordinance into their local code. If the legislature funds the grant program in Sec. 3(7) it is likely that local governments would adopt the model ordinance with the grant funds they receive from the program. These applications would have minor costs, ranging from de minimis to more substantive, and varying by jurisdiction.

According to the Department of Natural Resources (DNR) fiscal note for HB 1078 (2023), DNR would develop a Best Available Science study and creation of a tree bank siting and selection tool to help implement the tree bank provisions of the urban forest management ordinance. However, these guidelines and tools may not be complete until July 1, 2025. Expenses for local governments that adopt the urban forest management ordinance with tree bank provisions would likely not occur until FY26.

Note: The illustrative example below details potential costs for cities, but counties may also adopt these ordinances as a local option. Counties would have similar costs for ordinance adoption, updating program documents, and updating zoning maps.

#### **ILLUSTRATIVE EXAMPLE OF ADOPTION COSTS:**

##### **Ordinance Adoption Costs:**

DNR would develop the model ordinance, guidelines, technical assistance, and selection and siting tools that local governments could use to support their urban forest management programs. DNR's efforts may reduce the implementation costs for local governments that take the local option. However, local planners view models as helpful for review as they prepare materials but indicate that provided examples must be changed significantly to be incorporated into existing local code.

The Local Government Fiscal Note (LGFN) Program assumes that amending existing urban forestry ordinances would be moderately complex to complex depending on technical assistance from DNR and the integration of a city community development department's review of the existing ordinance to present to the city council for adoption. The LGFN program estimates the cost of moderately complex ordinance adoption with a hearing of the same complexity at \$4,695 per city, while complex ordinance adoption with a hearing of the same complexity costs an estimated \$9,492 per city.

Costs to adopt the provision in Sec. 3(6) include: analyzing comprehensive plan policies and municipal code to determine extent of amendments required; drafting informational materials on reasons for, and approach to, allowing tree bank siting for public review; conducting outreach to inform and solicit feedback; drafting proposed amendments for the city's planning commission considerations; a planning commission public hearing and recommendation to the city council; a presentation of the city planning commission's recommendations to the city council, and a city council public hearing and action.

Average cost for urban forest management ordinance amendment: \$7,094 per city.  $((\$4,695 \text{ per city} + \$9,492 \text{ per city})/2)$

Data from the Arbor Day Foundation's Tree City USA program indicates that Washington State has 91 cities with urban forestry management ordinances. If half of cities with an urban forest management ordinances  $(91 \text{ cities} / 2 = 46 \text{ cities})$  were to adopt the model ordinance developed by DNR, the following costs may be estimated:

$46 \text{ cities} \times \$7,094 = \$326,301$

Amending Existing Urban Forest Management Program Documents:

Indeterminate – Unknown number of cities that would amend urban forest management program documents.

Cities contacted about this bill specify that amendments may be necessary in the next iteration of their urban forest management program's strategic plan, maintenance plan, guidebook, or manual. The cost and timing of these updates would depend on when cities adopt an amended urban forest management ordinance as well as guidance and technical assistance provided by DNR.

Illustrative example:

Costs for these amended documents may start at \$5,000 per impacted city, based on eligible projects with grant availability from DNR's Urban and Community Forestry Program, 2022-2023 Community Forest Assistance Grant. If all cities that adopted the model ordinance need to amend existing documents, the following costs could be estimated.

$46 \text{ cities} \times \$5,000 = \$230,000$

UPDATING ZONING MAPS

Indeterminate – Unknown number of cities that would amend local zoning maps.

Sec. 3(6) of this bill indicates that designated areas for tree banks include areas identified as priority regions under 76.15.100 RCW and areas where adverse environmental factors are present.

For cities that adopt the local option, the Association of Washington Cities anticipates that zoning maps may need to be updated for the public in at least some cities impacted by this bill. Displaying the location of tree banks may need to be on a city's zoning map and the process for this mapping could be achieved through amended zoning regulations. The number of cities that would be impacted and how a city determines where these designated areas are located would depend on guidelines developed by DNR.

## APPYLING FOR GRANTS TO ADOPT THE MODEL URBAN FORESTRY ORDINANCE

There may be minor costs for a jurisdictions for the grant program established by Sec. 3(7), however, this is a local option for those jurisdictions that choose to adoption the optional model ordinance.

It is assumed that local governments would incur costs associated with preparing and submitting state grant or loan applications. The costs for local governments to apply for the grants or loans is indeterminate. These costs will likely include administrative costs and may include grant writing expenditures or other expenses that would vary by jurisdiction.

### **C. SUMMARY OF REVENUE IMPACTS**

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

This legislation would have an indeterminate impact on local government revenues.

The magnitude of the local government impact would depend on the legislature's appropriation to the grant program established by Sec. 3(7) for the specific purposes of this act. This funding level and the distribution of cities and counties that would be awarded funding from the grant program is not currently known.

#### **SOURCES:**

American Planning Association, Planning the Urban Forest (2009)

Association of Washington Cities

City of Port Townsend

City of Snoqualmie

Department of Natural Resources

Department of Natural Resources, FN P 2S HB 1078 (2024)

Local Government Fiscal Note Program, FN S HB 1078 (2023)

Local Government Fiscal Note Program, Unit Cost Model (2024)

The Arbor Day Foundation, Tree City USA Summary - Washington State (2021)