

Multiple Agency Fiscal Note Summary

Bill Number: 1282 2E S HB	Title: Public building materials
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Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Department of Commerce	1.8	1,238,544	1,238,544	1,238,544	3.5	1,897,678	1,897,678	1,897,678	1.5	676,498	676,498	676,498
Department of Commerce	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Office of Financial Management	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Enterprise Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
University of Washington	Fiscal note not available											
Washington State University	Fiscal note not available											
Eastern Washington University	.0	0	0	0	.0	0	0	0	.0	0	0	0
Central Washington University	Fiscal note not available											
The Evergreen State College	.0	0	0	0	.0	0	0	0	.0	0	0	0
Western Washington University	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Transportation	Fiscal note not available											
Department of Ecology	Fiscal note not available											
State Parks and Recreation Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Fish and Wildlife	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Natural Resources	.0	0	0	0	.0	0	0	0	.0	0	0	0
Community and Technical College System	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	1.8	1,238,544	1,238,544	1,238,544	3.5	1,897,678	1,897,678	1,897,678	1.5	676,498	676,498	676,498

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Office of Financial Management	.0	0	0	.0	0	0	.0	0	0
Department of Enterprise Services	Non-zero but indeterminate cost and/or savings. Please see discussion.								
University of Washington	Fiscal note not available								
Washington State University	Fiscal note not available								
Eastern Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Central Washington University	Fiscal note not available								
The Evergreen State College	.0	0	0	.0	0	0	.0	0	0
Western Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Transportation	Fiscal note not available								
Department of Ecology	Fiscal note not available								
State Parks and Recreation Commission	.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
Community and Technical College System	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Community and Technical College System	Non-zero but indeterminate cost and/or savings. Please see discussion.
Department of Enterprise Services	Non-zero but indeterminate cost and/or savings. Please see discussion.
Eastern Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.
Western Washington University	Non-zero but indeterminate cost and/or savings. Please see discussion.

Prepared by: Cheri Keller, OFM	Phone: (360) 584-2207	Date Published: Preliminary 2/19/2024
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Individual State Agency Fiscal Note

Bill Number: 1282 2E S HB	Title: Public building materials	Agency: 103-Department of Commerce
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	3.5	1.8	3.5	1.5
Account					
General Fund-State 001-1	0	1,238,544	1,238,544	1,897,678	676,498
Total \$	0	1,238,544	1,238,544	1,897,678	676,498

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

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 02/14/2024
Agency Preparation: Joseph Piper	Phone: 360-725-3042	Date: 02/16/2024
Agency Approval: Joseph Piper	Phone: 360-725-3042	Date: 02/16/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/16/2024

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.

Differences between the engrossed substitute house bill and the second engrossed substitute house bill:

Extends dates in the bill by one year for the start of required reporting for covered projects and implementation of additional contractual requirements for awarding authorities (Section 3), and for the convening, reporting, and expiration of the technical work group (Section 6).

Clarifies in Section 3(4) that environmental product declarations (EPDs) must be supply chain specific when available rather than to the extent feasible.

Requires Commerce to consult with the University of Washington College of Built Environments when developing, maintaining, and refining the database in Section 5.

In Section 6(1)(b), changes the number of representatives from Washington manufacturers on the technical work group from a total of three to a total of six.

In Section 6(1)(g), changes the number of representatives from labor unions on the technical work group from one to three.

In Section 6(2) adds that Commerce intends to form subgroups for the technical work group with members who have subject matter expertise or industry experience.

In Section 6(3) allows Commerce to contract with the University of Washington College of Built Environments in convening the work group.

In Section 6(5)(c) modifies the work group's first report by requiring the consideration of how additional information relevant to reducing embodied carbon through strategies including, but not limited to, product life-cycle adjustments could be incorporated into future reporting.

In Section (6)(6)(b)(ii) modifies the work group's second report by also requiring the consideration of policies to support living wage manufacturing jobs and the evaluation of options for aligning these reporting requirements with existing reporting requirements for preferential tax rates, credits, exemptions, and deferrals.

In Section 6(7) authorizes Commerce to update reporting standards and requirements based on input from the work group and requires Commerce to provide updated guidance on reporting standards by January 1, 2027.

Some of the differences between the engrossed substitute house bill and the second engrossed substitute house bill 1282 will affect the fiscal impact to the Department of Commerce (department).

Summary of the second engrossed substitute house bill 1282:

This bill relates to improving environmental and social outcomes with the production of building materials.

Section 3(7) of this bill may require the development of a financial assistance program, subject to available funding. This would create a new funding program with administrative and workload impacts that would depend on the amount of funding provided.

Section 5 of this bill requires the department to develop and maintain a publicly accessible database for covered projects to submit environmental and working conditions data, by July 1 2025. The bill also requires the department to further elaborate

on covered product definitions, develop clear measurement and reporting standards, create model language for specifications and contracts, and to develop an educational brief. The department may contract for the use of nationally or internationally recognized databases of Environmental Product Declarations (EPDs).

Section 6 of this bill requires the department to convene a technical work group by December 1, 2024. This work group is to include representatives from design, structural design, specification, and the construction industry, manufacturers of covered building materials, environmental groups, labor unions, the minority and women-owned business community, University of Washington College of Built Environments (UWCBE), and state agencies including Department of Enterprise of Services (DES), Washington State Department of Transportation (WSDOT), and Department of Ecology (Ecology). This will add to the workload of existing staff to schedule and conduct meetings, perform research, and compile recommendations.

Section 6(5) of this bill requires the department and the technical work group to submit a report to the legislature and the Governor with a low carbon materials manufacturing plan that includes recommendations on policies to preserve and grow the in-state manufacturing of low carbon materials. This report must also include recommendations for consistent treatment in reporting for covered products and consideration of how product life-cycle assessments conducted by project designers could be integrated in to future reporting. This report must be completed and submitted by September 1, 2025.

Section 6(6) of this bill requires the department and the technical work group to submit a report to the legislature and the Governor with recommendations considering policies to leverage public procurement to expand the use and production of low-carbon materials, to promote high labor standards in manufacturing, and to expand low-carbon materials manufacturing in Washington; for this report the work group must review and summarize data collected pursuant to section 3 of this bill. This report must also include an evaluation of options for collecting working condition information from product suppliers, identify barriers and opportunities to the effective use of the database in Section 5, identify trends in embodied carbon policy and procurement, and recommend approaches to designing lower embodied carbon state building projects. This report must be completed and submitted by September 1, 2026.

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

II. B - Cash receipts Impact

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

None.

II. C - Expenditures

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

General Assumptions

Section 3—Financial assistance to small businesses for EPDs.

Costs are indeterminate and will depend on the level of funding provided.

Section 5 – Database Development and Supporting Tasks

The department is required to develop and maintain a publicly accessible database for covered projects to submit environmental and labor conditions data, by July 1, 2025. In addition, the department must further elaborate on covered product definitions, develop clear measurement and reporting standards, create model language for specifications and contracts, and to develop an educational brief.

The department assumes development of a publicly available electronic database will require department staff who participate in the development of the system. After implementation, that staff person will provide technical assistance, be responsible for user management, system help desk, and be the subject matter expert working with IT staff for maintenance

and enhancements.

To accomplish this work the department estimates:

0.10 FTE EMS 3 SEEP Director (208 hours) in FY25 to oversee development of the database and coordinate work with consultants, IT and SEEP Office Staff.

0.70 FTE Management Analyst 5 (1400 hours) in FY25 to participate in the development of the database, provide input on user management, establish the system help desk and be the subject matter expert. This position will also elaborate on covered product definitions, develop clear measurement and reporting standards, create model language for specifications and contracts, and to work with communications staff to develop an educational brief. The department estimates 0.50 FTE MA5 (1044 hours) in FY25-FY29 to provide technical assistance to state agencies and consultant teams, support user management, provide expertise, and work with IT on system maintenance and enhancements.

0.10 FTE Communications Consultant 3 (208 hours) in FY25, to support the development of communications materials including the required educational brief, to prepare guidance materials related to reporting standards, to edit materials and ensure that all communications materials meet department standards and guidelines including those related to accessibility.

Database Development

To complete this work the department assumes the development of the database will require information technology staff to provide oversight on the development, project management, annual maintenance.

In addition to work done by the department, the department assumes that a consultant would be hired to develop the database. The consultant will provide a business analyst, applications developer, and project manager. For a 12 month project, the department estimates the cost of this professional services contract at \$540,000 (2,160 hours) in FY25 and \$470,000 (1,880 hours) in FY26. The department assumes a rate of \$250 per hour for the professional services contracts.

The database will also need to establish a connection and interoperability with the EC3 database operated by Building Transparency. To facilitate this, the department estimates annual costs of \$25,000 starting in FY 25.

To accomplish this work the department estimates:

0.20 FTE Information Technology Business Analyst 3 (416 hours) over 12 months in FY25-FY29 to provide project management and technical advice on development of the electronic database.

0.30 FTE Information Technology Application Developer 5 (550 hours) over 12 months in FY25-FY29 to assist with system development, perform data development, align system with state and agency standards, develop system updates to keep system updated to current business needs, and perform annual system maintenance.

0.5 FTE Systems Administrator Journey (ITSA-2) (1,044 hours) over 12 months in FY25-29 to provide systems administration.

Salaries and Benefits

FY25: \$ 279,568

FY26-29: \$ 224,801 per fiscal year

Goods and Services, Equipment and Travel

FY25: \$ 18,341

FY26-29 \$ 14,488 per fiscal year

Professional Service Contracts:

One professional services contract, \$565,000 in FY25 and \$495,000 in FY26 for database development, project management and maintenance costs - The department assumes \$25,000 in annual costs to establish a connection and interoperability with the EC3 database.

FY25: \$ 565,000

FY26: \$ 495,000

FY25-29 \$ 25,000 per fiscal year

Intra-agency Reimbursement

FY25: \$ 91,978

FY26-29 \$ 73,960

Section 6– Technical Work Group and Legislative Reports

The bill requires the department to submit two legislative reports in consultation with the Buy Clean and Buy Fair work group.

The report required by Section 6(5) includes a low carbon materials manufacturing plan and must be submitted by September 1, 2025. The report required by Section 6(6) includes recommendations considering policies to leverage public procurement to expand the use and production of low-carbon materials, to promote high labor standards in manufacturing, and to expand low-carbon materials manufacturing in Washington; for this report the work group must review and summarize data collected pursuant to section 3 of this bill. This report must be completed and submitted by September 1, 2026.

These reports will add to the workload of existing staff to convene the work group, develop the low carbon materials manufacturing plan, review data, develop policy recommendations, and to prepare the reports for submittal to the legislature.

To accomplish this work the department estimates:

Meetings

The technical work group will be convened in December 2024. The department assumes this work group will meet for two hours once a month for a total of 20 meetings starting in FY 25 and continuing through FY 26 and part of FY 27. The department assumes meetings will be virtual but could transition to in-person or hybrid meetings.

0.80 FTE Management Analyst 4 (1600 hours) in FY25-FY27 to convene work group participants, manage meeting logistics, assist with the development of a low carbon materials manufacturing plan and policy recommendations, conduct data analysis and research needed to support working group objectives related to procurement standards, low-carbon construction materials, growth of low-carbon manufacturing, and to analyze and present data collected pursuant to Buy Clean and Buy Fair requirements.

Legislative Report

0.80 FTE Management Analyst 5 (1600 hours) in FY25-FY27 to perform research, data analysis, and to complete and submit the report.

0.40 FTE EMS 2 (416 hours) in FY26-FY27 to provide expert policy level consultation on policy recommendations and report development.

Salaries and Benefits

FY25: \$ 201,868

FY26-FY27: \$ 268,126 per fiscal year

Goods and Services, Equipment and Travel
 FY25: \$ 15,374
 FY26-FY27: \$19,251 per fiscal year

Intra-Agency Reimbursements
 FY24: \$ 66,415
 FY25-FY26: \$ 88,213 per fiscal year

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

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	1,238,544	1,238,544	1,897,678	676,498
Total \$			0	1,238,544	1,238,544	1,897,678	676,498

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

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		3.5	1.8	3.5	1.5
A-Salaries and Wages		360,384	360,384	740,046	339,888
B-Employee Benefits		121,052	121,052	245,808	109,714
C-Professional Service Contracts		565,000	565,000	520,000	50,000
E-Goods and Other Services		33,715	33,715	67,478	28,976
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		158,393	158,393	324,346	147,920
9-					
Total \$	0	1,238,544	1,238,544	1,897,678	676,498

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

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Communications Consultant 3	71,144		0.1	0.1		
EMS Band 2	126,529				0.4	
EMS Band 3	142,511		0.1	0.1		
IT APP Development Manager	136,751		0.3	0.2	0.3	0.3
IT Business Analyst Senior/Specialist	118,149		0.2	0.1	0.2	0.2
IT System Admin - Journey	112,538		0.5	0.3	0.5	0.5
Management Analyst 4	88,794		0.8	0.4	0.8	
Management Analyst 5	98,040		1.5	0.8	1.3	0.5
Total FTEs			3.5	1.8	3.5	1.5

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

None.

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 1282 2E S HB	Title: Public building materials	Agency: 105-Office of Financial Management
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 02/14/2024
Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 02/14/2024
Agency Approval: Jamie Langford	Phone: 360-902-0422	Date: 02/14/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 02/14/2024

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.

There were no changes in this second engrossed substitute version that affected OFM's fiscal impact assumptions from the previous version.

2ESHB 1282:

Section 7 requires the Office of Financial Management to include in its capital budget instructions, beginning with the instructions for the 2025-2027 biennium, information informing awarding authorities of the requirements of the bill, including the data and information requirements.

The Office of Financial Management updates the capital budget instructions every biennium. The requirements of this bill, if it becomes law, would be incorporated into these updates as part of the agency's regular workflow.

II. B - Cash receipts Impact

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

II. C - Expenditures

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 1282 2E S HB	Title: Public building materials	Agency: 179-Department of Enterprise Services
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

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: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 02/14/2024
Agency Preparation: Becky Guyer	Phone: (360) 407-9254	Date: 02/15/2024
Agency Approval: Jessica Goodwin	Phone: (360) 819-3719	Date: 02/15/2024
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 02/16/2024

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 states that beginning July 1, 2025, an awarding authority must require in all newly executed construction contracts that the selected firm for a covered project larger than 100,000 gross square feet submit required data. This section also states that beginning July 1, 2027 an awarding authority must require in all newly executed construction contracts that the selected firm for a covered project submit the data required by Section 3 for each covered product used before substantial completion.

Section 6 creates a buy clean and buy fair technical work group, to include a representative from the Department of Enterprise Services.

Inclusion in the workgroup established in Section 6 of this bill can be performed within current staffing and resources, therefore there is no fiscal impact from this section.

The Department of Enterprise Services (DES), as an awarding authority, must encourage reporting during the first year of implementation, then require it thereafter. The proposed legislation will require an update to contract language for new data requirements established in Section 3. The work associated with updating contract language can be performed within existing resources. DES assumes an indeterminate cost impact to Capital costs related to the proposed legislation as contractors increase their bid prices to account for increased costs for analysis, reporting, and materials on their projects.

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

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

The fiscal impact to Department of Enterprise Services (DES) is indeterminate. DES assumes an indeterminate cost impact to Capital costs related to the proposed legislation as contractors increase their bid prices to account for increased costs for analysis, reporting, and materials on their projects.

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 1282 2E S HB	Title: Public building materials	Agency: 370-Eastern Washington University
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

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: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 02/14/2024
Agency Preparation: Keith Tyler	Phone: 509 359-2480	Date: 02/19/2024
Agency Approval: Tammy Felicijan	Phone: (509) 359-7364	Date: 02/19/2024
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 02/19/2024

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.

Proposed 2ESHB 1282 adds new sections to RCW 43.88.0301, including section 3, which requires that the successful bidder on newly executed construction contracts on buildings over 100,000 gross square feet to meet the listed requirements beginning July 1, 2025. For all buildings the requirements are phased in beginning July 1, 2027. Section 4 – By July 1, 2025 specifications for a bid or proposal for a project contract may only include performance-based specification for concrete used as a structural material.

Changes to the current bill are largely clarifying language and modifications to the definition and purposes of the technical work group and subgroups. These changes do not affect our fiscal impact response.

EWU anticipates an increase in the cost of construction as a result of this bill as contractors and suppliers pass along additional costs associated with analysis, reporting, and materials in compliance with this bill. EWU cannot estimate the potential future costs from contractors and material suppliers, therefore the fiscal impact is indeterminate.

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

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

EWU anticipates an increase in the cost of construction as a result of this bill as contractors and suppliers pass along additional costs associated with analysis, reporting, and materials in compliance with this bill. EWU cannot estimate the potential future costs from contractors and material suppliers, therefore the fiscal impact is indeterminate.

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 1282 2E S HB	Title: Public building materials	Agency: 376-The Evergreen State College
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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: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 02/14/2024
Agency Preparation: Daniel Ralph	Phone: 360-867-6500	Date: 02/15/2024
Agency Approval: Lisa Dawn-Fisher	Phone: 564-233-1577	Date: 02/15/2024
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 02/19/2024

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.

2ES HB relates to environmental and labor reporting for public building materials.

Section 2(7)(a) is revised so that environmental declarations must be supply chain specific when available, rather than “to the extent feasible.”

This revision creates no fiscal impact for Evergreen.

2ES HB 1282 relates to environmental and labor reporting for public building construction and renovation material.

Section 1 (2) is revised to remove the language stating that Washington’s high environmental standards and procurement practices put manufacturers at a competitive disadvantage and replaces it with “procurement practices should encourage manufacturers and others to meet high environmental and labor standards and reduce their environmental footprint.”

Section 1 (11) is revised to remove the language “ensure that small manufacturers are not put at a competitive disadvantage,” and replaces it with “providing financial assistance to small manufacturers to support the production of environmental product declarations” will help offset costs they might incur when pursuing state contracts.

Section 2 (3) (c) is revised to add “metal deck” to the list of structural steel products.

Section 2 (3) (d) (i) is revised to add a number of engineered wood products to the list.

Section 2 (7) (a) revises the definition of “environmental product declaration” to include that, to the extent feasible, the declarations must be supply chain specific.

Section 2 (11) defines “product and facility specific report.”

Section 2 (15) is revised to remove the definition of wood sourcing information.

Section 2 (16) is revised to remove most of the definition of “working conditions.”

Section 3 (1) (ii) (B) removes the requirement that engineered wood suppliers must report wood sourcing information.

Section 6 lays out the membership and of the technical work group and assigned work of the technical work group. (Formerly referred to as the “buy clean and buy fair” work group.)

Evergreen does not currently have any projects in the works that would be affected by this bill, so there is no fiscal impact.

HB 1282 relates to environmental and labor reporting for public building construction and renovation material.

Section 2 provides definitions of “actual production facility,” “awarding authority,” “covered product,” “covered project,” “department,” “employee,” “environmental product declaration,” “supply chain specific,” “health product declaration,” “Scope 2 greenhouse gas emissions,” “supplier code of conduct” and “working conditions.”

Section 3 (1) states that beginning July 1, 2024, an awarding authority must require the submission of the following data from the contractor for a covered project larger than 100,000 gross square feet: Product quantity; a current environmental product declaration; health product declaration, if any; manufacturer name and location; supplier code of conduct, if any, and office of minority and women-owned business enterprises certification.

Section 3 (1) (b) states that beginning July 1, 2026, an awarding authority shall require in all newly executed construction contracts that the selected firm will submit the data listed in 3 (1) (a).

Section 4 states that by July 1, 2024, and to the extent possible, specifications for a bid or proposal may only include performance-based specifications for concrete used as a structural material. Awarding authorities may continue to use prescriptive specifications on structural elements to support special designs and emerging technology implementation.

Evergreen does not have any planned projects meeting the criteria in this bill. We estimate construction costs will increase as this requirement will create a scarcity of resources and, therefore, an increase in cost. But we do not have any projects affected by it at this time.

II. B - Cash receipts Impact

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

II. C - Expenditures

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 1282 2E S HB	Title: Public building materials	Agency: 380-Western Washington University
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

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: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 02/14/2024
Agency Preparation: Gena Mikkelsen	Phone: 3606507412	Date: 02/15/2024
Agency Approval: Anna Hurst	Phone: 360-650-3569	Date: 02/15/2024
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 02/19/2024

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 6 and 7: The state outlines that the bill will add costs to large public works projects over 100,000 gross square feet. We do not anticipate our area being directly impacted; however, we are stating indeterminate as we aren't sure whether certain facilities like the steam plant, tunnels, or renovation projects are included in the scope of this bill. If this bill encompasses those areas, then we do see a significant impact of around \$1 million dollars in capital expenditures.

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

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

WWU assumes this bill will increase the cost of public works contracts by around 1% for projects that qualify. It's not clear if we will have projects within the scope of this bill, but if the Steam Plant Conversion or ES Renovation qualify then the cost would be around \$1 million in capital expenditures.

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 1282 2E S HB	Title: Public building materials	Agency: 465-State Parks and Recreation Commission
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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: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 02/14/2024
Agency Preparation: Van Church	Phone: (360) 902-8542	Date: 02/14/2024
Agency Approval: Van Church	Phone: (360) 902-8542	Date: 02/14/2024
OFM Review: Shelly Willhoite	Phone: (360) 890-2366	Date: 02/14/2024

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.

The proposed legislation concerns labor and environmental reporting for public construction and renovation materials.

Section 2(4)(a) - Construction projects larger than 50,000 gross square feet as defined in the Washington state building code, chapter 51-50 WAC; or in the Washington state building code, chapter 51-50 WAC.

Section 2(4)(b) - Building renovation project where the cost is greater than 50 percent of the assessed value and the project is larger than 50,000 gross square feet of occupied or conditioned space as defined in the Washington state building code, chapter 51-50 WAC.

The proposed legislation has no fiscal impact to State Parks. Parks has no currently funded projects or a proposed project in the agency's 10-year capital plan larger than 50,000 gross square feet

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.

None.

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.

None.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 1282 2E S HB	Title: Public building materials	Agency: 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:

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: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 02/14/2024
Agency Preparation: David Hoeveler	Phone: (360) 970-1638	Date: 02/18/2024
Agency Approval: David Hoeveler	Phone: (360) 970-1638	Date: 02/18/2024
OFM Review: Shelly Willhoite	Phone: (360) 890-2366	Date: 02/19/2024

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.

This bill has no fiscal impact on WDFW. The Department does not have any facilities that exceed 100,000 square feet and does not plan to construct any facilities that exceed that amount of square footage.

Section 3 states that an awarding authority will require firms selected by state agencies to report environmental product declarations, health product declarations, working conditions, and other data for construction or building renovation projects larger than 100,000 gross square feet.

II. B - Cash receipts Impact

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

II. C - Expenditures

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 1282 2E S HB	Title: Public building materials	Agency: 490-Department of Natural Resources
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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: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 02/14/2024
Agency Preparation: Zoe Catron	Phone: 360-902-1121	Date: 02/16/2024
Agency Approval: Brian Considine	Phone: 3604863469	Date: 02/16/2024
OFM Review: Shelly Willhoite	Phone: (360) 890-2366	Date: 02/16/2024

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 requires that newly executed construction contracts of projects larger than 50,000 gross square feet submit additional reporting of environmental and health product declarations for building and renovation materials.

The department of natural resources does not have or plan to have facilities this large. No fiscal impact.

II. B - Cash receipts Impact

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

II. C - Expenditures

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 1282 2E S HB	Title: Public building materials	Agency: 699-Community and Technica College System
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

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: Matthew Shepard-Koningsor	Phone: 360-786-7627	Date: 02/14/2024
Agency Preparation: Brian Myhre	Phone: 360-704-4413	Date: 02/16/2024
Agency Approval: Stephanie Winner	Phone: 360-704-1023	Date: 02/16/2024
OFM Review: Kelsey Rote	Phone: (360) 000-0000	Date: 02/19/2024

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.

The second engrossed substitute differs from the engrossed substitute in several ways, including:

Extends by one year the dates for: The start of required data reporting for covered projects; implementation of additional contractual requirements for awarding authorities; and the convening, reporting, and expiration of the technical work group

These changes would not change the fiscal impact when compared to the prior bill.

This bill seeks to reduce embodied carbon in the built environment by tracking climate and other types of pollution impacts into the procurement process for certain construction materials and projects.

Awarding authorities are directed to ask for information on certain construction materials from the selected bidder for a contract.

Section 2

Includes definitions for:

- “Awarding Authorities” – including the Department of Enterprise Services (DES) and Institutions of Higher Education
- “Covered Product” – including structural concrete products, reinforcing and structural steel products and engineered wood products.
- “Covered Project” – construction projects larger than 50,000 gross square feet and building renovation larger than 50,000 gross square feet and the project costs are greater than 50% of assessed value

Section 3

Beginning July 1, 2025, awarding authorities must require the selected bidder for a new construction contract to submit a current environment product declaration (EPD) and other information for covered projects larger than 100,000 gross square feet, used before substantial completion.

Beginning July 1, 2027, awarding authorities must require the selected bidder for all new construction contracts to submit a current environment product declaration (EPD) and other information for covered products, used before substantial completion.

If a specific supply chain specific environmental product declaration is not available, a product and facility specific report may be submitted.

Section 5

The bill requires the Department of Commerce to continue to develop and maintain a public database of environmental product declarations.

Section 6

By December 1, 2024, the Department of Commerce is directed to convene a technical workgroup and submit a report to the Legislature that includes a low-carbon materials manufacturing plan that recommends policies to preserve and grow in-state manufacturing of low carbon materials and accelerate industrial decarbonization.

Section 7

Beginning with the Capital Budget Instructions for the 2025-27 biennium, the Office of Financial Management must include

information informing awarding authorities of the requirements of 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.

No cash receipts impact.

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 expenditure impact.

ASSUMPTION:

Under the definitions for Section 2, “awarding authorities” include DES and Institutions of Higher Education. For the purposes of this fiscal note, it is assumed that DES is considered to be the “awarding authority” for projects in the community and technical college system (CTC’s).

Section 3

Selected bidders for the type of construction projects listed in the bill would be required to submit certain information to the “awarding authority”. The Department of Enterprise Services (DES), is the “awarding authority” for the type of community college and technical college construction projects specified in the bill and it is expected that any increased staffing cost related to working with bidders and for completing the required reports would be incurred by DES and not the college system.

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

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

Indeterminate capital budget impact.

It is assumed there would be an increase in the cost of construction projects because contractors and suppliers will pass along additional costs associated with analysis, reporting, and materials. There is no way to estimate what future costs from contractors and material suppliers will be incurred in order to comply with the requirements of this bill, therefore the fiscal impact is indeterminate.

NOTE:

Under the definitions for Section 2, “awarding authorities” include the Department of Enterprise Services (DES) and Institutions of Higher Education. For the purposes of this fiscal note, it is assumed that DES is considered to be the “awarding authority” for the type of community and technical college system (CTC’s) projects specified in the bill.

If the responsibility for ensuring the documentation, compliance, and reporting requirements of the bill falls instead to the individual colleges, there would be additional work. It is assumed there would be an additional 1% increase in college project management costs. It is unknown the number of future projects that would be subject to the requirements of the bill and costs would be indeterminate.

Part V: New Rule Making Required

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