

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 6092 E 2S SB	<b>Title:</b> Greenhouse gas disclosures	<b>Agency:</b> 461-Department of Ecology
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## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.1	0.0	0.1	0.0
<b>Account</b>					
General Fund-State      001-1	0	186,602	186,602	561,740	0
<b>Total \$</b>	0	186,602	186,602	561,740	0

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.

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## 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.*

Compared to 2SSB 6092, E2SSB 6092 has the following changes:

Section 2 updates the due date for Ecology to submit a report to the Legislature, to no later than 18 months after the adoption of climate-related disclosure requirements administered by the Securities and Exchange Commission (SEC) including, but not limited to, the final version of the rule contemplated under 87 Fed. Reg. 21,334.

Section 2 (2) (d) (iv) updates the special considerations required to be included with providing recommendations in the report.

These changes result in a change to the fiscal impact for Ecology.

Section 2 would require Ecology to develop policy recommendations to address climate-related disclosure requirements in Washington and submit a report to the Legislature no later than 18 months after the SEC finalized its climate-related disclosure requirements described in the final version of the rule contemplated in 87 Fed. Reg. 21,334.

In developing policy recommendations, Ecology would be directed to research and follow developments in the climate-related disclosure requirements administered by the Securities and Exchange Commission (SEC). The report would need to include recommendations on how Washington law governing climate-related disclosures can align with the climate-related disclosure requirements administered by the SEC, how disclosures are made available to the public, and determinations on whether the requirements are sufficient to track emissions for the purposes of compliance with the cap-and-invest program, the clean fuels program, and the greenhouse gas reporting program.

### II. B - Cash receipts Impact

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

### II. C - Expenditures

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

The expenditure impact to Ecology under this bill is indeterminate for section 2, with a scenario of costs provided.

Section 2 would require Ecology to develop policy recommendations to address climate-related disclosure requirements in Washington and submit a report to the Legislature no later than 18 months after the SEC finalized its climate-related disclosure requirements described in the final version of the rule contemplated in 87 Fed. Reg. 21,334. The legislative report specifically requires Ecology to recommend how Washington reporting requirements may align with proposed SEC climate disclosure requirements and how disclosures can be made available to the public.

The timing of when the SEC rule is final and when the report from Ecology would be due is unknown. Therefore the timing of expenditures is indeterminate. For fiscal note purposes of providing a scenario of costs, Ecology assumes rules would be set by January 1, 2025, therefore costs are provided for a report due by July 1, 2026 (expenditures in FY 2025 and FY 2026).

Ecology assumes we would hire a contractor to analyze the SEC proposed rules for incorporation in the legislative report.

The contractor would draft the legislative report, and conduct stakeholder outreach. Additional work would include providing input on regulatory reporting requirements and how climate related disclosures may or may not align with Ecology’s regulatory reporting requirements. Based on comparable contracts and the compressed timeline for the report Ecology estimates contract costs to be \$175,000 in FY 2025 and \$525,000 in FY 2026.

Ecology estimates 0.06 FTE Environmental Specialist 5 would be required in FY 2025 and 0.19 FTE in FY 2026 to prepare and manage the contract, coordinate stakeholder engagement, and expand Ecology expertise on scope 1, 2 and 3 emissions.

THE TOTAL EXPENDITURE IMPACT to Ecology under this bill is estimated to be:

FY 2025: \$186,602 and 0.1 FTEs

FY 2026: \$561,740 and 0.2 FTEs

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 34.1% of salaries.

Contract costs of \$175,000 are included in FY 2025 and \$525,000 in FY 2026 for section 2.

Goods and Services are the agency average of \$6,048 per direct program FTE.

Travel is the agency average of \$2,205 per direct program FTE.

Equipment is the agency average of \$1,286 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.8% of direct program salaries and benefits, and is shown as object 9. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development - Journey.

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	186,602	186,602	561,740	0
<b>Total \$</b>			0	186,602	186,602	561,740	0

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

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.1	0.0	0.1	
A-Salaries and Wages		6,337	6,337	20,066	
B-Employee Benefits		2,161	2,161	6,843	
C-Professional Service Contracts		175,000	175,000	525,000	
E-Goods and Other Services		363	363	1,149	
G-Travel		132	132	419	
J-Capital Outlays		77	77	244	
9-Agency Administrative Overhead		2,532	2,532	8,019	
<b>Total \$</b>	0	186,602	186,602	561,740	0

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
ENVIRONMENTAL SPEC 5	105,612		0.1	0.0	0.1	
FISCAL ANALYST 2			0.0	0.0	0.0	
IT APP DEV-JOURNEY					0.0	
<b>Total FTEs</b>			0.1	0.0	0.1	0.0

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

NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

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

NONE

**IV. C - Capital Budget Breakout**

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

NONE

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

NONE

**Part V: New Rule Making Required**

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