

Multiple Agency Fiscal Note Summary

Bill Number: 5474 SB	Title: Organic, etc. agriculture
-----------------------------	---

Estimated Cash Receipts

Agency Name	2025-27			2027-29			2029-31		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Department of Agriculture	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
State Conservation Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Agriculture	1.3	445,935	445,935	445,935	.4	136,510	136,510	136,510	.4	136,510	136,510	136,510
Total \$	1.3	445,935	445,935	445,935	0.4	136,510	136,510	136,510	0.4	136,510	136,510	136,510

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
State Conservation Commission	.0	0	0	.0	0	0	.0	0	0
Department of Agriculture	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Prepared by: Matthew Hunter, OFM	Phone: (360) 529-7078	Date Published: Final 2/ 3/2025
---	---------------------------------	---

Individual State Agency Fiscal Note

Bill Number: 5474 SB	Title: Organic, etc. agriculture	Agency: 471-State Conservation Commission
-----------------------------	---	--

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: Elena Becker	Phone: 360-786-7493	Date: 01/24/2025
Agency Preparation: Karla Heinitz	Phone: 360-878-4666	Date: 01/31/2025
Agency Approval: Dani Madrone	Phone: 564-250-2677	Date: 01/31/2025
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 02/02/2025

Part II: Narrative Explanation

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

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

No fiscal impact to SCC. SCC is already a member of the WA Soil Health Initiative, consulting with SCC would be minimal.

The bill directs WSDA to develop an organic agriculture action plan to create opportunities for farmers wishing to transition to organic farming. Section 2(3) directs WSDA to consult with SCC and consider the work and recommendations of the WA Soil Health Initiative when developing the organic action plan.

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: 5474 SB	Title: Organic, etc. agriculture	Agency: 495-Department of Agriculture
-----------------------------	---	--

Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

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

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.4	1.2	1.3	0.4	0.4
Account					
General Fund-State 001-1	240,033	205,902	445,935	136,510	136,510
Total \$	240,033	205,902	445,935	136,510	136,510

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: Elena Becker	Phone: 360-786-7493	Date: 01/24/2025
Agency Preparation: Brenda Book	Phone: 3609703657	Date: 02/03/2025
Agency Approval: Lori Peterson	Phone: 360-974-9767	Date: 02/03/2025
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 02/03/2025

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.

Under current law (Chapter 15.86 Revised Code of Washington (RCW)), Washington State Department of Agriculture (WSDA) provides organic certification services for Washington organic products as a certification agent of U.S. Department of Agriculture (USDA).

The proposed legislation would require WSDA to develop an organic action plan and work with a non-profit organization to support an organic producer grant program, and it would authorize WSDA to reduce certification fees if funding is appropriated for the purpose of offsetting operational costs.

Section 2 would require WSDA to create an organic action plan to help create opportunities for producers, increase resiliency in agricultural methods, and build a robust regional food system. The plan would be submitted to the Legislature by June 1, 2027.

Section 3 would require WSDA to contract with a nonprofit organization to administer a low barrier microgrant program to support the growth of organic, regenerative, and climate-smart agriculture. The section specifies requirements for the organization and criteria for producers and projects eligible for funding.

Section 4 would authorize WSDA to reduce certification fees if funding is appropriated for the purpose of offsetting operational costs.

II. B - Cash receipts Impact

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

Section 4 would have an indeterminate impact on cash receipts. In the event funding were appropriated on an ongoing basis to support a reduction in organic certification fees, WSDA would modify fees in rule (Washington Administrative Code (WAC) 16-157-251 (Certification Fees)) accordingly to structure estimated fee receipts to be reduced by the annual amount of the appropriation. The following fee cycle, fees would be reduced, and cash receipts would be reduced.

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 Washington State Department of Agriculture (WSDA) is estimated to be greater than \$50,000 in fiscal years 2026 and 2027. The proposed legislation would also have indeterminate fiscal impacts for section 4.

Section 2

WSDA would begin work on the action plan July 1, 2025. WSDA assumes efforts from staff with organic agriculture expertise would be required to facilitate and coordinate stakeholder outreach and research, develop the plan, and write the legislative report. Efforts would focus on the development of both the required elements of the plan and the recommendations necessary to support the action plan. WSDA staff would draft the plan and the legislative report, soliciting content, ideas, and review from stakeholders.

Elements of the action plan would require data and expertise not currently accessed and used by the Organic Program at WSDA. For these reasons, staff time includes capacity for researching new data, consulting with internal and external subject matter experts, organizing and implementing meetings to collect public feedback, drafting the report, and preparing it

for submittal to the Legislature. Estimated staff time needed is 0.25 FTE WMS Band 2 Organic Program Manager, 0.50 FTE Environmental Specialist 5 (ES5), and 0.25 FTE Administrative Assistant 4 each year in fiscal years 2026 and 2027.

To ensure full engagement with the public, 4 in-person meetings would be held in locations throughout the state to gather feedback for the development of the action plan, and 4 in person meetings to gather feedback on the proposed draft.

Travel costs are estimated to be \$375 per in-person meeting for lodging, mileage, and per diem for the WMS Band 2 and the ES5 a total of \$3,000 each year in FY 2026 and FY 2027. Meetings would be held in WSDA facilities to save costs.

Participants in public meetings may be eligible for community compensation, which would have an indeterminate cost.

Section 3

0.40 FTE ES5 would be needed in FY 2026 to begin an RFP process to solicit non-profit partners based on the criteria specified in the section, develop the required oversight and reporting requirements and templates, and administer the agreement with the non-profit organization. Based on the assumption new solicitations would be required every other year to provide supplier diversity access for the program 0.20 FTE would be needed in subsequent years to provide administrative oversight of procurement, administer the contract with the non-profit program, and review annual reporting.

The amounts of the grants would be subject to appropriations provided for this purpose and would be up to \$25,000 per grant award. Grant amounts are not entered in the tables, because they would be indeterminate at this time.

WSDA does not have prior experience contracting with non-profits to administer state funded grants and cannot estimate the costs of the non-profit for administering this program. Annual costs for the non-profit organization are assumed to range from \$100,000 to \$300,000 per fiscal year, depending on the scope of the grant program. Because this cost is indeterminate, and it is unclear whether the non-profit organization would expect state reimbursement for administration of the program, the contract costs are not included in this fiscal note. If WSDA were to incur contractual costs for the non-profit organization's administration of the grant program, WSDA would submit a maintenance-level decision package.

This fiscal note assumes only one non-profit administering the grants, and annual reporting from the organization could be provided in a template submitted via e-mail and would not require an IT-based solution or system. For this reason, costs to modify existing reporting systems for the new grant program are not included.

Section 4

In the 2023-25 biennial budget submittal, WSDA included a decision package to create a credit or cost share program for all Washington organic producers and handlers, regardless of certification agency. While this decision package was not funded, the 2024 Supplemental budget provided a General Fund State appropriation to offset WSDA organic certification costs.

For the 2024 Supplemental funding, WSDA is providing a credit on annual certification billings and using the general fund appropriation to offset the agency's administrative costs, up to the amount of the credits that are "used" by organic producers and handlers.

If funds were appropriated on an ongoing basis for the purposes of section 4, WSDA would use the funds to offset costs and lower fees accordingly, rather than apply a one-time credit as is being used with the current 2024 supplemental appropriation. This would require rulemaking to amend WAC 16-157-251 (Certification Fees) to reduce fees.

Rulemaking would require 0.2 FTE Regulatory Analyst 3 (RA3) and 0.2 FTE Management Analyst 5 (MA5) to guide the and advise for the rulemaking process and prepare small business economic impact analysis for the rule. A program subject

matter expert (0.4 FTE) would determine appropriate fee reductions, draft rule language, and respond to public comments in the first year for which funding is appropriated. Estimated costs for 0.8 FTE would be \$138,639. These costs would be incurred in the event of an appropriation being provided for section 4 and are not included in the tables.

Estimated costs for the proposed legislation are as follows, and are assumed to be in the state general fund and not rely on organic certification fee revenue in the Agricultural Local Account.

FY 2026: \$240,033; 1.40 FTE

FY 2027: \$205,902; 1.20 FTE

FY 2028 and ongoing each fiscal year thereafter: \$68,255; 0.40 FTE

Summary of cost assumptions by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are calculated based on current standard statewide benefit rates.

Goods and Services are based on the agency's average cost of \$8,600 per direct program FTE. Goods and Services also include building lease costs, estimated at \$3,800 per FTE per year, professional development costs estimated at \$500 per FTE per year, and personnel services charges, estimated to be 0.347% of salaries.

Travel includes \$3,000 in FY 2026 and FY 2027 for meetings to support development and review of the action plan.

Agency Administrative Overhead is calculated based on a rate of 24.6% of direct program salaries and benefits.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
001-1	General Fund	State	240,033	205,902	445,935	136,510	136,510
Total \$			240,033	205,902	445,935	136,510	136,510

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.4	1.2	1.3	0.4	0.4
A-Salaries and Wages	132,634	113,503	246,137	76,520	76,520
B-Employee Benefits	42,737	36,600	79,337	24,544	24,544
C-Professional Service Contracts					
E-Goods and Other Services	18,521	15,874	34,395	10,584	10,584
G-Travel	3,000	3,000	6,000		
J-Capital Outlays					
N-Grants, Benefits & Client Services					
9-Agency Administrative Overhead	43,141	36,925	80,066	24,862	24,862
Total \$	240,033	205,902	445,935	136,510	136,510

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 2026	FY 2027	2025-27	2027-29	2029-31
ADMINISTRATIVE ASSISTANT 4	62,892	0.3	0.3	0.3		
ENVIRONMENTAL SPECIALIST 5	95,652	0.9	0.7	0.8	0.4	0.4
WMS BAND 3	123,297	0.3	0.3	0.3		
Total FTEs		1.4	1.2	1.3	0.4	0.4

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.

If funds were appropriated on an ongoing basis for the purposes of section 4, WSDA would need to amend WAC 16-157-251 (Certification Fees) to reduce fees.