

Multiple Agency Fiscal Note Summary

Bill Number: 1574 HB	Title: Methane/agriculture
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Estimated Cash Receipts

NONE

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

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Washington State University	.0	2,000	2,000	2,000	.0	2,000	2,000	2,000	.0	2,000	2,000	2,000
State Conservation Commission	2.8	2,042,510	2,042,510	2,042,510	2.8	2,170,422	2,170,422	2,170,422	2.8	2,170,422	2,170,422	2,170,422
Department of Agriculture	.8	300,150	300,150	300,150	1.3	466,500	466,500	466,500	1.3	466,500	466,500	466,500
Total \$	3.6	2,344,660	2,344,660	2,344,660	4.1	2,638,922	2,638,922	2,638,922	4.1	2,638,922	2,638,922	2,638,922

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

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Washington State University	.0	0	0	.0	0	0	.0	0	0
State Conservation Commission	.0	0	24,900,000	.0	0	0	.0	0	0
Department of Agriculture	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	24,900,000	0.0	0	0	0.0	0	0

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

Estimated Capital Budget Breakout

NONE

Agency Name	2023-25		2025-27		2027-29	
	Total		Total		Total	
Grants/Loans	24,900,000		0		0	
Total \$	24,900,000		0		0	

Prepared by: Matthew Hunter, OFM	Phone: (360) 529-7078	Date Published: Revised 1/24/2024
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Individual State Agency Fiscal Note

Bill Number: 1574 HB	Title: Methane/agriculture	Agency: 365-Washington State University
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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
Account					
General Fund-State 001-1	1,000	1,000	2,000	2,000	2,000
Total \$	1,000	1,000	2,000	2,000	2,000

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Robert Hatfield	Phone: 360-786-7117	Date: 01/17/2024
Agency Preparation: Anne-Lise Brooks	Phone: 509-335-8815	Date: 01/22/2024
Agency Approval: Chris Jones	Phone: 509-335-9682	Date: 01/22/2024
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 01/23/2024

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.

HB 1574 relates to supporting Washington agriculture by capturing methane and reducing greenhouse gas emissions as the legislature finds that Washington's crop and livestock farms offer some of the most cost-effective, readily available opportunities to reduce greenhouse gas emissions to help achieve the state's pollution reduction goals.

The intent of the bill is to appropriate funds through the state conservation commission's sustainable farms and fields program that support these practices on crop and livestock farms while supporting research that leads to new, innovative approaches to reduce greenhouse gas emissions, creating renewable energy, and marketable by-products.

Section 3 indicates that Washington State University will be consulted by the commission (WA state conservation commission) in order to develop a farms and field grant 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.

Costs are estimated for travel to meetings for the advisory board.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	1,000	1,000	2,000	2,000	2,000
Total \$			1,000	1,000	2,000	2,000	2,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel	1,000	1,000	2,000	2,000	2,000
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	1,000	1,000	2,000	2,000	2,000

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: 1574 HB	Title: Methane/agriculture	Agency: 471-State Conservation Commission
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.8	2.8	2.8	2.8	2.8
Account					
General Fund-State 001-1	957,299	1,085,211	2,042,510	2,170,422	2,170,422
Total \$	957,299	1,085,211	2,042,510	2,170,422	2,170,422

Estimated Capital Budget Impact:

	2023-25		2025-27		2027-29	
	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Pre-design/Design	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Grants/Loans	0	24,900,000	0	0	0	0
Staff	0	0	0	0	0	0
Other	0	0	0	0	0	0
Total \$	0	24,900,000	0	0	0	0

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: Robert Hatfield	Phone: 360-786-7117	Date: 01/17/2024
Agency Preparation: Karla Heinitz	Phone: 360-878-4666	Date: 01/23/2024
Agency Approval: Sarah Groth	Phone: 360-790-3501	Date: 01/23/2024
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 01/23/2024

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 2. of the bill adds definitions for alternative manure and agricultural waste management, climate-smart agricultural waste management, climate-smart livestock management, and precision agriculture to 89.08.610

Section 3 creates a new subsection in RCW 89.08.615 which directs specific appropriations to be used to fund: 1) cost-share grants for anaerobic digester development; 2) technical and financial assistance for climate-smart livestock management including alternative manure management practices; 3) grants for innovative research and demonstration projects with greenhouse gas reduction benefits; and 4) the creation of an ongoing advisory committee. Up to 5% of these appropriations may be used towards the administration for grant management, advisory committee support, analysis, and reporting.

Creates one position at the Commission and other positions as needed with expertise in livestock nutrient management and carbon markets who will disseminate information and provide support to agricultural producers applying for funding opportunities.

Section 3 also includes clarifications of fundable activities in RCW 89.08.615.

Cost-share grants for applicants licensed to conduct business in the state of WA for anaerobic digester development, which includes digester projects for codigestion of manure with other sources of agricultural or preconsumer organic waste.

II. B - Cash receipts Impact

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

II. C - Expenditures

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

Section 3 of the bill directs the State Conservation Commission (SCC) to provide financial assistance to agricultural producers to implement best management practices that increase carbon sequestration and reduce livestock and soil greenhouse gas emissions. A multistakeholder ongoing advisory committee administered by SCC and the WA Department of Agriculture to administer a grant program for anaerobic digester development that includes co-digestion of manure with other sources of agricultural or pre-consumer organic waste, and technical and financial assistance for climate-smart livestock management practices, including alternative manure and agricultural waste management. It creates at least one position at SCC and other positions as needed with expertise in livestock nutrient management and carbon markets to disseminate information and provide support to ag producers applying for funding opportunities.

To administer the new grant program to the Sustainable Farms and Fields (SFF) program at the Commission, the Commission anticipates the following:

Natural Resource Scientist 3 (.3 FTE) to oversee the advisory committee, grants, and contracts, and manage other areas of the program (on staff now).

New FTEs needed.

Administrative Assistant (.5 FTE), who would help set up and assist with the advisory meetings and provide assistance to the program manager.

Contracts Specialist (1 FTE) to create procurement documents, set up and manage contracts, and reimbursement payments. and manage the budget.

Program Specialist (1 FTE) to set up grants, process and manage reimbursements, and manage the budget.

Goods and Services for FY 24 are for new 2 new full FTEs computer and startup costs, and ongoing supplies and central services for other FTEs.

Goods and Services for FY 25 are for each employee for supplies and central services.

Funding for these positions has been provided for 23-25 BN under Sec. 307 of SB 5187, so the programmatic costs for this activity are not shown in this analysis until FY 26.

SCC anticipates \$600,000 would be needed to provide cost-share funding to agricultural producers. SCC would work with local conservation districts who would provide technical assistance to agricultural producers on these projects. Conservation District staff would meet with landowners and discuss site-specific options to increase carbon sequestration in soil organic matter levels and standing vegetation and reduce livestock and soil greenhouse gas emissions. Conservation District would provide guidance and cost-share options to implement alternative manure and agricultural waste management, climate-smart agricultural waste management, and climate-smart livestock management practices to store manure and agricultural waste to reduce greenhouse gas emissions. (\$225,000 for CD technical assistance).

Local agricultural/landowner stipend (\$20,000) to attend a few advisory committee meetings to provide input and community perspective (engagement).

NOTE:
 SCC received a budget proviso of \$30 million in the 23-25 Operating budget Section 307(9) of SB 5187 for On-Farm GHG Reduction Grants in Operating funding. It has taken time to implement standing-up a new grants program and the long-term investment for the types of projects it will fund.

SCC plans to implement \$3 million in Technical and Financial Assistance for Alternative Manure Management. In Section 307 of SB 5187 \$6 million was awarded, \$3.1 million is currently operating and \$2.9 million is shown for future capital.

SCC will use \$100,000 of the funding in FY 24 to support any pre-project work and technical assistance that the districts or others may need to help determine project eligibility.

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	957,299	1,085,211	2,042,510	2,170,422	2,170,422
Total \$			957,299	1,085,211	2,042,510	2,170,422	2,170,422

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.8	2.8	2.8	2.8	2.8
A-Salaries and Wages	7,812	178,230	186,042	356,460	356,460
B-Employee Benefits	2,737	62,381	65,118	124,762	124,762
C-Professional Service Contracts					
E-Goods and Other Services	1,750	19,600	21,350	39,200	39,200
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	945,000	825,000	1,770,000	1,650,000	1,650,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	957,299	1,085,211	2,042,510	2,170,422	2,170,422

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Assistant 3 Range 40 Step G	46,596	0.5	0.5	0.5	0.5	0.5
Contracts Specialist 2	65,748	1.0	1.0	1.0	1.0	1.0
Natural Resource Scientist 3, Range 60 Step H	78,120	0.3	0.3	0.3	0.3	0.3
Program Specialist 3, Range 53, Step H	65,748	1.0	1.0	1.0	1.0	1.0
Total FTEs		2.8	2.8	2.8	2.8	2.8

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
26A-1	Carbon Emissions Reduction Account	State	0	24,900,000	24,900,000	0	0
Total \$			0	24,900,000	24,900,000	0	0

IV. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays		24,900,000	24,900,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	24,900,000	24,900,000	0	0

IV. C - Capital Budget Breakout

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

Construction Estimate	FY 2024	FY 2025	2023-25	2025-27	2027-29
Pre-design/Design					
Construction					
Grants/Loans		24,900,000	24,900,000		
Staff					
Other					
Total \$		24,900,000	24,900,000		

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

NONE

In SCC's 23-25 Operating Budget a \$30 million proviso was listed in the climate commitment account-state appropriation for Sustainable Farms and Fields program. According to the proviso language (listed below), the funding was divided to accomplish \$22 million toward cost share for anaerobic digester development to dairy farm owners. Getting an advisory committee set up, meetings and discussions has taken several months. SCC will be requesting applications this spring. Construction of any digesters would not start until FY25.

SCC plans to implement \$3 million in Technical and Financial Assistance for Alternative Manure Management. The scope of this is \$6 million, \$3.1 million is currently operating and \$2.9 million is shown for future capital. SCC is holding back \$100,000 in Operating, to support any pre-project work and technical assistance districts or others may need to help determine project eligibility

SCC Proviso language Section 307 (9) of SB 5187

\$30,000,000 of the climate commitment account-state appropriation is provided solely for grants through the sustainable farms and fields program for organic agricultural waste and greenhouse gas emissions reduction through climate-smart livestock management. Of the amounts provided in this subsection:

(a) (i) The commission may grant up to \$22,000,000 toward cost-share agreements for anaerobic digester development to dairy farm owners. Grants awarded for anaerobic digester development must have at least a 50 percent nonstate match and be awarded through a competitive process that considers:

(A) The amount of greenhouse gas reduction that will be achieved by the proposal; and

(B) The amount of untreated effluent that will be decreased.

(ii) Recipients of grants under (a) (i) of this subsection must provide a report to the commission within one year of receipt of the grant, detailing the success of the project in meeting the stated criteria for the competitive process.

(b) The commission may grant up to \$6,000,000 for technical and financial assistance to increase the implementation of climate-smart livestock management, alternative manure management, and other best management practices to reduce greenhouse gas emissions and increase carbon sequestration.

(c) The commission may grant up to \$2,000,000 for research on, or demonstration of, projects with greenhouse gas reduction benefits.

(d) When funding for specific technologies, including anaerobic digesters, the commission must enter into appropriate agreements to support the state's interest in advancing innovative solutions to decarbonize while ensuring compliance with Article VIII, section 5 and Article XII, section 9 of the state Constitution.

(e) The commission must submit a report summarizing the grants awarded and the likely annual greenhouse gas emission reductions achieved as a result to the appropriate committees of the legislature by December 1, 2024.

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: 1574 HB	Title: Methane/agriculture	Agency: 495-Department of Agriculture
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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	0.4	1.3	0.8	1.3	1.3
Account					
General Fund-State 001-1	66,900	233,250	300,150	466,500	466,500
Total \$	66,900	233,250	300,150	466,500	466,500

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: Robert Hatfield	Phone: 360-786-7117	Date: 01/17/2024
Agency Preparation: Kyrre Flege	Phone: (360) 746-1249	Date: 01/24/2024
Agency Approval: Lori Peterson	Phone: 360-974-9767	Date: 01/24/2024
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 01/24/2024

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.

Under current law (Chapter 90.64 Revised Code of Washington (RCW)), Washington State Department of Agriculture (WSDA) administers a Dairy Nutrient Management program to work with agricultural producers to protect public health and natural resources and provides consultation to the State Conservation Commission (SCC) to support implementation of the Sustainable Farms and Fields (SFF) Grant Program in RCW 89.08.615. The proposed legislation would amend the Grant Program statute.

Section 3 (7) (a) (iv) would dedicate funds appropriated through the SFF program for creation of an ongoing multi-stakeholder advisory committee administered by the SCC and WSDA. The committee would inform the agricultural community of opportunities to participate in carbon emissions reduction programs, guide grant awards under section 3 (7), and inform researchers and policy makers of implementation challenges.

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 Washington State Department of Agriculture (WSDA) is estimated to be greater than \$50,000 in fiscal year (FY) 2024 and ongoing each fiscal year thereafter.

During the 2023 Legislative Session, the State Conservation Commission (SCC) received a budget appropriation for on-farm greenhouse gas reduction grants and has been coordinating with Washington State Department of Agriculture (WSDA). WSDA assumes current staff engaged in partnership with the Conservation Commission would continue to provide coordination and technical expertise.

Based on an assumed implementation start date of April 1, 2024, WSDA estimates the following positions:

0.15 FTE Environmental Planner 5 (EP5) in FY 2024 for initial planning and coordination across multiple WSDA programs to develop recommendations. In FY 2025 and ongoing, 0.25 FTE EP5 would co-chair the advisory committee with SCC and serve as WSDA's agency-wide representative.

1.0 FTE Environmental Planner 4 (EP4) with expertise in dairy nutrient management and agricultural greenhouse gas emissions would be needed at the start of bill implementation and ongoing each fiscal year thereafter:

- 0.25 FTE to participate in the advisory committee as a subject matter expert, and participate in the joint development of outreach products, requests for proposals, evaluation criteria, and other development tasks. The workload estimate is informed by prior coordination with SCC and an assumption of up to 4 meetings per year with more regular sub-committee technical working group meetings as the program develops.
- 0.25 FTE to support production of analytical tools, measurement estimation and verification methods, cost-benefit analyses, and public reporting methods. The FTE would provide technical support as a member of the Sustainable Farms and Fields (SFF) team to develop greenhouse gas modeling and carbon equivalency metric measurement, tracking, and developing reporting tools in alignment with the state's adoption of the Compliance Livestock Offset Protocols, and modeling of voluntary greenhouse gas reduction practices including advanced solids separation, enteric fermentation, and the Climate Action Reserve's U.S. Nitrogen Management protocol, and additional relevant agricultural greenhouse gas

reduction protocols as they become available.

- 0.50 FTE for on-farm consultation and fieldwork with the agricultural community throughout the policy development and grant project development. The FTE would provide technical assistance and education to farmers, ranchers, and other animal agriculture producers to help bring projects online and help producers reduce their carbon footprint. Technical assistance would include helping farmers estimate financial costs and revenues associated with projects.

WSDA would need 0.25 FTE EP4 in FY 2024, and 1.0 FTE EP4 in FY 2025 and ongoing. The position would require extensive statewide travel for farm visits, in-person meetings, and attendance at industry conferences. Estimated travel costs are \$8,156 annually for lodging and per diem, and \$9,000 annually for lease of a heavy-duty motor pool vehicle. Total travel costs would be \$4,439 in FY 2024, and \$17,756 in FY 2025 and ongoing each fiscal year thereafter.

Costs are estimated in the state general fund, which is WSDA’s primary fund source for dairy nutrient management activities. Total estimated costs for the proposed legislation are as follows:

FY 2024: \$66,900 and 0.40 FTE

FY 2025 and ongoing each fiscal year thereafter: \$233,250 and 1.25 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 the agency average 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 \$4,439 in FY 2025, and \$17,760 in FY 2026 and ongoing each fiscal year thereafter for statewide farm visits, in-person meetings, and industry conferences.

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 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	66,900	233,250	300,150	466,500	466,500
Total \$			66,900	233,250	300,150	466,500	466,500

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.4	1.3	0.8	1.3	1.3
A-Salaries and Wages	38,600	122,060	160,660	244,120	244,120
B-Employee Benefits	7,280	37,600	44,880	75,200	75,200
C-Professional Service Contracts					
E-Goods and Other Services	5,290	16,550	21,840	33,100	33,100
G-Travel	4,440	17,760	22,200	35,520	35,520
J-Capital Outlays					
N-Grants, Benefits & Client Services					
9-Agency Administrative Overhead	11,290	39,280	50,570	78,560	78,560
Total \$	66,900	233,250	300,150	466,500	466,500

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
ENVIRONMENTAL PLANNER 5	102,540	0.4	1.3	0.8	1.3	1.3
Total FTEs		0.4	1.3	0.8	1.3	1.3

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1574 HB

Title: Methane/agriculture

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

Legislation Impacts:

- Cities: All cities
- Counties: All counties
- Special Districts: Conservation districts and other special purpose districts
- Specific jurisdictions only:
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option: Conservation districts may choose to apply for grant funding under the provisions of this bill.
- Key variables cannot be estimated with certainty at this time: How many conservation districts would apply for grant funding under the provisions of this bill, and how much grant applications would increase conservation district expenditures.

Estimated revenue impacts to:

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

Estimated expenditure impacts to:

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

Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 01/24/2024
Leg. Committee Contact: Robert Hatfield	Phone: 360-786-7117	Date: 01/17/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/24/2024
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 01/24/2024

Part IV: Analysis

A. SUMMARY OF BILL

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

This bill would appropriate funds through the state conservation commission's sustainable farms and fields program to support research that leads to innovative approaches to reduce greenhouse gas emissions, and enable conservation districts to apply for grant funding to operate an equipment sharing program.

Section 2 adds definitions related to agricultural waste management.

Section 3: When funds are appropriated through the sustainable farms and fields program for the specific purpose of improving encouraging climate-smart agricultural waste management and reducing greenhouse gas emissions through climate-smart livestock management in Washington, the funds must be used to provide the following:

--Cost-share grants for applicants licensed to conduct business in the state of Washington for anaerobic digester development

--Technical and financial assistance for climate-smart livestock management practices

--Grants to public and private research institutions for innovative research and demonstration of projects with greenhouse gas reduction benefits

--Creation of an ongoing, multi-stakeholder advisory committee administered by the commission and the state department of agriculture. Advisory committee representation must include the Washington state departments of Ecology and Commerce, Washington State University, the United States Department of Agriculture natural resources conservation service, Washington association of conservation districts, and representatives of agricultural producers and agricultural trade associations.

--No more than 5% of funding under this subsection may be used for administration for grant management, advisory committee support, analysis, and reporting.

--Conservation districts and other public entities, separately or jointly, may apply for grant funds from the Washington State Conservation Commission's (WSCC) sustainable farms and fields program to operate an equipment sharing program.

This act would take effect 90 days after the adjournment of the session in which it is passed.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

This bill would have indeterminate expenditure impacts on local governments. This bill provides a local option for conservation districts and other public entities to apply for grant funding to operate an equipment sharing program under the WSCC's sustainable farms and fields program.

Conservation districts and other public entities may incur de minimis costs associated with applying for grant funding. These tasks may already fall under the purview of current staff and thus may not incur significant expenditure impacts. However, it is unknown how many conservation districts across the state would apply for grant funding, or apply jointly with other entities, so expenditure impacts to local governments would be indeterminate. The bill only names conservation districts specifically, but under the current sustainable farms and fields program operated by WSCC, counties, cities, towns, other municipalities and special purpose districts are eligible to apply for grants.

Although the bill authorizes the creation of an advisory committee, local conservation districts are not listed as potential committee members. Only the Washington Association of Conservation Districts is listed as a committee representative.

C. SUMMARY OF REVENUE IMPACTS

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

This bill would have indeterminate local government revenue.

The number of cities, counties, and conservation districts that may receive grant funding through this act as well as the amount of funding that may be appropriated by the legislature for the specific purposes of this act are not currently known.

SOURCES

Department of Ecology

Local Government Fiscal Note, FN SB 5551 (2023)

Municipal Research Services Center

Washington Association of Conservation Districts

Washington State Conservation Commission