

Multiple Agency Fiscal Note Summary

Bill Number: 1735 S HB	Title: GMA/net ecological gain
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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	Fiscal note not available					
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
Office of the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Commerce	3.6	7,242,563	7,242,563	7,242,563	3.6	1,042,976	1,042,976	1,042,976	3.6	1,050,176	1,050,176	1,050,176
Office of Financial Management	Fiscal note not available											
Department of Transportation	Fiscal note not available											
Department of Ecology	1.0	315,787	315,787	315,787	.2	72,178	72,178	72,178	.2	72,178	72,178	72,178
Environmental and Land Use Hearings Office	.0	0	0	0	.0	0	0	0	.0	0	0	0
State Conservation Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Fish and Wildlife	10.0	4,247,000	4,247,000	4,247,000	14.5	4,958,000	4,958,000	4,958,000	14.5	4,958,000	4,958,000	4,958,000
Puget Sound Partnership	Fiscal note not available											
Department of Natural Resources	.4	93,400	93,400	93,400	.4	93,400	93,400	93,400	.4	93,400	93,400	93,400
Department of Agriculture	Fiscal note not available											
Total \$	15.0	11,898,750	11,898,750	11,898,750	18.7	6,166,554	6,166,554	6,166,554	18.7	6,173,754	6,173,754	6,173,754

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	Fiscal note not available								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Office of Financial Management	Fiscal note not available								
Department of Transportation	Fiscal note not available								
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
Environmental and Land Use Hearings Office	.0	0	0	.0	0	0	.0	0	0
State Conservation Commission	.0	0	0	.0	0	0	.0	0	0
Department of Fish and Wildlife	.0	0	0	.0	0	0	.0	0	0
Puget Sound Partnership	Fiscal note not available								
Department of Natural Resources	.0	0	0	.0	0	0	.0	0	0
Department of Agriculture	Fiscal note not available								
Total \$	0.0	0	0	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	Fiscal note not available								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Matthew Hunter, OFM	Phone: (360) 529-7078	Date Published: Preliminary 2/16/2023
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Individual State Agency Fiscal Note

Bill Number: 1735 S HB	Title: GMA/net ecological gain	Agency: 075-Office of the Governor
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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: Robert Hatfield	Phone: 360-786-7117	Date: 02/14/2023
Agency Preparation: Tracy Sayre	Phone: 360-890-5279	Date: 02/15/2023
Agency Approval: Kathy Cody	Phone: (360) 480-7237	Date: 02/15/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/15/2023

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 substitute bill does not change the fiscal impacts as previously submitted:

Sec 5. A Joint Oversight Body on Net Ecological Gain is established for the purpose of identifying criteria for, and a system for implementing, net ecological gain on public projects. The oversight body must include the Governor's Senior Policy Advisor on Natural Resources. The Senior Policy Advisor on Natural Resources will also be a co-chair of the oversight body.

Sec 7. Requires the Governor to require the Department of Fish and Wildlife to submit a budget request equal to 10% of any revenues to the general fund accruing in amounts exceeding 2022 revenues, and at least 10% of any budget surpluses identified by the State Economic and Revenue Forecast Council, to be committed to fulfilling the responsibilities required by the Net Ecological Gain rules adopted by WDFW (Sections 4), the Joint Oversight Body on Net Ecological gain (Section 5), and the review of existing conservation programs (Section 8).

Department of Fish and Wildlife assumes monthly in-person/virtual meetings of three hours in duration starting in FY 2024 and ongoing (with corresponding preparation time between meetings) concurrent with rulemaking and monitoring. Cochairing this committee is something the Office of the Governor would do as part of existing duties.

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: 1735 S HB	Title: GMA/net ecological gain	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	3.6	3.6	3.6	3.6	3.6
Account					
General Fund-State 001-1	3,621,075	3,621,488	7,242,563	1,042,976	1,050,176
Total \$	3,621,075	3,621,488	7,242,563	1,042,976	1,050,176

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: 02/14/2023
Agency Preparation: Buck Lucas	Phone: 360-725-3180	Date: 02/15/2023
Agency Approval: Jason Davidson	Phone: 360-725-5080	Date: 02/15/2023
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 02/16/2023

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 SHB 1735 and HB 1735:

No amendments in SHB 1735 will change the department's assumptions about the fiscal impacts of this bill.

Section 4 changes the oversight body established in the original bill to a working group that remains responsible for preparing recommendations to the department of fish and wildlife (WDFW) for net ecological gain (NEG) standards and criteria.

Section 5 of the original bill named the Department of Commerce (department) as a required participant in the oversight body, but Section 4 of the substitute bill provides only that the working group must include representatives from other state agencies, amongst others.

Summary of the substitute bill:

Section 2 amends RCW 36.70A.080 amending the Growth Management Act (GMA), to add net ecological gain (NEG) to the list of optional comprehensive plan elements.

Section 3 amends RCW 3670A.030 adding NEG to the definition section of the GMA.

Section 4 adds a new section to RCW 36.70A requiring the WDFW to adopt rules that establish criteria for NEG that counties and cities must meet if they choose to adopt the voluntary NEG element in their comprehensive plans and to monitor progress towards NEG and salmon recovery goals. These rules must be informed by recommendations from a working group with participation by state agencies, amongst others, and facilitated by an independent facilitator contracted by WDFW. The working group must advise WDFW on approaches that lead to measurable attributes on NEG and address criteria for, and a system for implementing, NEG on public projects.

Section 5 adds a new section to RCW 36.70A creating a planning grant program in the GMA for the department to award up to \$100,000, subject to state funding, to cities and counties that choose to incorporate the optional NEG element into their comprehensive plans to assist with its implementation consistent with the rules adopted by WDFW. Awards over \$100,000 may be granted to jurisdictions that demonstrate extraordinary potential to increase NEG.

Section 6 adds a new section to RCW 77.04 requiring WDFW, in collaboration with the working group, to compile examples of NEG through existing pollution reduction and habitat protection and recovery programs and summarize the results in a report to the legislature due no later than June 30, 2024.

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.

Assumptions:

- The department assumes that it will participate in the working group and that the fiscal impact associated with a Commerce Specialist 5 preparing for, attending, and conducting follow up tasks associated with membership will not change from the original bill's fiscal note.
- Based on WDFW assumptions and for the purposes of this fiscal note, the department assumes full participation by eligible jurisdictions. Therefore, the department assumes that all 246 eligible jurisdictions planning under the GMA will incorporate the optional NEG element into their comprehensive plans either at or before their periodic update deadline or the 5-year implementation progress report, if applicable.
- The level of funding that would be requested or appropriated is unknown. For illustrative purposes, the department assumes that 25% of participating jurisdictions would apply for the full planning grant, or 62 of the 246 jurisdictions, during the first biennium. Before development of criteria to exceed the maximum \$100,000 level, the award of 62 grants at the maximum amount would require an appropriation of \$6.2 million over FY24-FY25.
- The department assumes development of the grant criteria in consultation with WDFW will ensure appropriate grant ranges and careful consideration for grants that exceed \$100,000.
- Because section 4 requires WDFW to adopt rules establishing criteria and implementing regulations for the NEG element, the department assumes it will engage in minimal rulemaking that can be absorbed into existing rulemaking update workloads. Specifically, WAC 365-196-445 will only need to be amended to include NEG as an optional comprehensive plan element, potentially with a citation to WDFW's applicable rules.
- The department assumes it will provide technical assistance to participating local jurisdictions about the NEG element and in coordination with WDFW guidance and outcomes monitoring.

1.0 FTE Commerce Specialist 3 (2,088 hours) in FY24-FY29, to provide technical assistance to participating jurisdictions and collaborate with WDFW in assisting local governments to establish and implement their NEG elements.

2.0 FTE Commerce Specialist 3 (4,176 hours) in FY24-FY29, to work with WDFW to establish planning grant criteria, create a grant intake process, conduct outreach to and consultation with local governments, develop a reporting system, and provide general grant contract management and program operation.

0.05 FTE Commerce Specialist 5 (105 hours) in FY24-FY29, to prepare for, attend, and conduct follow up tasks associated with membership on the joint oversight body.

Salaries and Benefits:

FY24: \$339,498

FY25-FY29: \$351,081 each fiscal year

Goods and Services:

FY24: \$54,882

FY25-FY29: \$54,901 each fiscal year

Equipment:

The department assumes standard workstations in FY24 and replacement tablet in FY28.

FY24: \$15,000

FY28: \$7,200

Grants, Benefits, Client Services:

The department assumes that 25% of participating jurisdictions would apply for the full planning grant, or 62 of the 246 jurisdictions, during the first biennium. Before development of criteria to exceed the maximum \$100,000 level, the award of 62 grants at the maximum amount would require an appropriation of \$6.2 million (\$100,000 x 62) over FY24-FY25.

FY24-FY25: \$3,100,000 each fiscal year

Intra-agency Reimbursements:

FY24: \$111,695

FY25-FY29: \$115,506 each 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. Intra-agency administration costs (e.g., payroll, HR, IT) are funded under a federally approved cost allocation plan.

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Total Costs:

FY24: \$3,621,075

FY25: \$3,621,488

FY26-FY27: \$521,488 each fiscal year

FY28: \$528,688

FY29: \$521,488

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	3,621,075	3,621,488	7,242,563	1,042,976	1,050,176
Total \$			3,621,075	3,621,488	7,242,563	1,042,976	1,050,176

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	3.6	3.6	3.6	3.6	3.6
A-Salaries and Wages	250,927	258,455	509,382	516,910	516,910
B-Employee Benefits	88,571	92,626	181,197	185,252	185,252
C-Professional Service Contracts					
E-Goods and Other Services	54,882	54,901	109,783	109,802	109,802
G-Travel					
J-Capital Outlays	15,000		15,000		7,200
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	3,100,000	3,100,000	6,200,000		
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	111,695	115,506	227,201	231,012	231,012
9-					
Total \$	3,621,075	3,621,488	7,242,563	1,042,976	1,050,176

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 Services - Indirect	111,168	0.5	0.5	0.5	0.5	0.5
Commerce Specialist 3	82,056	3.0	3.0	3.0	3.0	3.0
Commerce Specialist 5	95,185	0.1	0.1	0.1	0.1	0.1
Total FTEs		3.6	3.6	3.6	3.6	3.6

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.

The department will need to amend WAC 365-196-445 to add "Net Ecological Gain" as an optional comprehensive plan element. However, this minimal rulemaking can be absorbed into existing rulemaking workloads.

Individual State Agency Fiscal Note

Bill Number: 1735 S HB	Title: GMA/net ecological gain	Agency: 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	1.3	0.8	1.0	0.2	0.2
Account					
General Fund-State 001-1	198,495	117,292	315,787	72,178	72,178
Total \$	198,495	117,292	315,787	72,178	72,178

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: 02/14/2023
Agency Preparation: Jessica Moore	Phone: 360-529-7583	Date: 02/15/2023
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 02/15/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/16/2023

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 changes between HB 1735 and SHB 1735 are as follows:

- Section 4 changes the oversight body to a working group. Consultation requirements for the Department of Fish and Wildlife (WDFW) are adjusted to include all federally recognized Indian tribes and remove the requirement to consult with governments planning under the GMA. WDFW would be required to establish a working group facilitated by a contractor. The working group would need to include representatives from other state agencies, counties, cities, salmon recovery organizations, environmental organizations, and Indian tribes that opt into participation. The workgroup would be required to advise WDFW on all aspects of data, monitoring, and reporting. Special purpose districts would no longer have to follow Net Ecological Gain (NEG) rules unless they choose to.
- Section 5 removes the requirements to establish a joint oversight body, which is now established as a working group under section 4.
- Section 6 becomes section 5.
- Section 7 is removed.
- Section 8 becomes section 6. Joint oversight body is replaced with working group.

These changes do not result in a change in the fiscal impact for Ecology. The fiscal impact to Ecology has changed from the previous version based on WDFW lead agency assumptions that Ecology would also participate in the ongoing and collaborative process required under section 4 to identify gaps and targets related to salmon habitat and funding through ongoing meetings.

Under current law, Ecology works in partnership with local governments to implement chapter 90.58 RCW (Shoreline Management Act) to promote public access, encourage water-dependent uses, protect shoreline resources, and develop, adopt, and administer shoreline master programs. Department of Commerce (Commerce) is the lead agency for rule-making and technical assistance to local governments under the Growth Management Act (GMA), chapter 36.70A RCW. Both the GMA and the Shoreline Management Act (SMA) rules require individual projects to achieve No Net Loss.

Section 2 of this bill would amend the GMA to add Net Ecological Gain (NEG) as an optional element that local governments may include in their comprehensive plan. Section 3 provides the definition for net ecological gain under the GMA.

Section 4 would add a new section to chapter 36.70A RCW (GMA), that would require the Department of Fish and Wildlife (WDFW) to establish a working group. WDFW would be required to adopt rules to establish criteria for NEG. WDFW would be required to establish a working group facilitated by a contractor. The working group would need to include representatives from other state agencies, counties, cities, salmon recovery organizations, environmental organizations, and Indian tribes that opt into participation. The working group would be required to advise WDFW on approaches that lead to measurable attributes of NEG, including developing a system for implementing NEG on public projects, track progress towards achieving goals of regional salmon recovery plans, and progress at achieving net ecological gain among counties and cities that adopt a voluntary NEG element. WDFW would also be required to monitor every GMA jurisdiction's progress toward achieving no net loss of ecological function, obtain monitoring data from local governments, state agencies, federal agencies, and Indian tribes, identify any monitoring gaps, and make recommendations to fill monitoring gaps. WDFW would prepare monitoring reports by October 15th of every even-numbered year, beginning in 2024.

Section 6 would add a new section to chapter 77.04 RCW (WDFW) that would require WDFW to compile examples of net gain through existing pollution reduction and habitat recovery programs in collaboration with the working group and submit a report to the legislature by June 30, 2024. Programs within Ecology include stormwater and Model Toxics Control Act grants.

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 estimated to be greater than \$50,000 in Fiscal Year (FY) 2024 and FY 2025, and less than \$50,000 in FY 2026 and ongoing, to implement the requirements of sections 4 and 6.

Section 4: Establishing NEG Criteria and Environmental Baseline

Section 4 would require WDFW to establish a working group to advise WDFW on approaches that lead to measurable attributes of NEG and to perform ongoing monitoring and reporting related to salmon habitat. Based on WDFW assumptions, Ecology assumes that we would be included as a member of the working group. Based on WDFW assumptions, Ecology assumes that establishing NEG criteria and an environmental baseline would be accomplished with the working group through their monthly meetings in FY 2024 and FY 2025. Ecology further assumes that agency input would be required outside of the working group meetings. Based on WDFW assumptions, Ecology assumes that the NEG metrics are currently unknown, but that many of the metrics are already being collected (in some form) by WDFW and other agencies. Ecology estimates that providing technical assistance to WDFW in their effort to compile and interpret the metrics available at Ecology would require 0.45 FTE of an Environmental Planner 5 in FY 2024 and FY 2025. If additional metrics need to be gathered to implement this bill, WDFW and other agencies would request capacity for those in the 2024 supplemental or later budgets.

Based on lead agency assumptions, Ecology assumes that the effort to advise WDFW on approaches that lead to measurable attributes on NEG and other rule elements and the ongoing and collaborative process to identify gaps and targets related to salmon would be accomplished with two separate monthly meetings. Ecology would be required to participate in the working group to accomplish these tasks. Based on WDFW assumptions, Ecology assumes that there would be two monthly meetings, starting in FY 2024, on an ongoing basis. Ecology estimates that 0.20 FTE of an Environmental Planner 5 would be required in FY 2024 and ongoing to attend monthly meetings.

Section 6: Study of current pollution reduction and habitat restoration programs

Based on WDFW assumptions, Ecology assumes that an environmental consultant contract established by WDFW would be required to collaborate with the working group and that additional staff time to provide technical assistance outside of working group meetings would be necessary. The study, due by June 30, 2024, would compile examples of NEG through existing pollution reduction and restoration programs that would include Ecology's stormwater and Model Toxics Control Act grants. Ecology estimates this would require 0.45 FTE of an Environmental Planner 5 in FY 2024.

SUMMARY: The expenditure impact to Ecology under this bill is:

Section 4: Establishing NEG Criteria and Environmental Baseline

FY 2024: \$81,203 and 0.52 FTEs.

FY 2025: \$81,203 and 0.52 FTEs.

Section 4: Working Group

FY 2024 and ongoing: \$36,089 and 0.23 FTEs.

Section 6: Study of Current Pollution Reduction and Habitat Restoration Programs

FY 2024: \$81,203 and 0.52 FTEs.

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

FY 2024: \$198,495 and 1.27 FTEs.

FY 2025: \$117,292 and 0.75 FTEs.

FY 2026 and ongoing: \$36,089 and 0.23 FTEs.

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 36% of salaries.

Goods and Services are the agency average of \$5,224 per direct program FTE.

Travel is the agency average of \$1,563 per direct program FTE.

Equipment is the agency average of \$1,031 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 28.75% 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	198,495	117,292	315,787	72,178	72,178
Total \$			198,495	117,292	315,787	72,178	72,178

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.3	0.8	1.0	0.2	0.2
A-Salaries and Wages	108,450	64,084	172,534	39,436	39,436
B-Employee Benefits	39,042	23,070	62,112	14,196	14,196
E-Goods and Other Services	5,747	3,396	9,143	2,090	2,090
G-Travel	1,719	1,016	2,735	626	626
J-Capital Outlays	1,134	670	1,804	412	412
9-Agency Administrative Overhead	42,403	25,056	67,459	15,418	15,418
Total \$	198,495	117,292	315,787	72,178	72,178

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	98,592	1.1	0.7	0.9	0.2	0.2
FISCAL ANALYST 2		0.1	0.1	0.1	0.0	0.0
IT APP DEV-JOURNEY		0.1	0.0	0.1	0.0	0.0
Total FTEs		1.3	0.8	1.0	0.2	0.2

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: 1735 S HB	Title: GMA/net ecological gain	Agency: 468-Environmental and Land Use Hearings Office
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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: Robert Hatfield	Phone: 360-786-7117	Date: 02/14/2023
Agency Preparation: Dominga Soliz	Phone: 3606649173	Date: 02/15/2023
Agency Approval: Dominga Soliz	Phone: 3606649173	Date: 02/15/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/16/2023

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 establishes a new voluntary element to comprehensive plans that focuses on net ecological gain.

Section 2. Amends RCW 36.70A.080 to include under (1)(d) Net ecological gain.

Section 3. Adds the definition of "Net ecological gain" to RCW36.70A.030(19)

Section 4 is added to 36.70A that directs the Department of Fish and Wildlife (DFW) with recommendations from the workgroup established in section 6 of this act, to adopt rules that establish criteria for net ecological gain and consistency with the applicable regional salmon recovery plans. Counties and cities that choose to adopt a voluntary net ecological gain element in their comprehensive plans must meet the criteria in order to support salmon recovery. Criteria for rules in this section are defined, noting that under (4) that rules under this section must not require or assume that the proponents of individual private projects will be responsible for achieving net ecological gains, but must achieve no net loss of ecological function.

DFW must contract with an independent facilitator to establish a workgroup to advise DFW regarding measuring net ecological gain, etc. DFW shall monitor progress toward meeting regional salmon recovery plan goals and facilitate an ongoing and collaborative process to identify gaps and targets related to salmon habitat and funding. DFW will also monitor and report on progress each jurisdiction that chooses to include a voluntary net ecological gain element in its comprehensive plan has made toward achieving net ecological gain.

This being a voluntary and collaborative process fiscal impacts to the Growth Management Hearings Board (GMHB) are not likely.

ELUHO assumes any additional petitions to the GMHB can be absorbed by the GMHB.

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.

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

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: 1735 S HB	Title: GMA/net ecological gain	Agency: 471-State Conservation 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: Robert Hatfield	Phone: 360-786-7117	Date: 02/14/2023
Agency Preparation: Karla Heinitz	Phone: 360-878-4666	Date: 02/15/2023
Agency Approval: Ron Shultz	Phone: 360-790-5994	Date: 02/15/2023
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 02/15/2023

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 Substitute bill as written has no fiscal impact on the State Conservation Commission.

The Substitute bill removes the oversight committee created in the original bill where the State Conservation Commission (SCC) was named as one of the participating agencies. The substitute replaces the oversight committee with a working group in Section 4 (6) where members of the working group are not specifically named, but a general term of "state agencies" is used instead. It is unknown if SCC will be asked to participate in the working group. The participants of the working group include representatives of state agencies, counties, cities, salmon recovery organizations, environmental organizations, and Indian tribes who opt-in to participate.

Section 4 (7) adds the language "rules adopted under this section do not apply to special purpose district projects unless the special purpose district chooses to apply the net ecological gain standard to a project or 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.

The Substitute bill has no fiscal impact.

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: 1735 S HB	Title: GMA/net ecological gain	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:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	8.5	11.5	10.0	14.5	14.5
Account					
General Fund-State 001-1	1,895,000	2,352,000	4,247,000	4,958,000	4,958,000
Total \$	1,895,000	2,352,000	4,247,000	4,958,000	4,958,000

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: 02/14/2023
Agency Preparation: Tiffany Hicks	Phone: 3609022544	Date: 02/16/2023
Agency Approval: Jon Neville	Phone: 360-870-4691	Date: 02/16/2023
OFM Review: Matthew Hunter	Phone: (360) 529-7078	Date: 02/16/2023

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 HB and SHB:

Section 5 and Section 7 from HB 1735 are removed.

Section 6 is now Section 5 and Section 8 is now Section 6.

New Description:

Section 4 requires the Department of Fish and Wildlife (WDFW) to Adopt rules establishing criteria for Net Ecological Gain (NEG) and consistency with regional salmon recovery plans.

Section 4 also requires WDFW to establish and serve on a NEG Working Group (in contract with an independent facilitator) to advise WDFW on approaches that lead to measurable attributes of NEG and other rule elements. The Department must monitor and report progress towards the goals set forth in regional salmon recovery plans, establish the current environmental baseline conditions within each city/county planning under 36.70A.040, identify monitoring data gaps and make recommendations to fill those gaps, then monitor and report progress that each jurisdiction has made toward achieving no net loss of ecological function and NEG.

Section 5 requires the Department to consult with Department of Commerce on NEG Grant criteria.

Section 6 requires the Department to collaborate with the NEG working group to compile examples of net gain through existing pollution reduction and habitat protection and recovery programs for one year and submit a report by June 30, 2024.

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 4(1)

Requires WDFW to adopt rules that establish criteria for consistency with the applicable regional salmon recovery plans. Rulemaking will require the following staff:

0.5 FTE Environmental Planner 3 (EP3) in FY 2024, 1.5 EP3 in FY 2025, and 2.0 EP3 in FY 2026 and ongoing as more jurisdictions enter the periodic update cycle across all six regions. (These EP3 will build upon the two existing regions EP3s already hired to support the periodic update). EP3s will review existing data and plans for these counties, begin dialogue with those counties, and support the rulemaking effort, including with county-specific feedback, issues, and examples. EP3 duties will be split between rule implementation (this subsection) and working group (subsection 4(6)).

0.5 FTE Environmental Planner 4 (EP4) beginning in FY 2024 and ongoing to support rulemaking, review plans and integrate elements into rules, establish performance goals for land use elements, identify key salmon recovery plan components that need to be integrated into land use plans, and consult with all interested parties. EP4 duties will be split between rule implementation (this subsection) and working group (subsection 4(6)) and will work closely with the other EP4.

0.5 FTE Management Analyst 4 in FY 2024 and FY 2025 onetime funding, to be the primary point of contact for rulemaking.

Salaries and benefits for 1.5 FTEs totaling \$173,000 in FY 2024, 2.5 FTEs totaling \$284,000 in FY 2025, and 3.0 FTEs totaling \$339,000 in FY 2026 and ongoing.

Professional service contracts, Object C, includes \$150,000 in FY 2024 and FY 2025 for environmental and economic impact statements which are required for rulemaking.

Goods and services, Object E, includes \$56,120 (460 hrs. x \$122 per hr.) in FY 2024 and FY 2025 for Attorney General services for rulemaking based on previous complex rulemaking, and \$10,000 (4 hearings x \$2,500 per hearing) in FY 2025 for public hearings.

Section 4(6)

Directs WDFW to establish and serve on a NEG Working Group to advise WDFW on approaches that lead to measurable attributes of NEG and other rule elements. This will require hiring a contractor for facilitation for \$50k in FY 2024 and ongoing.

0.5 FTE EP4 will serve as a lead interagency Working Group member beginning in FY 2024 and ongoing. EP4 duties will be split between the Working Group and the collaborative process (section 4(9)) and will work closely with the other EP4.

Salaries and benefits for 0.5 FTE totals \$61,000 in FY 2024 and ongoing. Object C includes \$50,000 to contract with a professional facilitator for the working group (assume same contractor will also facilitate the collaborative process (section 4(9))).

Section 4(8)

Requires WDFW to work with other state agencies, local governments, federally recognized Indian tribes, and regional salmon recovery boards to monitor and report on progress towards the goals set forth in the regional salmon recovery plans, establish the current watershed function conditions, identify any monitoring data gaps, and make recommendations to fill those gaps. Information gathered from the initial monitoring will help inform the rulemaking, which in turn, along with continued monitoring, will provide guidance to local governments during the update of their Comprehensive Plans. Section 4(10) also requires WDFW to provide a report to the governor, legislative committees, and affected local governments of its monitoring. This will require the following staff:

0.5 FTE Environmental Planner 3 (EP3) in FY 2024, 1.5 EP3 in FY 2025, and 2.0 EP3 in FY 2026 and ongoing as more jurisdictions enter the periodic update cycle across all six regions. (These EP3 will build upon the two existing regions EP3s already hired to support the periodic update). EP3s will monitor key watershed indicators and working with Commerce and local governments to track no net loss through permitted private projects, as well as documenting restoration projects and the net ecological gain. EP3 duties will be split between monitoring (this subsection) and the collaborative process (subsection 4(9)).

0.5 FTE Environmental Planner 4 (EP4) beginning in FY 2024 and ongoing to dedicated to the monitoring program and consultation with all interested parties. EP4 duties will be split between monitoring (this subsection) and the collaborative process (subsection 4(9)) and will work closely with the other EP4.

1.0 FTE Fish & Wildlife Research Scientist 2 beginning in FY 2024 and ongoing to focus on understanding and interpreting habitat and ambient environmental data (for example, the specified parameters that affect salmonid health, including effects of urban heat islands).

3.0 FTE Fish & Wildlife (Habitat) Biologist 2s in FY 2024, 4.0 in FY 2025, and 6.0 in FY 2026 and ongoing as more jurisdictions enter the periodic update cycle across all six regions, to monitor each jurisdiction's implementation of their

comprehensive plan relative to the program created in this bill, visit sites, and evaluate/assist applicants and the jurisdiction within WDFW regions.

1.0 FTE IT App Development-Senior/Specialist beginning in FY 2024 and ongoing, to assist the planning section to synthesize and draw conclusions from the ongoing monitoring program.

Salaries and benefits for 6.0 FTEs totaling \$662,000 in FY 2024, 8.0 FTEs totaling \$869,000 in FY 2025, and 10.5 FTE totaling \$1,108,000 in FY 2026 and ongoing.

Section 4(9)

Requires WDFW to facilitate an ongoing and collaborative process to identify gaps and targets related to salmon habitat and funding as informed by the monitoring program. Contractor for collaborative process facilitation for \$50k in FY 2024 and ongoing.

0.5 FTE Environmental Planner 4 (EP4) beginning in FY 2024 and ongoing to dedicated to the monitoring program and consultation with all interested parties. EP4 duties will be split between the collaborative process and monitoring (section 4(8)) and will work closely with the other EP4.

Salaries and benefits for 0.5 FTE totals \$61,000 in FY 2024 and ongoing. Object C includes \$50,000 to contract with a professional facilitator for collaborative process (assume same contractor will also facilitate the working group (section 4(6))).

Section 5

Requires consultation with Commerce on NEG Grant criteria beginning in FY 2026 and ongoing (post-rulemaking), given that awards may be granted in advance of adoption of NEG policies. The monitoring team (section 4(8): EP4, RS2, and IT Specialist) will be well suited to assess the level of effort proposed by a county or city toward the achievement of net ecological gain to assist with the grant award process. Staff costs are incorporated into other sections.

Section 6

Requires WDFW to collaborate with the NEG Working Group to compile examples of net ecological gain through existing pollution reduction and habitat protection and recovery programs.

Professional Services Contracts, Object C, includes \$100k to hire an environmental consultant contractor in FY 2024 to complete this work within the one-year deadline.

Goods and services, Object E, includes \$6,000 per FTE, per year, for WDFW standard costs, which cover an average employee's supplies, communications, training, and subscription costs per year. An infrastructure and program support rate of 33.5% is included in object T and is calculated based on WDFW's federally approved indirect rate.

Total costs for the WDFW are \$1,895,000 in FY 2024, \$2,352,000 in FY 2025, and \$2,479,000 in FY 2026 and ongoing.

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	1,895,000	2,352,000	4,247,000	4,958,000	4,958,000
Total \$			1,895,000	2,352,000	4,247,000	4,958,000	4,958,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	8.5	11.5	10.0	14.5	14.5
A-Salaries and Wages	704,000	931,000	1,635,000	2,282,000	2,282,000
B-Employee Benefits	258,000	346,000	604,000	860,000	860,000
C-Professional Service Contracts	350,000	350,000	700,000	400,000	400,000
E-Goods and Other Services	107,000	135,000	242,000	174,000	174,000
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	476,000	590,000	1,066,000	1,242,000	1,242,000
9-					
Total \$	1,895,000	2,352,000	4,247,000	4,958,000	4,958,000

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

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
ENVIRONMENTAL PLANNER 3	80,952	1.0	3.0	2.0	4.0	4.0
ENVIRONMENTAL PLANNER 4	89,292	2.0	2.0	2.0	2.0	2.0
FISH & WILDLIFE BIOLOGIST 2	91,524	3.0	4.0	3.5	6.0	6.0
FISH & WILDLIFE RESEARCH SCIENTIST 2	64,788	1.0	1.0	1.0	1.0	1.0
IT APP DEVELOPMENT - SENIOR/SPECIALIST	115,824	1.0	1.0	1.0	1.0	1.0
MANAGEMENT ANALYST 4	82,896	0.5	0.5	0.5	0.5	0.5
Total FTEs		8.5	11.5	10.0	14.5	14.5

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Habitat (300)	1,895,000	2,352,000	4,247,000	4,958,000	4,958,000
Total \$	1,895,000	2,352,000	4,247,000	4,958,000	4,958,000

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.

Yes, section 4 would require WDFW to adopt rules establishing criteria for NEG and consistency with regional salmon recovery plans (adding a new section to RCW 36.70A).

Individual State Agency Fiscal Note

Bill Number: 1735 S HB	Title: GMA/net ecological gain	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:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.4	0.4	0.4	0.4	0.4
Account					
General Fund-State 001-1	46,700	46,700	93,400	93,400	93,400
Total \$	46,700	46,700	93,400	93,400	93,400

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: 02/14/2023
Agency Preparation: Zoe Catron	Phone: 360-902-1121	Date: 02/16/2023
Agency Approval: Collin Ashley	Phone: 360-688-3128	Date: 02/16/2023
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/16/2023

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.

SHB 1735 removes the requirement that the commissioner or her designee be included on a committee to advise and review on guidelines and recommendations leading to net ecological gain, but the Department of Natural Resources (DNR) assumes that a designee of CPL from the Policy and Resilience Office is invited to attend the working group established in section 4(6) of this bill.

Specific requirements of how often the working group must meet are removed from this substitute version, but we assume regular meetings (monthly) are required for participation.

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 4(6):

0.25 FTE (3 month/year) is required to fulfil participation in the oversight body created within this section. Participation in this body will require DNR expertise in evaluating ecological value for carbon sequestration ability, and therefore we anticipate this FTE will be a policy advisor from DNR Policy working in coordination with program staff. This position will also participate in the monthly meetings of the body; review the body's definitions and regulations on behalf of DNR; coordinate with program staff within DNR to gather technical input on body activities; and contribute to writing definitions and oversight on behalf of DNR with the body. We anticipate that this work will take a minimum of 0.25 FTE per year. Additional travel funds will be needed in alignment with the listed assumptions and with meeting and travel as stated within the bill. DNR assumes \$200 x 2 days per year to accommodate the 1 annual meeting to be hosted outside of Olympia. No sunset clause is listed for the oversight body, so we assume these expenses will continue to carry forward. DNR's anticipated cost to participate is approximately \$93,400 / biennium

Goods and services and travel are calculated on actual program averages per person.

Administrative costs are calculated at 31% of staff salary and benefits and staff-related goods and services and travel. For fiscal note purposes, this cost is represented as a Fiscal Analyst 2 position (0.1 FTE).

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	46,700	46,700	93,400	93,400	93,400
Total \$			46,700	46,700	93,400	93,400	93,400

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.4	0.4	0.4	0.4	0.4
A-Salaries and Wages	25,300	25,300	50,600	50,600	50,600
B-Employee Benefits	8,000	8,000	16,000	16,000	16,000
C-Professional Service Contracts					
E-Goods and Other Services	2,500	2,500	5,000	5,000	5,000
G-Travel	300	300	600	600	600
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	10,600	10,600	21,200	21,200	21,200
9-					
Total \$	46,700	46,700	93,400	93,400	93,400

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
Fiscal Analyst 2	55,872	0.1	0.1	0.1	0.1	0.1
WMS 2	101,268	0.3	0.3	0.3	0.3	0.3
Total FTEs		0.4	0.4	0.4	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.