

Multiple Agency Fiscal Note Summary

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|-------------------------------|---|
| Bill Number: 2301 S HB | Title: Waste material management |
|-------------------------------|---|

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 Attorney General | Fiscal note not available | | | | | | | | | | | |
| Department of Commerce | Fiscal note not available | | | | | | | | | | | |
| Department of Enterprise Services | Fiscal note not available | | | | | | | | | | | |
| Department of Health | Fiscal note not available | | | | | | | | | | | |
| Superintendent of Public Instruction | .0 | 9,000 | 9,000 | 9,000 | .0 | 2,000 | 2,000 | 2,000 | .0 | 0 | 0 | 0 |
| Department of Ecology | Fiscal note not available | | | | | | | | | | | |
| Department of Agriculture | 1.6 | 443,379 | 443,379 | 672,623 | 3.9 | 1,105,536 | 1,105,536 | 1,371,367 | 3.5 | 1,086,536 | 1,086,536 | 1,243,130 |
| Total \$ | 1.6 | 452,379 | 452,379 | 681,623 | 3.9 | 1,107,536 | 1,107,536 | 1,373,367 | 3.5 | 1,086,536 | 1,086,536 | 1,243,130 |

| 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 Attorney General | Fiscal note not available | | | | | | | | |
| Department of Commerce | Fiscal note not available | | | | | | | | |
| Department of Enterprise Services | Fiscal note not available | | | | | | | | |
| Department of Health | Fiscal note not available | | | | | | | | |
| Superintendent of Public Instruction | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Department of Ecology | Fiscal note not available | | | | | | | | |
| Department of Agriculture | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Total \$ | 0.0 | 0 | 0 | 0.0 | 0 | 0 | 0.0 | 0 | 0 |

| 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

This preliminary package is published to show the fiscal impact change of the substitute bill for the Department of Agriculture. The fiscal note for the Office of the Superintendent of Public Instruction was approved at the time of this package and so also included. The final fiscal note package will be published when all identified agencies have completed their assignments.

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| Prepared by: Matthew Hunter, OFM | Phone: (360) 529-7078 | Date Published: Preliminary 2/ 5/2024 |
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Individual State Agency Fiscal Note

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|-------------------------------|---|---|
| Bill Number: 2301 S HB | Title: Waste material management | Agency: 350-Superintendent of Public Instruction |
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--------------------------|---------|---------|---------|---------|---------|
| FTE Staff Years | 0.0 | 0.1 | 0.0 | 0.0 | 0.0 |
| Account | | | | | |
| General Fund-State 001-1 | 0 | 9,000 | 9,000 | 2,000 | 0 |
| Total \$ | 0 | 9,000 | 9,000 | 2,000 | 0 |

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

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|--------------------------------|-----------------------|------------------|
| Legislative Contact: | Phone: | Date: 02/02/2024 |
| Agency Preparation: Tisha Kuhn | Phone: 360 725-6424 | Date: 02/04/2024 |
| Agency Approval: Amy Kollar | Phone: 360 725-6420 | Date: 02/04/2024 |
| OFM Review: Brian Fechter | Phone: (360) 688-4225 | Date: 02/04/2024 |

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.

Changes compared to HB 2301

Section 702(1): Modifies the items that the work group must consider when addressing ways to improve the rescue of edible food waste from commercial generators.

Section 702(3): Expands the committee membership to include additional organizational representation.

Summary of SHB 2301

Section 205 (Amended)

Section 205(2):

- Language revised informing that participating schools in the waste reduction and recycling program may receive an award no more than \$10,000. Strikes previous amount of five thousand dollars.
- Language revised indicating that a single award of not less than \$10,000 may be presented to the school having the best waste reduction program as determined by the Office of Waste Management. Strikes previous amount of five thousand dollars.
- Language added informing that it is the intent of the legislature to consistently and sustainably allocate at least \$1,000,000 per biennium, continuing over multiple biennia, to the awards program established in this section.

Section 702 (New Section)

Section 702(1):

- Requires the Department of Ecology's center for sustainable food management to create a workgroup to address mechanisms to mandate or otherwise improve the rescue of edible food waste from commercial generators, including food service, retail establishments, and processors that generate excess supply of edible food.
- Requires the workgroup to consider the following:
 - o Logistics to phase in edible food donation programs, including incentives;
 - o The food recovery network systems necessary to support increased donation of edible food by commercial generators;
 - o Assess asset gaps and food infrastructure development needs.
 - o Facilitate the creation of networks and partnerships to address gaps and needs and develop innovative partnerships and models where appropriate;
 - o Actions taken, costs, and lessons learned by other jurisdictions in the United States that have enacted policies focused on reducing edible commercially generated food waste and from voluntary pilot projects carried out by commercial generators of food waste.

Section 702(2):

- Requires the Department of Ecology to submit a report to the legislature by September 1, 2025, containing the recommendations of the workgroup.
- Requires the report to include recommendations where general stakeholder consensus has been achieved and note varied opinions where stakeholder consensus has not been achieved.

Section 702(3):

Requires the Department of Ecology to select at least one member of the work group from various cities, counties, organizations, state agencies, to include the Office of Superintendent of Public Instruction.

II. B - Cash receipts Impact

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

No cash receipts impact anticipated.

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 205 is a grant program through the Office of Waste Reduction, in consultation with OSPI, to award schools participating in a waste reduction and recycling program. The amount of the awards has been revised from \$5,000 to \$10,000.

There is no fiscal impact to OSPI for this section. There is no new work identified for OSPI.

Section 702 requires the Department of Ecology’s center for sustainable food management to create a workgroup and select at least one member from various cities, counties, associations, organizations, and state agencies, to address mechanisms to mandate or otherwise improve the rescue of edible food waste from commercial generators, including food service, retail establishments, and processors that generate excess supply of edible food. OSPI is identified as a required member of the workgroup.

To accomplish this work, OSPI assumes the following staffing:

- In FY25, a .05 FTE of a Program Supervisor’s time would be required to attend meetings. collaborate with external stakeholders and/or workgroup members, assist with the creation of networks and partnerships to address gaps and needs to develop innovative partnership and models, assess asset gaps and food infrastructure development needs, examine actions taken, costs, and lessons learned by other jurisdictions in the United States, and contribute to the report to the legislature.
- In FY26, a .01 FTE of a Program Supervisor’s time would be required to assist in finalizing the report by the September 1, 2025 submission deadline.

The cost for this staffing is estimated at \$9,000 in FY25 and \$2,000 in FY26.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

| Account | Account Title | Type | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|-----------------|---------------|-------|---------|---------|---------|---------|---------|
| 001-1 | General Fund | State | 0 | 9,000 | 9,000 | 2,000 | 0 |
| Total \$ | | | 0 | 9,000 | 9,000 | 2,000 | 0 |

III. B - Expenditures by Object Or Purpose

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--------------------------------------|---------|---------|---------|---------|---------|
| FTE Staff Years | | 0.1 | 0.0 | 0.0 | |
| A-Salaries and Wages | | 4,708 | 4,708 | 942 | |
| B-Employee Benefits | | 3,052 | 3,052 | 922 | |
| C-Professional Service Contracts | | | | | |
| E-Goods and Other Services | | 338 | 338 | 68 | |
| G-Travel | | 338 | 338 | 68 | |
| J-Capital Outlays | | 564 | 564 | | |
| M-Inter Agency/Fund Transfers | | | | | |
| N-Grants, Benefits & Client Services | | | | | |
| P-Debt Service | | | | | |
| S-Interagency Reimbursements | | | | | |
| T-Intra-Agency Reimbursements | | | | | |
| 9- | | | | | |
| Total \$ | 0 | 9,000 | 9,000 | 2,000 | 0 |

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 |
|--------------------|--------|---------|---------|---------|---------|---------|
| Program Supervisor | 94,165 | | 0.1 | 0.0 | 0.0 | |
| Total FTEs | | | 0.1 | 0.0 | 0.0 | 0.0 |

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

No capital budget impact anticipated.

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: 2301 S HB | Title: Waste material management | Agency: 495-Department of Agriculture |
|-------------------------------|---|--|

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|---|---------|---------|---------|-----------|-----------|
| FTE Staff Years | 0.0 | 3.2 | 1.6 | 3.9 | 3.5 |
| Account | | | | | |
| General Fund-State 001-1 | 0 | 443,379 | 443,379 | 1,105,536 | 1,086,536 |
| Model Toxics Control Operating Account-State 23P-1 | 0 | 227,386 | 227,386 | 265,831 | 156,594 |
| Fruit and Vegetable Inspection Account-Non-Appropriated 516-6 | 0 | 1,858 | 1,858 | 0 | 0 |
| Total \$ | 0 | 672,623 | 672,623 | 1,371,367 | 1,243,130 |

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: | Phone: | Date: 02/02/2024 |
| Agency Preparation: Katie Rains | Phone: 360-688-4549 | Date: 02/05/2024 |
| Agency Approval: Lori Peterson | Phone: 360-974-9767 | Date: 02/05/2024 |
| OFM Review: Matthew Hunter | Phone: (360) 529-7078 | Date: 02/05/2024 |

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.

Compared to HB 2301, SHB 2301 has the following changes as they relate to fiscal impacts for the Washington State Department of Agriculture (WSDA): Part 4 removes the food labeling provisions, outreach, and enforcement requirements in previous sections 401 through 403, replacing these with a new section 401 requirement that Department of Ecology prepare a study on the status of produce stickers with consultation from WSDA; section 601 would modify compost reimbursement requirements and modify the calculation methods for distributing reimbursements.

The amendments summarized above would change the fiscal impacts WSDA estimated for the previous version of the proposed legislation.

Under current law, Washington State Department of Agriculture (WSDA) distributes emergency food assistance grant funds to hunger relief organizations through state funded Emergency Food Assistance Program (EFAP) grants and We Feed Washington grants and distributes federal Emergency Food Assistance funding through the U.S. Department of Agriculture. WSDA regulates pesticide use and management through Chapter 15.58 Revised Code of Washington (RCW), implements food safety regulations in Chapter 15.130 RCW, and administers compost purchase and use reimbursement grants for farming operations in the state in RCW 15.04.420.

The proposed legislation would create a new Washington Commodities Grant Program, modify food date labeling standards and other food safety provisions, restrict materials treated with certain pesticides from compost feedstocks, modify compost purchase reimbursement grant program requirements, and create a work group to study rescue of commercial food waste.

Section 201 would require WSDA to provide consultation to the Department of Ecology's (Ecology's) Center for Sustainable Food Management for the development and implementation of grants to help divert organic materials from waste streams and prevent, recover, and rescue food waste.

Section 204 would require WSDA to implement a Washington Commodities Grant Program to procure Washington grown produce, grains, and protein otherwise at risk of becoming food waste for distribution to hunger relief organizations.

Section 305 would ban organic materials treated with clopyralid and aminopyralid and similar compounds as compost feedstocks. WSDA would be authorized to apply enforcement authority under Chapter 15.58 RCW.

Section 401 would require Department of Ecology to prepare a study on the status of produce stickers with consultation from WSDA.

Section 601 would modify provisions of the Compost Reimbursement Program administered by WSDA.

Section 702 would require WSDA to be a member of a work group to study means of supporting and enhancing food donation by businesses.

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.

Materials Banned from Compost Feedstocks (Section 305)

Under current law, WSDA charges a fee for registration of pesticides, and the revenue from the fee is deposited in the

Agricultural Local Account. Registration fees are \$325 per year per product, but most pesticides are registered every two years.

WSDA assumes for purposes of this fiscal note that it may be necessary to designate the pesticides banned from compost feedstocks in section 305 as State Restricted Use Pesticides (SRUP), which would impact product registrations.

Washington State currently has 15,600 pesticide products registered. At this time, the number of pesticides in the picolinic acid family that might be impacted through WSDA's assumed actions to implement the provisions of section 305 is unknown. WSDA assumes a limited number of pesticides impacted by section 305. Based on this assumption, WSDA estimates no cash receipts impact.

II. C - Expenditures

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

The expenditure impact to Washington State Department of Agriculture (WSDA) is estimated to be greater than \$50,000 in fiscal years (FYs) 2025 and ongoing each fiscal year thereafter.

Unless otherwise indicated, costs are assumed to be in the Model Toxics Control Account-Operating (MTCA-Op), which currently supports WSDA activities to implement organic materials management laws and is the primary account used for WSDA's pesticide management activities under current law.

WSDA assumes implementation would begin July 1, 2024.

Food Waste Reduction through Food Assistance and Hunger Relief (Sections 201, 204, and 702)

Section 201: Center for Sustainable Food Management Grants

WSDA and Ecology would partner to seek input from our common partners, specifically hunger relief providers, farms, and food businesses that work with them, to design grants and develop criteria and logistics for each. The agencies would implement related grant programs collaboratively.

0.10 FTE Commerce Specialist 5, 0.01 FTE Food Policy Advisor (WMS3), 0.02 FTE Commerce Specialist 5, and 0.01 FTE Management Analyst 3 would be needed in FY 2025 to provide consultation with Ecology in developing the grant programs, criteria, and logistics.

Indeterminate Costs:

The actual amount of grant funding, and the level administered by WSDA, would be indeterminate until the grant programs are developed. WSDA assumes Ecology and WSDA would coordinate budget proposals for funding authority for grant funding and administrative costs in the future, after the appropriate funding need has been determined. WSDA's preliminary estimated administrative costs are provided below for reference purposes and not included in the fiscal note cost tables.

WSDA has launched a variety of grant programs to support nonprofit and Tribal hunger relief organizations as well as farm and food businesses since the beginning of the COVID-19 pandemic. Through this work, we have determined that the number of commerce specialists and skill level of those specialists required to administer each program varies. The factors that have most influenced WSDA workload for each grant are as follows:

- the eligible applicant's administrative capacity and experience with government grants

- whether WSDA has a pre-existing relationship with the grant’s primary audience
- the grant program’s similarities with existing grants administered by WSDA, and
- the number of grant awards.

Because the nature of the grants and funding levels are unknown, estimated staffing is based on an assumed total award amount in the range of one to three million dollars and a total of twenty-five grant awards with grantees that may require moderate to high technical assistance to comply with the terms of the grant award.

Based on these assumptions, WSDA estimates the following staff to provide consultation to Ecology and assist with implementing grants that relate to WSDA’s current grant programs.

1.0 Commerce Specialist 2 in FY 2026 and ongoing each year thereafter would be needed to provide WSDA administration for the grant programs created for this section. This position would oversee invoice processing and grant agreement compliance.

0.01 FTE Food Policy Advisor (WMS3), 0.02 FTE Commerce Specialist 5, and 0.01 FTE Management Analyst 3 would be needed in FY 2026 and ongoing each fiscal year thereafter to provide oversight, guidance, and administrative support for the grant program administration.

Translation and language access services are estimated at \$10,000, and grant management software license fees are estimated to be \$6,000, for a total of \$16,000 annually in Goods and services, starting in FY 2026. Estimates are based on comparable costs for Food Assistance Resiliency Grants.

WSDA’s experience in supporting nonprofit and tribally operated hunger relief programs has shown the need to integrate state systems and ease administrative burden on these organizations. WSDA may enter into an interagency agreement with Ecology to administer the portion of funding allocated to nonprofit organizations through an integrated application process with WSDA’s existing annual Food Assistance Resiliency Grants. WSDA and Ecology would coordinate on a decision package for spending authority if formal system integration were recommended through community input.

Total estimated costs for section 201 estimated grant administration (not included in the tables) are as follows:
FY 2026 and ongoing each fiscal year thereafter: \$161,529 and 1.04 FTE

Total estimated costs for consultation with Ecology on program development in the fiscal note tables are as follows:
FY 2025: \$24,597 and 0.14 FTE

Section 204: Washington Commodities Donation Grants

WSDA would develop the Washington Commodities Donation Grant program and issue grants under this section to one or more nonprofit (food cooperative) organizations to acquire food directly from food producers located in Washington.

WSDA assumes funding authority for costs in this section would be state general fund, based on the current funding authority for We Feed Washington grants.

The intended funding level specified for the grants in section 204 would be \$25 million biennially or more. Per section 2 (2) WSDA would be required to rely on existing infrastructure and similar grant programs and give priority to nonprofit food cooperative organizations with five or more years’ experience in the collection and transportation of donated agricultural products. WSDA assumes the primary audience for this grant program would be well-connected with WSDA and have

adequate administrative capacity to manage a grant award from the state with little to moderate technical assistance. Workload estimates are based on a total of twenty-five awards, with biennial pass-through funding of at least \$23.75 million, and are based on WSDA's experience implementing the We Feed Washington grant program, which commenced in the 2021-23 biennium.

WSDA assumes 0.25 FTE Commerce Specialist 5 (CS5) in FY 2025 to solicit community input, design the grant program and criteria, with 0.04 FTE (88 hours) Food Policy Advisor (WMS3) for leadership to engage in design and stakeholder engagement processes.

Travel includes estimated costs for the CS5 and policy advisor for 10 outreach sessions, for a total of \$8,400 in FY 2025.

Cost estimates in professional services contracts include an estimate of \$40,000 in FY 2025 for community engagement services.

Necessary ongoing staffing includes one full-time CS5 to oversee the grant program, lead stakeholder relations, and manage staff, as well as two full-time CS2 positions to oversee invoice processing and grant agreement compliance as grant specialists, and 0.01 FTE each of the Food Policy Advisor (WMS3) and a Management Analyst 3 (MA3) to support program operations. Based on the assumption grants would begin halfway through FY 2025, estimated staffing by fiscal year is as follows:

0.5 FTE CS5 in FY 2025, and 1.0 FTE CS5 in FY 2026 and ongoing each fiscal year thereafter;
1.0 FTE CS2 in FY 2025, and 2.0 FTE CS2 in FY 2026 and ongoing each fiscal year thereafter;
0.01 FTE WMS3 in in FY 2025 and ongoing each fiscal year thereafter; and
0.01 FTE MA3 in in FY 2025 and ongoing each fiscal year thereafter.

Translation and language access services are estimated at \$10,000, and grant management software license fees are estimated to be \$17,000, for a total of \$27,000 annually in Goods and services, starting in FY 2025. Estimates are based on comparable costs for We Feed Washington grants.

The Attorney General's Office (ATGO) assumes legal advice would be needed during development and initial implementation of the new grant program. Estimated costs are based on experience with the We Feed Washington grant program. One-time costs in FY 2025 for initial grant program development. Estimated costs are \$86,000 in FY 2025, \$70,000 in FY 2026, FY 2027, and ongoing each odd-numbered fiscal year thereafter. Estimated costs are \$51,000 in FY 2028 and ongoing each odd-numbered fiscal year thereafter.

Indeterminate costs:

Section 204 (5) would establish the intent of the Legislature to allocate at least \$25,000,000 per biennium for the program established in this section. Based on an assumption of funding at a level of \$12,500,000 per fiscal year, beginning in FY 2025, this fiscal note estimates available grant capacity, based on estimated costs for grant development and ongoing implementation. Estimated grant funding is as follows, and is not included in the fiscal note tables:

FY 2025: \$12,056,621
FY 2026: \$11,947,232
FY 2027 and ongoing each odd-numbered fiscal year thereafter: \$11,947,232
FY 2028 and ongoing each even-numbered fiscal year thereafter: \$11,966,232

Total estimated grant development and administration costs for section 204 in the fiscal note tables are as follows:

FY 2025: \$443,379 and 1.81 FTE

FY 2026: \$552,768 and 3.02 FTE

FY 2027: \$552,768 and 3.02 FTE

FY 2028 and ongoing each even-numbered fiscal year thereafter: \$533,768 and 3.02 FTE

FY 2029 and ongoing each odd-numbered fiscal year thereafter: \$552,768 and 3.02 FTE

Section 702: Work Group to Study Food Donation by Businesses

By September 2025, the work group established in this section would be required to submit a consensus-driven report of recommendations based on the criteria specified in this section to the Legislature. The work group would be led by Ecology's Center for Sustainable Food Management, and WSDA would be a member of the work group.

WSDA received funding in the 2022 Supplemental Operating Budget for a Food Waste Reduction Coordinator. Because of the short-term nature and fast turn-around timeline for this work group, WSDA would use this position's expertise and ability to consult with leaders across WSDA's diverse portfolio of programs that impact and support farm and food businesses. Based on this, WSDA assumes the workload for section 702 could be performed with existing resources.

Materials Banned from Compost Feedstocks (Section 305)

Section 305 (1) would require that organic materials, likely or known to be treated with clopyralid, aminopyralid and other similar herbicides in the picolinic acid family, be banned as compost inputs or feedstocks into organic materials management facilities. Although section 305 would not require WSDA to act on pesticide registrations or applications, WSDA would anticipate issues with possible infiltration of the picolinic acid family of herbicides into compost without pesticide restrictions. With an increase in composting efforts, many more materials potentially treated by herbicides in the picolinic acid family could inadvertently find their way into organic materials at compost facilities, making the compost unusable.

WSDA does not have jurisdiction over organic materials management facilities or where pesticide-treated material may be delivered after any application is made. WSDA has used authority to restrict pesticide use to help prevent contamination of compost inputs and feedstocks in the past.

Roughly twenty years ago, clopyralid was found to be involved in numerous cases of plant damage from solid waste composting facilities across the state, primarily from curbside lawn clipping collection. WSDA's response was to restrict the use of clopyralid by rule with Washington Administrative Code (WAC) 16-228-1235 and provide education and outreach to pesticide applicators.

Years later, aminopyralid caused widespread damage to home and agricultural plants when dairy manure and composted dairy manure was distributed and used as soil amendments across Whatcom County. This required WSDA to work with the product registrants and have labels changed to address treated feedstocks. These changes also required WSDA to carry out significant educational outreach to dairy farmers and those who apply to forage and pasture for dairy feed to prevent repeated contamination.

Based on these previous examples, WSDA assumes the need to restrict uses of aminopyralid and other picolinic acid herbicides to support implementation of section 305.

Section 305 (1): Pesticide Restrictions

The ban of picolinic acid family herbicides in organic materials as compost input would be the basis for WSDA's decision to designate these herbicides as State Restricted Use Pesticides (SRUP). The restriction would require significant rule making activities and additional outreach and communication to all distributors and users of these materials. It would also include outreach to composting management facilities to ensure they are not receiving materials with these inputs.

WSDA assumes rulemaking in FY 2025 to designate herbicides in the picolinic acid family as State Restricted Use

Pesticides (SRUP), and rule updates would be technical in nature.

This would require 0.25 FTE for an Environmental Planner 5 (EP5), to research and develop proposed rules, develop education and outreach materials, and administer rule hearings. Ten hours Agency Rules Coordinator (Management Analyst 5) and 10 hours Regulatory Analyst 3 would be needed for administration of rule filing and adoption.

In addition to rule updates, WSDA would need 0.25 FTE Community Outreach and Environmental Education Specialist 3 (COEES3) for two years, beginning in FY 2025 to assist in the rulemaking outreach and education process. The COEES3 would develop and deliver additional education to agricultural producers, pesticide applicators and purchasers and the public to prevent herbicide contamination of compost materials. This position would require statewide travel, with estimated travel costs of \$1,770 each year in FY 2025 and FY 2026.

WSDA also assumes a need for compliance monitoring and enforcement of these new pesticide use restrictions. Many picolinic acid products are sold and available in the marketplace. Making these products State Restricted Use Pesticides (SRUP) would restrict their use and help to prevent them from ending up in compost facilities. WSDA also assumes an increase in the number of complaints from the public requiring an increase in investigation cases for potential enforcement.

Based on the assumptions above, WSDA estimates 0.5 FTE Pesticide Regulatory Specialist 2 (PRS2) ongoing, beginning January 1, 2025, to monitor applications and provide complaint investigation response, enforcement, and technical assistance as needed. This position would require a vehicle and travel statewide. Estimated travel costs are \$1,770 in fiscal year 2025 and \$3,540 in fiscal year 2026 and ongoing each fiscal year thereafter.

Section 305 (1): Pesticide Registration

WSDA assumes the need for detailed evaluation of all registered pesticides in the picolinic acid family to determine which pesticides with legal use in Washington would qualify as State Restricted Use Pesticides (SRUP). WSDA would need to update pesticides in the database with the new restriction.

Registration staff would be needed for communication, notification to registrants, administrative hearings, processing of any product cancellations, and registration changes for products that may no longer be used in the State of Washington.

Beginning in FY 2025, WSDA would need 0.5 FTE PRS2 for two years to manage SRUP label review, label updates, and database entries. Registration staff would provide technical support to compliance staff and other educational outreach needed for distributors, growers, agronomists, and others about the new restrictions.

Total estimated costs for section 305 are as follows:

FY 2025: \$196,687 and 1.26 FTE

FY 2026: \$187,534 and 1.25 FTE

FY 2027 and ongoing each fiscal year thereafter: \$78,298 and 0.50 FTE

Status Assessment of Produce Sticker Technologies (Section 401)

WSDA would provide consultation support to Washington State Department of Ecology (Ecology) as needed. Based on an assumption of time spent consulting with producers and industry groups on current use of produce stickers and logistical considerations for using different materials and labeling methods, and time spent sharing information with Ecology, WSDA estimates 16 hours for Fruit and Vegetable Program Manager (WMS Band 2). Costs are estimated in the Fruit and Vegetable Inspection Account.

Total estimated costs for section 401 are as follows:

FY 2025: \$1,858 and 0.01 FTE

Compost Reimbursement Program (Section 601)

For section 601 (3) and 601 (5) (e), Washington Department of Ecology has a list of permit-exempt facilities which would be used to update program documents. After the initial updates, WSDA assumes minimal workload needed for periodic maintenance.

Based on the assumptions above, WSDA estimates 60 hours (0.03 FTE) Environmental Specialist 3 (ES3) in FY 2025 to update the map to show permit-exempt facilities and update the drop-down lists of facilities in the eligibility review and reimbursement applications.

Section 601 (5) (c) would change how the compost reimbursement amount is calculated. WSDA assumes minimal time would be needed to calculate the grant amount that a farm is eligible to receive. This extra step will occur when applications are being processed, which only takes place a few times a year. There may also be some added work processing reimbursements. The additional administrative work associated with these changes would likely be minimal and occur sporadically.

The Attorney General's Office (ATGO) assumes legal advice would be provided for the changes to the Compost Reimbursement Grants. The ATGO estimates 12 hours of AAG time would be needed, and the estimated cost is \$2,000 in FY 2025 and included in Goods and Services.

Total estimated costs for section 601 are as follows:

FY 2025: \$6,234 and 0.03 FTE

Total estimated costs for the proposed legislation are as follows:

FY 2025: \$672,623 and 3.24 FTE

FY 2026: \$740,302 and 4.27 FTE

FY 2027: \$631,065 and 3.52 FTE

FY 2028 and ongoing every even-numbered fiscal year thereafter: \$612,065 and 3.52 FTE

FY 2029 and ongoing every odd-numbered fiscal year thereafter: \$631,065 and 3.52 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.

Professional Services includes \$40,000 in FY 2025 for community engagement.

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. Goods and services also includes \$88,000 in FY 2025, and \$70,000 in FY 2026, FY 2027, and FY 2029 and ongoing every odd-numbered fiscal year thereafter, and \$51,000 in FY 2028 ongoing every even-numbered fiscal year thereafter for ATGO support. Also included is estimated translation and grant software license costs totaling \$27,000 in FY 2025 and ongoing.

Travel includes costs for grant program outreach and community engagement in FY 2025, travel for outreach, technical assistance, and monitoring of pesticide use updates.

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 | 0 | 443,379 | 443,379 | 1,105,536 | 1,086,536 |
| 23P-1 | Model Toxics Control Operating Account | State | 0 | 227,386 | 227,386 | 265,831 | 156,594 |
| 516-6 | Fruit and Vegetable Inspection Account | Non-Appropriated | 0 | 1,858 | 1,858 | 0 | 0 |
| Total \$ | | | 0 | 672,623 | 672,623 | 1,371,367 | 1,243,130 |

III. B - Expenditures by Object Or Purpose

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--------------------------------------|---------|---------|---------|-----------|-----------|
| FTE Staff Years | | 3.2 | 1.6 | 3.9 | 3.5 |
| A-Salaries and Wages | | 275,076 | 275,076 | 629,400 | 572,238 |
| B-Employee Benefits | | 96,067 | 96,067 | 225,072 | 204,000 |
| C-Professional Service Contracts | | 40,000 | 40,000 | | |
| E-Goods and Other Services | | 158,239 | 158,239 | 297,845 | 268,858 |
| G-Travel | | 11,940 | 11,940 | 8,850 | 7,080 |
| J-Capital Outlays | | | | | |
| N-Grants, Benefits & Client Services | | | | | |
| 9-Agency Administrative Overhead | | 91,301 | 91,301 | 210,200 | 190,954 |
| Total \$ | 0 | 672,623 | 672,623 | 1,371,367 | 1,243,130 |

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 |
|---|---------|---------|---------|---------|---------|---------|
| COMMERCE SPECIALIST 2 | 70,800 | | 1.0 | 0.5 | 2.0 | 2.0 |
| COMMERCE SPECIALIST 5 | 95,184 | | 0.9 | 0.4 | 1.0 | 1.0 |
| COMMUNITY OUTREACH & ENVIRONMENTAL SPEC 3 | 65,748 | | 0.3 | 0.1 | 0.1 | |
| ENVIRONMENTAL PLANNER 5 | 102,540 | | 0.3 | 0.1 | | |
| ENVIRONMENTAL SPECIALIST 3 | 72,552 | | 0.0 | 0.0 | | |
| MANAGEMENT ANALYST 3 | 74,376 | | 0.0 | 0.0 | 0.0 | 0.0 |
| MANAGEMENT ANALYST 5 | 95,184 | | | | | |
| PESTICIDE REGULATORY SPECIALIST 2 | 78,120 | | 0.8 | 0.4 | 0.8 | 0.5 |
| REGULATORY ANALYST 3 | 97,596 | | | | | |
| WMS BAND 2 | 102,115 | | 0.0 | 0.0 | | |
| WMS BAND 3 | 119,706 | | 0.1 | 0.0 | 0.0 | 0.0 |
| Total FTEs | | | 3.2 | 1.7 | 3.9 | 3.5 |

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

WSDA assumes the requirements and criteria for the grant program in section 204 could be established without a formal rulemaking.

WSDA assumes review and update of rules related to picolinic acid pesticides to support implementation of section 305.