

Multiple Agency Fiscal Note Summary

Bill Number: 1303 S HB	Title: Cleaner energy
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Estimated Cash Receipts

Agency Name	2007-09		2009-11		2011-13	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	Non-zero but indeterminate cost. Please see discussion."					
Department of Revenue	(126,000)	(130,000)	0	0	0	0
Total \$	(126,000)	(130,000)	0	0	0	0

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

Estimated Expenditures

Agency Name	2007-09			2009-11			2011-13		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Department of Community, Trade, and Economic Development	2.4	0	1,000,000	.0	0	0	.0	0	0
Office of Financial Management	1.0	0	500,000	.0	0	0	.0	0	0
Department of Revenue	.0	12,600	12,600	.0	0	0	.0	0	0
Department of General Administration	Fiscal note not available								
Washington State Patrol	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Health	.0	0	0	.0	0	0	.0	0	0
Superintendent of Public Instruction	.0	0	5,000,000	.0	0	5,000,000	.0	0	5,000,000
University of Washington	20.8	3,002,422	3,002,422	.0	0	0	.0	0	0
Washington State University	Fiscal note not available								
Department of Transportation	.0	0	1,290,000	.0	0	1,290,000	.0	0	1,290,000
Department of Ecology	.0	0	0	.0	0	0	.0	0	0
Department of Agriculture	.0	0	0	.0	0	0	.0	0	0
Total	24.2	\$3,015,022	\$10,805,022	0.0	\$0	\$6,290,000	0.0	\$0	\$6,290,000

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

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Prepared by: Mike Woods, OFM	Phone: 360-902-9819	Date Published: Preliminary 2/20/2007
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

Individual State Agency Fiscal Note

Bill Number: 1303 S HB	Title: Cleaner energy	Agency: 075-Office of the Governor
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Part I: Estimates

No Fiscal Impact

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: 02/09/2007
Agency Preparation: Brad Killman	Phone: 360-902-0617	Date: 02/13/2007
Agency Approval: Aaron Butcher	Phone: 360-902-0406	Date: 02/13/2007
OFM Review: Mike Woods	Phone: 360-902-9819	Date: 02/13/2007

Part II: Narrative Explanation

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

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

Section 302(3) requires the Governor to report to the legislature at the beginning of each biennium until January 1, 2020, on progress towards meeting the established emission reduction goals and any barriers to achieving the goals.

Section 402 establishes a Vehicle Electrification Work Group of which members are appointed by the Governor.

There is no fiscal impact as these functions could be absorbed with current resources.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1303 S HB	Title: Cleaner energy	Agency: 090-Office of State Treasurer
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
Fund					
Total \$					

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: 02/09/2007
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 02/14/2007
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 02/14/2007
OFM Review: Theo Yu	Phone: 360-902-0548	Date: 02/14/2007

Part II: Narrative Explanation

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

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

SHB 1303 creates the clean energy incentive account. Earnings from investments will be credited to the general fund.

Earnings from investments:

The amount of earnings by an account is a function of the average daily balance of the account and the earnings rate of the investment portfolio. The average daily balance is a function of the beginning balance in the account and the timing & amount of receipts, disbursements, & transfers during the time period in question. Accordingly, even with a beginning balance of zero, two accounts with the same overall level of receipts, disbursements, and transfers can have different average balances, and hence different earnings.

There will be an impact to the earnings; however, the actual earnings will be determined more by the impact to the average daily balance than the amount of increases or decreases in receipts, disbursements, and transfers. Currently, estimated earnings are indeterminable. Without projected monthly estimates of receipts, disbursements, and transfers, OST is unable to estimate the changes to the average balance of the account and the impact to earnings.

Based on the November 2006 Revenue Forecast, the net rate for estimating earnings for FY 08 is 4.18% and FY 09 is 4.21%. Approximately \$41,800 in FY 08 and \$42,100 in FY 09 in net earnings and \$5,000 in OST management fees would be gained or lost annually for every \$1 million increase or decrease in average daily balance.

Debt Limit:

There may be an impact on the debt service limitation calculation. Any change to the earnings credited to the general fund will change, by an equal amount, general state revenues.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

SHB 1303 creates the clean energy incentive account. Earnings from investments will be credited to the general fund.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years					
Total:					

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Revised

Bill Number: 1303 S HB	Title: Cleaner energy	Agency: 103-Community, Trade & Economic Develop
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	2.7	2.0	2.4	0.0	0.0
Fund					
Clean Energy Incentive Account-State New-1	592,518	407,482	1,000,000	0	0
Total \$	592,518	407,482	1,000,000	0	0

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

Check applicable boxes and follow corresponding instructions:

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- 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: 02/09/2007
Agency Preparation: Cory Plantenberg	Phone: 360-956-2101	Date: 02/20/2007
Agency Approval: Tony Usibelli	Phone: 360-725-3110	Date: 02/20/2007
OFM Review: Mike Woods	Phone: 360-902-9819	Date: 02/20/2007

Part II: Narrative Explanation

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

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

This bill provides for the means to encourage cleaner energy thereby providing for healthier communities by reducing emissions.

For CTED this substitute differs from the original by removing a \$20 million appropriation to CTED for the purposes of this act in Section 602 and removes Section 609 that appropriated \$6.5 million to CTED for projects authorized by the Office of Financial Management. All tasks in this amendment have their own appropriation.

Section 305 requires state agencies to purchase 100% of their fuel needs from bio-fuels starting June 15, 2015. CTED has no fleet of its own and uses motor pool vehicles. CTED may incur limited increases in fuel costs but at this time they are unknown and would occur beyond the timeframe of this fiscal note. Therefore, no fiscal impact is reported for this section.

Section 402 establishes the Vehicle Electrification Workgroup. The members are appointed by the Governor and the workgroup is staffed by the Department of Community, Trade and Economic Development (CTED).

Section 403 appropriates \$500,000 from the Clean Energy Incentive Account to CTED for the 2007-09 Biennium for staff and research support to the workgroup.

Section 503 appropriates \$500,000 from the Clean Energy Incentive Account to CTED for the 2007-09 Biennium to develop and recommend a framework for the State of Washington to participate in emerging regional, national, and global markets to mitigate climate change on a multi-sector basis.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

None.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Section 402 establishes the Vehicle Electrification Workgroup. The members are appointed by the Governor and the workgroup is staffed by CTED.

Section 403 appropriates \$500,000 to CTED for staff and research support to the workgroup. The workgroup is required to complete a report to the Governor by December 1, 2008.

FTE, Salaries and Benefits: We estimate that this section will require 1.5 Senior Energy Policy Specialists (EMS Band 2) in FY08, costing \$130,923 and .8 Senior Energy Policy Specialist in FY09, costing \$69,826, to staff the workgroup. In addition, there is .1 FTE in FY08 and FY09 for agency administration. Costs for this FTE are covered as part of standard goods and services below.

Personal Service Contracts: We estimate that we will hire a contractor to do research for the workgroup. The total cost for the contractor is \$139,407 in FY08 and \$57,500 in FY09. These amounts are based on the funding remaining from the \$500,000 biennial appropriation in this section; the scope of work will be set accordingly

Goods and Services (G&S):

FY08 \$ 54,939

-standard G&S \$ 40,903

-space and utilities \$ 3,786

-non-standard G&S \$ 10,250 includes meeting room, attorney general, and printing expenses

FY09 \$ 28,666

-standard G&S \$ 21,880

-space and utilities \$ 3,786

-non-standard G&S \$ 3,000 includes meeting room, attorney general, and printing expenses

Travel: We assume at least one workgroup meeting each month, other travel for meetings with experts in the field, and travel and per diem for the members of the workgroup. The cost for travel is \$8,593 for FY08 and \$4,296 for FY09.

Capital Outlay: Costs include a one-time purchase of office equipment for the additional staff at a cost of \$5,850 in FY08.

Section 503 appropriates \$500,000 to develop and recommend a framework for the State of Washington to participate in emerging regional, national, and global markets to mitigate climate change on a multi-sector basis

FTE, Salaries and Benefits: 1.0 Senior Energy Policy Specialist (EMS Band 2) at a cost of \$87,282 each fiscal year in FY08 and FY09 to develop the framework. In addition, there is .1 FTE in FY08 and FY09 for agency administration. Costs for this FTE are covered as part of standard goods and services below.

Personal Service Contracts: We estimate that we will hire a contractor to provide assistance in developing the framework with a cost of \$125,000 for FY08 and \$123,288 for FY09. These amounts are based on the funding remaining from the \$500,000 biennial appropriation in this section; the scope of work will be set accordingly.

Goods and Services (G&S):

FY08 & FY09 \$35,339

-standard G&S \$ 27,315

-space and utilities \$ 2,524

-non-standard G&S \$ 5,500 includes meeting room, attorney general, and printing expenses

Travel: Will include multiple meetings with experts in the field. The cost for travel is \$1,285 for each year of FY08 and FY09.

Capital Outlay: One-time purchase of office equipment for the additional staff at a cost of \$3,900 in FY08.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	2.7	2.0	2.4		
A-Salaries & Wages	167,850	120,852	288,702		
B-Employee Benefits	50,355	36,256	86,611		
C-Personal Serv Contr	264,407	180,788	445,195		
E-Goods and Services	90,278	64,005	154,283		
G-Travel	9,878	5,581	15,459		
J-Capital Outlays	9,750		9,750		
M-Inter Agency Fund Transfers					
N-Grants, Benefits Services					
P-Debt Service					
S-Interagency Reimbursement					
T-Intra-Agency Reimbursement					
Total:	\$592,518	\$407,482	\$1,000,000	\$0	\$0

III. B - 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 2008	FY 2009	2007-09	2009-11	2011-13
EMS Band 2	67,140	2.5	1.8	2.2		
Various Administrative Services	55,515	0.2	0.2	0.2		
Total FTE's		2.7	2.0	2.4		0.0

III. C - Expenditures By Program (optional)

Program	FY 2008	FY 2009	2007-09	2009-11	2011-13
Agency Administration (100)	56,013	40,407	96,420		
Energy Policy (500)	536,505	367,075	903,580		
Total \$	592,518	407,482	1,000,000		

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

None

Individual State Agency Fiscal Note

Bill Number: 1303 S HB	Title: Cleaner energy	Agency: 105-Office of Financial Management
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	1.0	1.0	1.0	0.0	0.0
Fund					
Clean Energy Incentive Account-State NEW-1	250,000	250,000	500,000	0	0
Total \$	250,000	250,000	500,000	0	0

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

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- 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: 02/09/2007
Agency Preparation: Brad Killman	Phone: 360-902-0617	Date: 02/15/2007
Agency Approval: Aaron Butcher	Phone: 360-902-0406	Date: 02/15/2007
OFM Review: Mike Woods	Phone: 360-902-9819	Date: 02/16/2007

Part II: Narrative Explanation

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

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

Section 306 (1) creates the position of the clean energy coordinator is created within the Office of Financial Management (OFM).

(2) The clean energy coordinator is responsible for:

- (a) Inventorying and coordinating all state efforts to develop, encourage, or mandate a biofuels market in Washington;
- (b) Developing, coordinating, and overseeing the implementation of a plan, or series of plans, for the development of a complete supply chain that allows for the production, transport, distribution, and delivery to public sector end users of biofuels produced exclusively from recycled products or Washington feedstocks;
- (c) Certifying that biofuels produced for use by state and local government in Washington is produced exclusively from recycled products or Washington feedstocks;
- (d) Judging the practicability of the one hundred percent biofuels mandate in RCW 43.19.642; and
- (e) Working with the departments of transportation and general administration, or other applicable state and local governmental entities, to develop biofuel fueling stations for use by state and local motor vehicle fleets.

Section 604 appropriates \$500,000 from the Clean Energy Incentive Account to OFM for the clean energy coordinator and for the purpose of providing greater access to public sector fueling capacity for biofuels.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Funding is provided in this bill for the 07-09 biennium only, we assume then that the position will either end or be absorbed by another agency beginning July 1, 2009. The cost assumptions are as follows:

Staffing

One FTE Clean Energy Coordinator (CEC), paid at a policy analyst salary

Administrative and fiscal support will be provided by current staff within OFM.

Consultants

It's difficult to determine what expertise the CEC will bring to the position and what consultant knowledge will be required for the CEC to fulfill its responsibilities. We expect this position will need a consultant to help inventory and coordinate all state efforts to develop, encourage, or mandate a biofuels market in Washington and help developing, coordinating, and overseeing the implementation of a plan, or series of plans, for the development of a complete supply chain that allows for the production, transport, distribution, and delivery to public sector end users of biofuels produced exclusively from recycled products or Washington feedstocks. All costs not associated with CEC are applied here to help fund any consultant services required.

Goods and Services, Travel

All costs are associated with the CEC

Capital Outlay

One-time costs for furniture, computer, phone, etc.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	1.0	1.0	1.0		
A-Salaries and Wages	84,000	84,000	168,000		
B-Employee Benefits	18,924	18,924	37,848		
C-Personal Service Contracts	121,276	128,276	249,552		
E-Goods and Services	15,800	15,800	31,600		
G-Travel	3,000	3,000	6,000		
J-Capital Outlays	7,000		7,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$250,000	\$250,000	\$500,000	\$0	\$0

III. B - 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 2008	FY 2009	2007-09	2009-11	2011-13
Policy Analyst	84,000	1.0	1.0	1.0		
Total FTE's		1.0	1.0	1.0		0.0

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Department of Revenue Fiscal Note

Bill Number: 1303 S HB	Title: Cleaner energy	Agency: 140-Department of Revenue
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2008	FY 2009	2007-09	2009-11	2011-13
GF-STATE-State 01 - Taxes 01 - Retail Sales Tax	(63,000)	(63,000)	(126,000)		
Performance Audit Account-State 01 - Taxes 01 - Retail Sales Tax	(2,000)	(2,000)	(4,000)		
Total \$	(65,000)	(65,000)	(130,000)		

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	0.1		0.0		
Fund					
GF-STATE-State 001-1	12,600		12,600		
Total \$	12,600		12,600		

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:

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- 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: 02/09/2007
Agency Preparation: Ray Philen	Phone: 360-570-6078	Date: 02/20/2007
Agency Approval: Kim Davis	Phone: 360-570-6087	Date: 02/20/2007
OFM Review: Doug Jenkins	Phone: 360-902-0563	Date: 02/20/2007

Part II: Narrative Explanation

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

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

Note: This fiscal note reflects language in SHB 1303/07.

Sections 104 and 105 provide a sales and use tax exemption for emission control equipment, labor, and services if used to retrofit 1994 or older diesel vehicles.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

ASSUMPTIONS/DATA SOURCES

Washington Department of Ecology.

REVENUE ESTIMATES

Using information provided by the Department of Ecology, it is estimated that approximately \$1 million will be spent on diesel retrofits in each of Fiscal Years 2008 and 2009. Using these amounts, the loss in state revenue is \$65,000. The loss in local tax revenue is \$20,000 in Fiscal Year 2008. Spending on diesel retrofits for 1994 and older vehicles beyond Fiscal Year 2009 is not expected.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

FY 2008 - \$ (65)
FY 2009 - \$ (65)

Local Government, if applicable (cash basis, \$000):

FY 2008 - \$ (20)
FY 2009 - \$ (20)

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

To implement this legislation, the Department of Revenue (Department) will incur costs of approximately \$12,600 in Fiscal Year 2008. These costs would be for creating and mailing a special notice and the amendment of one rule.

\$6,800 in Fiscal Year 2008 costs are for creating and mailing of a Special Notice.

The Department will absorb these costs. However, should this bill and other similar bills pass, the net impact may result in costs above the level the Department can reasonably absorb. In that event, the Department will need additional resources to implement the legislation.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	0.1		0.0		
A-	2,900		2,900		
B-	700		700		
E-	8,700		8,700		
J-	300		300		
Total \$	\$12,600		\$12,600		

III. B - 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 2008	FY 2009	2007-09	2009-11	2011-13
HEARINGS SCHEDULER	31,056	0.0		0.0		
RULES MANAGER	78,194	0.0		0.0		
RULES POLICY SPECIALIST	64,587	0.0		0.0		
TAX POLICY SPECIALIST 3	61,500	0.0		0.0		
Total FTE's		0.1		0.1		

Part IV: Capital Budget Impact

NONE.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Should this legislation become law, the Department will use the Expedited process to amend WAC 458-20-178, Use tax. Persons affected by this rule-making would include those who own diesel vehicles that are 1994 model year or older.

Individual State Agency Fiscal Note

Bill Number: 1303 S HB	Title: Cleaner energy	Agency: 225-Washington State Patrol
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

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:

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- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact:	Phone:	Date: 02/09/2007
Agency Preparation: Eileen Nashleanas	Phone: 360-753-0637	Date: 02/12/2007
Agency Approval: Diane C. Perry	Phone: 360-753-0221	Date: 02/13/2007
OFM Review: Garry Austin	Phone: 360-902-0564	Date: 02/13/2007

Part II: Narrative Explanation

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

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

Substitute House Bill 1303 creates a Clean Energy Coordinator in the Office of Financial Management to inventory and coordinate all state efforts to develop, encourage, or mandate a biofuel market in Washington. The coordinator will work with the Department of Transportation and General Administration to develop biofuel fueling stations for use by state and local motor vehicle fleets.

Part 1 of SHB 1303 includes 10% incentive funding for replacement of school buses older than 1994. Up to 5 million dollars, or as much is necessary, is appropriated for the biennium ending June 30, 2009 from the Clean Energy Incentive Account.

Part 2 of SHB 1303 states that the state should develop markets for producing biodiesel and ethanol. Effective June 1, 2015 all state agencies are required to satisfy 100 percent of their fuel needs for operating publicly owned vessels, vehicles, and construction equipment from biofuel certified by the Clean Energy Coordinator. The Department of Natural Resources is added to the list of those agencies able to apply for the energy freedom program.

Part 3 of SHB 1303 finds that there is compelling public interest in reducing fossil fuel dependence and emissions of global warming pollution. This section encourages the use of electrical vehicles and enables the Department of General Administration to execute contracts for the purchase of biofuel. If the Clean Energy Coordinator finds it practicable, all units of state and local government must satisfy their complete fuel needs from biofuel by June 1, 2015.

Part 4 of SHB 1303 encourages the use of electrical vehicle technology by establishing a "vehicle electrification work group" to study the plug-in hybrid vehicles and develop plug-in availability at state locations; use incentives to encourage use of plug-in truck auxiliary power units; encourage use of plug-in shore power for cargo and cruise ship terminals, etc. A report from this group is due December 1, 2008.

Part 5 of this bill appropriates \$250,000, or as much as is necessary, from the clean energy incentive account for the climate impacts group at the University of Washington for analysis of the potential human health impacts of global warming on the state of Washington. It also appropriates \$500,000 or as much as necessary to the Department of Community, Trade and Economic Development (CTED) for developing a framework for the state to participate in emerging regional, national and global markets to mitigate climate change.

Part 6 of the bill creates the clean energy incentive account in the state treasury. \$2,100,000 is appropriated to the University of Washington for the purposes of producing a fifty-year comprehensive state climate change assessment.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

No additional cash receipts will be received by the Washington State Patrol upon passage of this bill.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

SHB 1303 states that by June 1, 2015 all state agencies are required to satisfy 100 percent of their fuel needs for operating publicly owned vessels, vehicles, and construction equipment from biofuel certified by the Clean Energy Coordinator. As the Washington State Patrol fleet is replaced they will move toward this goal.

The Washington State Patrol (WSP) houses a fleet of approximately 1580 vehicles. Currently the WSP has 43 E-85 capable vehicles, 2 hybrids and one low-sulphur diesel in the fleet. Beginning next year the Crown Vic (driven by the majority of the commissioned officers) will have an E-85 option available at no increase in cost. However, since E-85 fuel is approximately 30% less efficient than fossil fuel there will be a substantial increase in fuel costs. Since the 2015 date is far enough in the future the WSP will not declare a fiscal impact at this time since they would need to first make the decision to add more E-85 fuel driven vehicles to the fleet. But, if the entire fleet were converted to E-85 in order to meet this demand the fuel expenditures would rise from approximately \$9,173,000 per biennium to \$11,956,000.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

No new rules will be required upon passage of this legislation.

Individual State Agency Fiscal Note

Bill Number: 1303 S HB	Title: Cleaner energy	Agency: 303-Department of Health
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Part I: Estimates

No Fiscal Impact

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: 02/09/2007
Agency Preparation: Laraine Clardy	Phone: 360-236-3015	Date: 02/15/2007
Agency Approval: Patty Steele	Phone: 360-236-4530	Date: 02/19/2007
OFM Review: Nick Lutes	Phone: 360-902-0570	Date: 02/20/2007

Individual State Agency Fiscal Note

Bill Number: 1303 S HB	Title: Cleaner energy	Agency: 350-Supt of Public Instruction
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
Fund					
Clean Energy Incentive Account-State NEW-1	2,500,000	2,500,000	5,000,000	5,000,000	5,000,000
Total \$	2,500,000	2,500,000	5,000,000	5,000,000	5,000,000

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: 02/09/2007
Agency Preparation: Randy Newman	Phone: 360-725-6283	Date: 02/14/2007
Agency Approval: Melissa Beard	Phone: (360) 725-6019	Date: 02/14/2007
OFM Review: Denise Graham	Phone: 360-902-0572	Date: 02/15/2007

Part II: Narrative Explanation

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

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

Section 102 (1) creates a school bus replacement incentive program administered by the Office of the Superintendent of Public Instruction (OSPI) to fund up to 10% of the purchase cost of a bus which replaces a 1994 or older bus.

Section 102 (2) Directs OSPI to ensure that buses being purchased under the replacement incentive program are scrapped and not purchased for road use. School districts will be required to provide written documentation to OSPI showing that buses replaced were rendered unusable.

Section 103 establishes \$5 million in funding from the clean energy incentive account for the program during the 2007-09 biennium.

Section 305 (4) would require school districts to use biofuels in the operation of its vehicles, including buses. The state clean energy coordinator would set the minimum percentage of biofuel to be used.

Section 701 gives OSPI rule making authority to implement requirements of this bill.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

No impact to cash receipts.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

OSPI Impact

The bill creates the school bus replacement incentive program which would reimburse districts up to ten percent of the purchase price of a school bus that replaces a model year 1994 or older bus. Based on the \$5 million dollars funded in the 2007-09 biennium, OSPI estimates that it could reimburse districts up to 6.2% of the purchase price of new buses purchased under the program each fiscal year (FY 2008 \$2.5 million and FY 2009 \$2.5 million). This is based on historical data of bus replacements and the average costs of new buses (500 pre 1994 school buses replaced X \$80,000 average cost of a new bus X 6.2% = \$2.48 million). OSPI projects that it would take over 6 fiscal years to replace all pre 1994 model buses statewide (3,140 pre 1994 buses / 500 replacements per year). In order to maximize the full funding allocated to the program, OSPI will adjust the reimbursement rate annually based on the number of pre 1994 models replaced.

The cost of ensuring that the pre 1994 models are surplus according to this bill, OSPI will rely on its regional transportation coordinators to fulfill the requirements of the new program.

Local School District Impact

School districts that choose to replace pre 1994 model buses will receive up to \$4,950 for each bus replaced (\$80,000 average cost of new bus X 6.2% state reimbursement rate = \$4,950). This will offset the purchase cost of a new bus.

As districts replace pre 1994 model buses, they will not be able to "trade in" these buses when purchasing a new bus. It's

assumed that the "scrap value" of the bus will offset the loss of the "trade in" value that the district would have received when purchasing a new bus. Also, it's assumed that the "scrap value" of the bus will cover all costs of salvaging and rendering the bus unusable.

The impact of section 305 (4) is indeterminate because the minimum percentage of biofuel usage set by the clean energy coordinator and the volume of fuel used and price of biofuel are not known.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	2,500,000	2,500,000	5,000,000	5,000,000	5,000,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$2,500,000	\$2,500,000	\$5,000,000	\$5,000,000	\$5,000,000

Part IV: Capital Budget Impact

No impact to the capital budget.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

No required rule changes.

Individual State Agency Fiscal Note

Bill Number: 1303 S HB	Title: Cleaner energy	Agency: 360-University of Washington
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	20.8	20.8	20.8	0.0	0.0
Fund					
General Fund-State 001-1	1,501,211	1,501,211	3,002,422	0	0
Total \$	1,501,211	1,501,211	3,002,422	0	0

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact:	Phone:	Date: 02/09/2007
Agency Preparation: Jessica Thompson	Phone: (206) 685-9955	Date: 02/20/2007
Agency Approval: Gary Quarfoth	Phone: (206) 616-2425	Date: 02/20/2007
OFM Review: Marc Webster	Phone: 360-902-0650	Date: 02/20/2007

Part II: Narrative Explanation

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

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

Part 3 of house bill 1303 establishes goals for reducing emissions from the state's vehicle fleets. It requires that fossil fuel usage be at least 25% below usage for 2006 by 2020, and that tires must be replaced with tires that have the same or better rolling resistance. It encourages the use of electric vehicles and authorizes the purchase of power at state expense to recharge privately or publicly owned electric vehicles used for state business. It also states that starting in 2015 all state agencies are required to satisfy 100% of their fuel needs for operating publicly owned vehicles from biofuel.

Part 5, section 502 appropriates \$250,000 for the biennium ending June 30, 2009 from the clean energy incentive account created in section 601 to the UW climate impacts group for the purpose of contracting for an analysis of the human health impacts of global warming in the state of WA.

Section 607 appropriates \$2.1 million for the biennium ending June 30, 2009 from the clean energy incentive account for the purpose of producing a 50 year comprehensive state climate change assessment.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Reported expenditures are associated with two appropriations made in HB 1303 to the Climate Impacts Group (CIG) for the completion of research studies. The costs reported in the expenditure detail reflect the cost of completing the studies outlined in the bill in a thorough and quality manner. Should the level of funding required for this not be possible, CIG could consider designing scaled back studies that would, to a lesser degree, address the questions of interest.

It has been estimated that to complete the study outlined in Section 502, CIG would require \$242,066 per year for two years, totaling \$484,132.

Expenditures for this research project are tied to FTE salaries (\$157,198 p/yr) and benefits (\$42,900 p/yr), a personal service contract for a web designer (\$7,056 p/yr), facility rental and other services (\$21,935 p/yr), research and conference travel (\$2,363 p/yr), software and DVD drives (\$2,114 p/yr), and equipment including computers and servers for data storage (\$8,500 p/yr).

It has been estimated that to complete the study outlined in Section 607, CIG would require \$1,259,145 per year for two years, totaling \$2,518,290.

Expenditures for this research project are tied to FTE salaries (\$808,124 p/yr), and benefits (\$189,217 p/yr), personal service contracts (\$88,200 p/yr), services (\$26,750 p/yr), research and conference travel (\$16,223 p/yr), software and DVD drives (\$12,691 p/yr), and equipment including computers, servers, and video conferencing equipment (\$32,500 p/yr). This project would also require an expenditure equaling \$85,440 p/yr for graduate operating fees related to the graduate student staff.

Expenditures related to Sections 302-305 are not included in the expenditure detail because the requirements outlined

would not take effect until after FY 2013. However, we will report estimates for expected expenditures related to these requirements in narrative form here:

Section 302: Ensuring that by 2020 annual fossil fuel usage by motor vehicle fleet is at least 25% below the annual usage for year 2006. This would cost approximately \$26,000-30,000 per year to accomplish. However, due to the stricter biofuel requirements outlined in Section 305, the requirement in Section 302 would be met by default and that cost would not be incurred. The requirements regarding tire replacements would lead to indeterminate fiscal impact.

Section 303: Encouraging use of electric vehicles. This section would have an indeterminate fiscal impact on the university of washington.

Section 305: Requirement to satisfy one hundred percent of fuel needs from biofuel by 2015. Assuming B100 and E85 biofuel levels, the fiscal impact of this section on the university would include \$4,250,000 to replace the approximately 45% of university vehicles that are not currently flex fuel vehicles, and \$1,000,000 to retrofit diesel vehicles to run on B100. Additionally, depending on the price of biofuels in 2015 and beyond, the university expects to incur additional fuel costs as a result of increasing the reliance on biofuel. Also note that if using B85 or lower the university would not need to retrofit diesel vehicles.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	20.8	20.8	20.8		
A-Salaries and Wages	965,322	965,322	1,930,644		
B-Employee Benefits	232,117	232,117	464,234		
C-Personal Service Contracts	95,256	95,256	190,512		
E-Goods and Services	104,490	104,490	208,980		
G-Travel	18,586	18,586	37,172		
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	85,440	85,440	170,880		
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$1,501,211	\$1,501,211	\$3,002,422	\$0	\$0

III. B - 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 2008	FY 2009	2007-09	2009-11	2011-13
Faculty	168,000	1.6	1.6	1.6		
Graduate Students	20,965	9.0	9.0	9.0		
Postdoctoral Researchers	45,000	8.2	8.2	8.2		
Professional Staff 1	63,808	0.1	0.1	0.1		
Professional Staff 2	71,394	1.8	1.8	1.8		
Student Worker	24,960	0.1	0.1	0.1		
Total FTE's		20.8	20.8	20.8		0.0

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

OFM Notes:

UW reports that the Climate Impacts Group insists that to perform the studies outlined in the bill, the costs will exceed the appropriations. While the costs included seem high, the studies themselves are rather complex, and we feel there's value in presenting UW's/CIG's case to the legislature.

Individual State Agency Fiscal Note

Bill Number: 1303 S HB	Title: Cleaner energy	Agency: 405-Department of Transportation
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
Fund					
Motor Vehicle Account-State 108-1	645,000	645,000	1,290,000	1,290,000	1,290,000
Total \$	645,000	645,000	1,290,000	1,290,000	1,290,000

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: 02/09/2007
Agency Preparation: Mia Waters	Phone: 206-440-4541	Date: 02/15/2007
Agency Approval: Don Nelson	Phone: 360-705-7101	Date: 02/16/2007
OFM Review: Rich Struna	Phone: 360-902-9821	Date: 02/16/2007

Part II: Narrative Explanation

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

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

This bill includes several measures that are intended to result in the reduction of the use of fossil fuels in vehicles and vessels used by state agencies. Sections 302 and 305 would impact the department.

Section 302 requires that by no later than January 1, 2020, annual fossil fuel usage by the state's motor vehicle fleets must be at least twenty-five percent below the usage in 2006. The department owns most of the motor vehicles and other diesel and gasoline powered equipment used by the Highway Maintenance Program and other department programs. For diesel powered vehicles, the department has already taken the steps required to reduce petroleum fuel consumption by the end of FY 2009 in order to comply with the Governor's Executive Order 05-01 and also to meet the requirements of RCW 43.19.642 for use of biodiesel fuel. In order to achieve the full twenty-five percent fossil fuel reduction required by the bill, the department would increase the number of gasoline powered vehicles that will be replaced with "flex-fuel" vehicles that can use eighty-five percent ethanol blends.

Section 305 requires, when determined practicable by a clean energy coordinator at OFM, that by June 1, 2015 all publicly owned vessels, vehicles, and construction equipment use 100 percent biofuel. If this determination is made, the department would have to implement actions to eliminate the use of diesel and gasoline fuel by that date. It would require all motor vehicles operated by the department and ferry vessels operated by the department's ferries program to be equipped to use 100% biofuel.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Assuming the determination is made to require full compliance with the 100% biofuel requirement the department would be obligated to take all practicable actions needed to equip all motor vehicles and ferry vessels to operate with 100% biofuel by June 1, 2015.

For diesel powered highway maintenance and fleet vehicles, it is assumed that there would be no significant additional costs during the next six years to make the transition to accommodate 100% biofuel consumption. In addition to diesel powered vehicles, the department's fleet includes 800 heavy duty gasoline powered vehicles (8,400 GVW and greater) and 1,100 light vehicles (less than 8,400 GVW) that are not equipped to operate with biofuel.

These vehicles would have to be replaced with vehicles that can use biofuel over the eight year period beginning in 2008. The most economical way to accomplish this would be to replace these vehicles with ones that can use biofuel at the time they are already scheduled for replacement at the end of their "economic life". Approximately 80 of the heavy duty vehicles and 110 of the light vehicles are scheduled for replacement each year. For the heavy duty vehicles, "flex-fuel" vehicles that can use biofuel are not currently available. As a result it would be necessary to replace them with diesel powered vehicles, at an added cost per vehicle of \$6,000 at current prices. The light vehicles would be replaced with flex-fuel vehicles at an estimated added cost of \$1,500 per vehicle. The total additional equipment acquisition costs per year for vehicles that can use biofuel over the next six-years would be \$645,000. Remaining costs of replacing vehicles to equip the total vehicle fleet to use biofuel would be incurred in the 2013-15 biennium. Costs in that biennium would be

substantially greater than those incurred in prior biennia because they would include replacements of vehicles that are not scheduled for replacement until later biennia.

The ferries program currently is making a determination of the changes in vessel engine systems that will be required to use a twenty-percent biodiesel fuel blend in ferry vessels by the end of FY 2009. If the determination is also made that vessel engines systems can accommodate the use of 100% biofuel, there would be no additional costs over the six years covered by this fiscal note. However, beginning in the 2013-15 biennium, there would be significant additional costs if current price differences between biodiesel fuel and diesel fuel continue. The added fuel costs would range between \$3.5 million if the current \$1 gallon tax credit for biofuel is continued to \$21 million per year without the credit. Ferries would also incur an estimated \$1 million in costs to convert vessels to use 100% biodiesel fuel.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services					
G-Travel					
J-Capital Outlays	645,000	645,000	1,290,000	1,290,000	1,290,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$645,000	\$645,000	\$1,290,000	\$1,290,000	\$1,290,000

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1303 S HB	Title: Cleaner energy	Agency: 461-Department of Ecology
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Part I: Estimates

No Fiscal Impact

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: 02/09/2007
Agency Preparation: Paige Boule	Phone: (360) 407-6646	Date: 02/15/2007
Agency Approval: Pat McLain	Phone: (360) 407-7005	Date: 02/15/2007
OFM Review: Jim Cahill	Phone: 360-902-0569	Date: 02/15/2007

Part II: Narrative Explanation

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

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

Section 107 of this bill would allow diesel retrofit funding currently in or slated for the Air Pollution Control Account to be used for privately-owned vehicles.

Presently, the funding for diesel retrofits from the Air Pollution Control Account and the rescue tug at Neah Bay from the Vessel Response Account ends June 30, 2008. This bill does not change that sunset date and so has no added fiscal implications for the department of Ecology.

Section 302 - (1) Would require that, by 2020, fossil fuel usage by the state's motor vehicle fleet be 25% below 2006. (2) Would require that, when tires are replaced, they be with tires of equal or better roll resistance.

Ecology does not see a fiscal impact regarding Section 302. (1) This assumes that alternative fuel would increase in availability each year and that automobile technology would make more efficient use of alternative fuels. (2) For safety purposes, we currently replace original tires with tires that have better traction. We assume that the cost for better roll resistance tires would be the same.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1303 S HB	Title: Cleaner energy	Agency: 495-Department of Agriculture
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Part I: Estimates

No Fiscal Impact

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: 02/09/2007
Agency Preparation: Greg Wright	Phone: 360-902-1918	Date: 02/12/2007
Agency Approval: David Hecimovich	Phone: 360-902-1989	Date: 02/13/2007
OFM Review: Linda Steinmann	Phone: 360-902-0573	Date: 02/13/2007

Part II: Narrative Explanation

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

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

Section 202 adds Cellulosic ethanol production facilities are eligible for assistance under the Energy Freedom program.

Section 605 requires coordination with the University of Washington in identifying barriers for future biofuels development.

The Department of Agriculture anticipates minimal incremental workload increase to support this activity. This workload will be conducted using existing resources within the department.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.