

Individual State Agency Fiscal Note

Bill Number: 6092 S SB	Title: Greenhouse gas disclosures	Agency: 461-Department of Ecology
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.3	0.2	0.0	0.0
Account					
General Fund-State 001-1	0	748,342	748,342	0	0
Total \$	0	748,342	748,342	0	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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Agency Preparation: Cristina Steward	Phone: 564-669-1723	Date: 02/03/2024
Agency Approval: Erik Fairchild	Phone: 360-407-7005	Date: 02/03/2024
OFM Review: Lisa Borkowski	Phone: (360) 742-2239	Date: 02/03/2024

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 SB 6092, SSB 6092 removes previous sections 3 through 5 and updates section 2 which would require Ecology to provide a report to the Legislature with recommendations on how to implement reporting in Washington state for climate-related disclosures.

Section 2 would require Ecology to develop policy recommendations to address climate-related disclosure requirements in Washington and submit a report to the Legislature by January 1, 2025.

In developing policy recommendations, Ecology would be directed to research and follow developments in the climate-related disclosure requirements administered by the Securities and Exchange Commission (SEC). The report would need to include recommendations on how Washington law governing climate-related disclosures can align with the climate-related disclosure requirements administered by the SEC, how disclosures are made available to the public, and determinations on whether the requirements are sufficient to track emissions for the purposes of compliance with the cap-and-invest program and clean fuels program.

II. B - Cash receipts Impact

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

II. C - Expenditures

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

The expenditure impact to Ecology under this bill is estimated to be greater than \$50,000 in Fiscal Year (FY) 2025 to implement the requirements of section 2.

Section 2 would require Ecology to develop policy recommendations to address climate-related disclosure requirements in Washington and submit a report to the Legislature by January 1, 2025. The legislative report specifically requires Ecology to recommend how Washington reporting requirements may align with proposed SEC climate disclosure requirements and how disclosures can be made available to the public. Ecology assumes that the SEC disclosure requirements rule would be finalized in time for Ecology to complete the report by the January 1, 2025 deadline.

Ecology assumes we would hire a contractor to analyze the SEC proposed rules for incorporation in the legislative report. The contractor would draft the legislative report, and conduct stakeholder outreach. Additional work would include providing input on regulatory reporting requirements and how climate related disclosures may or may not align with Ecology's regulatory reporting requirements. Based on comparable contracts and the compressed timeline for the report Ecology estimates contract costs to be \$700,000 in FY 2025.

Ecology estimates 0.25 FTE Environmental Specialist 5 would be required in FY 2025 to prepare and manage the contract, coordinate stakeholder engagement, and develop Ecology expertise on scope 1, 2 and 3 emissions.

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

FY 2025: \$748,342 and 0.3 FTEs

Notes on costs by object:

Salary estimates are current biennium actual rates at Step L.

Benefits are the agency average of 34.1% of salaries.

Contract costs of \$700,000 are included in FY 2025 for section 2.

Goods and Services are the agency average of \$6,048 per direct program FTE.

Travel is the agency average of \$2,205 per direct program FTE.

Equipment is the agency average of \$1,286 per direct program FTE.

Agency Administrative Overhead is calculated at the federally approved agency indirect rate of 29.8% of direct program salaries and benefits, and is shown as object 9. Agency Administrative Overhead FTEs are included at 0.15 FTE per direct program FTE, and are identified as Fiscal Analyst 2 and IT App Development - Journey.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	748,342	748,342	0	0
Total \$			0	748,342	748,342	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.3	0.2		
A-Salaries and Wages		26,403	26,403		
B-Employee Benefits		9,003	9,003		
E-Goods and Other Services		701,512	701,512		
G-Travel		551	551		
J-Capital Outlays		322	322		
9-Agency Administrative Overhead		10,551	10,551		
Total \$	0	748,342	748,342	0	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
ENVIRONMENTAL SPEC 5	105,612		0.3	0.1		
FISCAL ANALYST 2			0.0	0.0		
IT APP DEV-JOURNEY			0.0	0.0		
Total FTEs			0.3	0.2		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

Part V: New Rule Making Required

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