

Multiple Agency Fiscal Note Summary

Bill Number: 5688 S SB	Title: Registered domestic partners
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Estimated Cash Receipts

Agency Name	2009-11		2011-13		2013-15	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of the Secretary of State	0	0	0	11,115	0	14,820
Washington State Health Care Authority	0	133,333	0	3,838,245	0	5,791,311
Department of Revenue	0	0	0	(260,000)	0	(520,000)
Department of Social and Health Services	Non-zero but indeterminate cost. Please see discussion."					
Department of Corrections	Non-zero but indeterminate cost. Please see discussion."					
Total \$	0	133,333	0	3,589,360	0	5,286,131

Local Gov. Courts *	Non-zero but indeterminate cost. Please see discussion.					
Local Gov. Other **	Fiscal note not available					
Local Gov. Total						

Estimated Expenditures

* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 23017

FNS029 Multi Agency rollup

Agency Name	2009-11			2011-13			2013-15		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of the State Actuary	.0	500,000	1,300,000	.0	700,000	1,300,000	.0	800,000	1,400,000
Administrative Office of the Courts	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Office of the Secretary of State	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Washington State Health Care Authority	.3	57,257	193,692	.2	640,168	3,865,633	.0	1,252,810	5,791,311
Department of Retirement Systems	.1	0	65,732	.0	0	0	.0	0	0
Department of Revenue	.2	47,300	47,300	.0	0	0	.0	0	0
Office of Insurance Commissioner	.0	0	0	.0	0	0	.0	0	0
Department of Labor and Industries	.0	0	624,229	.0	0	924,703	.0	0	1,226,068
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
Department of Social and Health Services	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Veterans Affairs	.0	0	0	.0	0	0	.0	0	0
Department of Corrections	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Higher Education Coordinating Board	.0	0	0	.0	0	0	.0	0	0
Employment Security Department	.2	0	41,000	.0	0	0	.0	0	0
Total	0.8	\$604,557	\$2,271,953	0.2	\$1,340,168	\$6,090,336	0.0	\$2,052,810	\$8,417,379

Local Gov. Courts *	Non-zero but indeterminate cost. Please see discussion.								
Local Gov. Other **	Fiscal note not available								
Local Gov. Total									

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

Prepared by: Regan Hesse, OFM	Phone: 360-902-9820	Date Published: Preliminary
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 23017

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 5688 S SB	Title: Registered domestic partners	Agency: 035-Office of State Actuary
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
Fund					
All Other Funds-State 000-1	400,000	400,000	800,000	600,000	600,000
General Fund-State 001-1	200,000	300,000	500,000	700,000	800,000
Total \$	600,000	700,000	1,300,000	1,300,000	1,400,000

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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.

OFM Contact: Bob Shirley	Phone: 360-9020420	Date: 02/16/2009
Agency Preparation: Nelsen Dave	Phone: 360-786-6144	Date: 02/16/2009
Agency Approval: Matthew M. Smith	Phone: 360-786-6140	Date: 02/16/2009
OFM Review: Jane Sakson	Phone: 360-902-0549	Date: 02/16/2009

Request # -1

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.

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

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
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					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$0	\$0	\$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.

ACTUARY'S FISCAL NOTE

RESPONDING AGENCY:	CODE:	DATE:	BILL NUMBER:
Office of the State Actuary	035	2/16/09	SSB 5688

WHAT THE READER SHOULD KNOW

The Office of the State Actuary ("we") prepared this fiscal note based on our understanding of the bill as of the date shown above. We intend this fiscal note to be used by the Legislature during the 2009 Legislative Session only.

We advise readers of this fiscal note to seek professional guidance as to its content and interpretation, and not to rely upon this communication without such guidance. Please read the analysis shown in this fiscal note as a whole. Distribution of, or reliance on, only parts of this fiscal note could result in its misuse, and may mislead others.

SUMMARY OF RESULTS

This bill extends all the benefits, rights and responsibilities that are currently provided to spouses of members within the state retirement systems to state registered domestic partners of members. We would expect an increase in survivor benefits paid from the affected plans.

Impact on Pension Liability			
<i>(Dollars in Millions)</i>	Current	Increase	Total
Today's Value of All Future Pensions	\$67,081	\$43.7	\$67,124
Earned Pensions Not Covered by Today's Assets	\$4,103	\$29.8	\$4,133

Impact on Contribution Rates: (Effective 09/01/2009)						
2009-2011 State Budget	PERS	TRS	SERS	PSERS	LEOFF	WSPRS
Employee (Plan 2)	0.01%	0.00%	0.01%	0.00%	0.00%	0.19%
Employer:						
Current Annual Cost	0.01%	0.00%	0.01%	0.00%	0.00%	0.19%
Plan 1 Past Cost	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total	0.01%	0.00%	0.01%	0.00%	0.00%	0.19%
State					0.00%	

Budget Impacts			
<i>(Dollars in Millions)</i>	2009-2011	2011-2013	25-Year
General Fund-State	\$0.5	\$0.7	\$9.8
Total Employer	\$2.3	\$2.3	\$30.8

See the Actuarial Results section of this fiscal note for additional detail.

WHAT IS THE PROPOSED CHANGE?

Summary Of Benefit Improvement

This bill impacts the following systems:

- Public Employees' Retirement System (PERS) Plans 1, 2 and 3.
- Teachers' Retirement System (TRS) Plans 1, 2, and 3.
- School Employees' Retirement System (SERS) Plans 2 and 3.
- Public Safety Employees' Retirement System (PSERS.)
- Law Enforcement Officers' and Fire Fighters' Retirement System (LEOFF) Plans 1 and 2.
- Washington State Patrol Retirement System (WSPRS) Plans 1 and 2.
- Volunteer Fire Fighters' and Reserve Officers' Relief and Pension Fund (VFFRPF).
- Judges Retirement System (Judges).
- Judicial Retirement System (JRS).

In each system, the benefits, rights and responsibilities assigned to the spouses of members is extended to the state registered domestic partners of members.

This substitute bill differs from the original bill in that it modifies additional chapters of RCW to include domestic partners where spousal terms are used. These additional chapters do not address pension benefits. Therefore, the estimated fiscal impact of the substitute bill remains the same as the estimated fiscal impact of the original bill.

Effective Date: January 1, 2012.

What Is The Current Situation?

Currently, domestic partners are generally eligible for benefits that can be assigned to a beneficiary, through the member exercising that choice and filing the appropriate paperwork. However, some benefits, rights and responsibilities are assigned by statute directly to spouses. For example, in the Plans 2/3, if an eligible member dies prior to retirement, the spouse is entitled to an on-going monthly survivor annuity. A domestic partner in the same situation would not be eligible for the survivor annuity.

Who Is Impacted And How?

This bill provides benefits to domestic partners as defined in RCW 26.60.020. Under this statute, same-gender domestic partners must both be at least 18 years of age. Opposite-gender domestic partners may be covered as long as both partners are at least 18, and at least one of the partners is age 62 or over.

We estimate this bill could potentially impact any of the active or terminated vested members in the affected systems by extending certain benefits to their qualified domestic partners. This bill could also impact any of the service-retired members or members with disabilities in JRS, WSPRS Plan 1, and LEOFF Plan 1. We would expect to see, on

average, 16 additional surviving domestic partners collect these benefits per year for all affected systems.

Please see Appendix B for more information.

This bill impacts all Plan 2 and WSPRS Plan 1 members through increased contribution rates. With the exception of WSPRS members, this bill will not affect member contribution rates in Plan 1 since they are fixed in statute. Additionally, this bill will not affect member contribution rates in Plan 3 since Plan 3 members do not contribute to their employer-provided defined benefit.

WHY THIS BILL HAS A COST AND WHO PAYS FOR IT

Why This Bill Has A Cost

This bill has a cost to the system because additional survivor benefits can be paid to eligible domestic partners, where currently only spouses may receive these benefits.

Who Will Pay For These Costs?

The cost of this bill will be divided between members, local employers, and the state according to standard funding methods:

- LEOFF 2: 50 percent member, 30 percent employer, and 20 percent State.
- Plan 1: 100 percent employer.
- Plan 2, WSPRS: 50 percent member and 50 percent employer.
- Plan 3: 100 percent employer.

HOW WE VALUED THESE COSTS

Assumptions We Made

We assumed additional survivors of active and terminated member deaths would receive annuities. We also assumed additional survivors of WSPRS Plan 1 and LEOFF Plan 1 service retirees and members with disabilities would receive annuities. Those plans offer free joint and survivor benefits, so the system would absorb the additional cost incurred through the new survivors. Correspondingly, we expect fewer survivors will collect a return of contributions when these members die.

We did not change our assumption about who would receive a \$150,000 lump-sum line-of-duty death benefit or the refund of member contributions for those not eligible to receive lifetime annuities, as we already assume these benefits are paid out for all such deaths.

This bill includes domestic partners as recipients of Public Employee Benefits Board (PEBB) premium reimbursement if a LEOFF Plan 2 or WSPRS member is killed in the line of duty. However, we did not increase the assumed number of survivors who will

receive PEBB premium reimbursements; we already assume 100 percent of qualified deaths will result in such reimbursement.

We considered, but did not increase costs for, the ability of a surviving domestic partner to purchase military service credit should the member die while serving in the military. We believe this additional cost would be immaterial.

For more detail please see Appendix A.

How We Applied These Assumptions

We found the cost of this bill by comparing (1), the cost of survivor benefits reflecting the addition of eligible domestic partner survivors to (2), the cost of the same benefits under current assumptions.

We applied an additional interest discount to the resulting liability change to reflect the delayed effective date of this bill. As a result, the cost of this bill for WSPRS is less than the cost of SB 5439 / HB 1445 from this session.

Otherwise, we developed these costs using the same methods as disclosed in the June 30, 2007 Actuarial Valuation Report (AVR).

We used the Entry Age Normal Cost Method to determine the fiscal budget changes for future new entrants. We used the Aggregate Funding Method to determine the fiscal budget changes for current plan members.

Special Data Needed

We developed these costs using the same assets and data as disclosed in the AVR.

ACTUARIAL RESULTS

How The Liabilities Changed

This bill will impact the actuarial funding of PERS, TRS, SERS, PSERS, LEOFF Plan 2, and WSPRS. While the provisions of this bill increase the liability in LEOFF Plan 1, the plan remains fully funded. We believe that the impact on JRS, Judges, and VFFRPF is not material for funding purposes. The table below shows the increase to the present value of future benefits payable to PERS, TRS, SERS, PSERS, LEOFF, and WSPRS.

Impact on Pension Liability			
<i>(Dollars in Millions)</i>	Current	Increase	Total
Actuarial Present Value of Projected Benefits			
<i>(The Value of the Total Commitment to all Current Members)</i>			
PERS 1	\$14,061	\$1.1	\$14,062
PERS 2/3	<u>20,634</u>	<u>7.0</u>	<u>20,641</u>
PERS Total	\$34,695	\$8.1	\$34,704
TRS 1	\$11,021	\$0.5	\$11,022
TRS 2/3	<u>7,078</u>	<u>1.9</u>	<u>7,080</u>
TRS Total	\$18,099	\$2.4	\$18,102
SERS 2/3	\$2,698	\$1.2	\$2,699
PSERS 2	\$225	\$0.0	\$225
LEOFF 1	\$4,358	\$28.2	\$4,386
LEOFF 2	<u>6,149</u>	<u>0.8</u>	<u>6,150</u>
LEOFF Total	\$10,507	\$29.0	\$10,536
WSPRS 1/2	\$856	\$2.9	\$859
Unfunded Actuarial Accrued Liability			
<i>(The Portion of the Plan 1 Liability that is Amortized to 2024)</i>			
PERS 1	\$2,990	\$1.1	\$2,991
TRS 1	\$1,888	\$0.5	\$1,888
LEOFF 1	(\$775)	\$28.2	(\$747)

Note: Totals may not agree due to rounding.

How Contribution Rates Changed

The rounded increase in the required actuarial contribution rate results in the supplemental contribution rate shown on page one that applies in the current biennium. However, we will use the un-rounded rate increase shown in the following table to measure the budget changes in future biennia.

Impact on Contribution Rates: (Effective 09/01/2009)						
System/Plan	PERS	TRS	SERS	PSERS	LEOFF	WSPRS
Current Members						
Employee (Plan 2)	0.006%	0.005%	0.008%	0.001%	0.003%	0.190%
Employer:						
Normal Cost	0.006%	0.005%	0.008%	0.001%	0.002%	0.190%
Plan 1 UAAL	<u>0.001%</u>	<u>0.001%</u>	<u>0.001%</u>	<u>0.001%</u>	<u>0.000%*</u>	<u>0.000%</u>
Total	0.007%	0.006%	0.009%	0.002%	0.002%	0.190%
State					0.001%	
New Entrants**						
Employee (Plan 2)	0.002%	0.002%	0.002%	0.001%	0.001%	0.033%
Employer:						
Normal Cost	0.002%	0.002%	0.002%	0.001%	0.001%	0.033%
Plan 1 UAAL	<u>0.001%</u>	<u>0.001%</u>	<u>0.001%</u>	<u>0.001%</u>	<u>0.000%*</u>	<u>0.000%</u>
Total	0.003%	0.003%	0.003%	0.002%	0.001%	0.033%
State					0.000%	

* No rate required when the plan is fully funded

**Rate change applied to future new entrant payroll and used to determine budget impacts only. Current members and new entrants pay the same contribution rate.

How This Impacts Budgets And Employees

	Budget Impacts						
(Dollars in Millions)	PERS	TRS	SERS	PSERS	LEOFF	WSPRS	Total
2009-2011							
General Fund	\$0.3	\$0.0	\$0.1	\$0.0	\$0.0	\$0.0	\$0.5
Non-General Fund	<u>0.5</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.3</u>	<u>0.8</u>
Total State	\$0.8	\$0.0	\$0.1	\$0.0	\$0.0	\$0.3	\$1.3
Local Government	<u>0.9</u>	<u>0.0</u>	<u>0.2</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>1.0</u>
Total Employer	\$1.7	\$0.0	\$0.3	\$0.0	\$0.0	\$0.3	\$2.3
Total Employee	\$1.3	\$0.0	\$0.1	\$0.0	\$0.0	\$0.3	\$1.7
2011-2013							
General Fund	\$0.2	\$0.3	\$0.1	\$0.0	\$0.0	\$0.0	\$0.7
Non-General Fund	<u>0.3</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.3</u>	<u>0.6</u>
Total State	\$0.6	\$0.3	\$0.1	\$0.0	\$0.0	\$0.3	\$1.4
Local Government	<u>0.6</u>	<u>0.2</u>	<u>0.1</u>	<u>0.0</u>	<u>0.1</u>	<u>0.0</u>	<u>1.0</u>
Total Employer	\$1.2	\$0.5	\$0.3	\$0.0	\$0.1	\$0.3	\$2.3
Total Employee	\$0.8	\$0.1	\$0.1	\$0.0	\$0.1	\$0.3	\$1.3
2009-2034							
General Fund	\$3.2	\$4.5	\$1.3	\$0.1	\$0.5	\$0.3	\$9.8
Non-General Fund	<u>4.6</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>0.0</u>	<u>3.3</u>	<u>7.9</u>
Total State	\$7.8	\$4.5	\$1.3	\$0.1	\$0.5	\$3.6	\$17.8
Local Government	<u>8.4</u>	<u>2.3</u>	<u>1.6</u>	<u>0.0</u>	<u>0.8</u>	<u>0.0</u>	<u>13.1</u>
Total Employer	\$16.2	\$6.7	\$2.9	\$0.1	\$1.3	\$3.6	\$30.8
Total Employee	\$10.8	\$1.9	\$1.2	\$0.1	\$1.3	\$3.6	\$18.9

Note: Totals may not agree due to rounding.

The analysis of this bill does not consider any other proposed changes to the system. The combined effect of several changes to the systems could exceed the sum of each proposed change considered individually.

As with the costs developed in the actuarial valuation, the emerging costs of the systems will vary from those presented in the AVR or this fiscal note to the extent that actual experience differs from the actuarial assumptions.

HOW THE RESULTS CHANGE WHEN THE ASSUMPTIONS CHANGE

To determine the sensitivity of the actuarial results to the best-estimate assumptions selected for this pricing we varied the increase in the ratio of survivors expected to receive an annuity. For the low-end sensitivity, we used 50 percent of our best-estimate assumption. For the high-end sensitivity test, we doubled our best-estimate assumption. The table below shows the results for these varied assumption increases as compared to our best estimate.

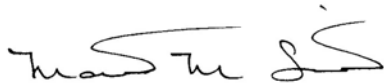
Sensitivity Analysis			
<i>(Dollars in Millions)</i>	Low-End Sensitivity	Best Estimate	High-End Sensitivity
Increase in Survivor Annuity Assumption	0.35% to age 61, 2% age 62+	0.7% to age 61, 4% age 62+	1.4% to age 61, 8% age 62+
Actuarial Present Value of Projected Benefits			
PERS	\$3.8	\$8.1	\$16.5
TRS	\$1.2	\$2.4	\$4.8
SERS	\$0.6	\$1.2	\$2.7
PSERS	\$0.0	\$0.0	\$0.1
LEOFF	\$14.5	\$29.0	\$58.0
WSPRS	\$1.5	\$2.9	\$5.9
Contribution Rate Increases - Total Employer			
PERS	0.003%	0.007%	0.013%
TRS	0.003%	0.006%	0.011%
SERS	0.004%	0.009%	0.020%
PSERS	0.001%	0.002%	0.004%
LEOFF	0.002%	0.003%	0.005%
WSPRS	0.095%	0.190%	0.379%
Budget Impacts - All Systems			
2009-2011			
General Fund-State	\$0.0	\$0.5	\$1.2
Total Employer	\$0.1	\$2.3	\$4.1
2009-2034			
General Fund-State	\$4.6	\$9.8	\$20.3
Total Employer	\$13.9	\$30.8	\$62.2

ACTUARY'S CERTIFICATION

The undersigned hereby certifies that:

1. The actuarial cost methods are appropriate for the purposes of this pricing exercise.
2. The actuarial assumptions used are appropriate for the purposes of this pricing exercise.
3. The data on which this fiscal note is based are sufficient and reliable for the purposes of this pricing exercise.
4. Use of another set of methods and assumptions may also be reasonable, and might produce different results.
5. We prepared this fiscal note for the Legislature during the 2009 Legislative Session.
6. We prepared this fiscal note and provided opinions in accordance with Washington State law and accepted actuarial standards of practice as of the date shown on page 1 of this fiscal note.

While this fiscal note is meant to be complete, the undersigned is available to provide extra advice and explanations as needed.

A handwritten signature in black ink, appearing to read 'Matthew M. Smith', with a stylized flourish at the end.

Matthew M. Smith, FCA, EA, MAAA
State Actuary

APPENDIX A – ASSUMPTIONS WE MADE

We relied on several outside sources to develop our assumption about how many additional survivor annuities will be paid to eligible domestic partners.

King County offers health insurance coverage for same-gender or opposite-gender domestic partners of their employees. The county reports that 663 of 16,915 active employees, or about 4 percent, have registered domestic partners for these benefits.

The Health Care Authority (HCA) also provides health insurance benefits for domestic partners, but only for those who cannot legally marry in Washington. This includes same-gender and trans-gender partners, and first cousins. HCA reports approximately 1,000 of nearly 180,000 enrollees, or about 0.6 percent, have registered domestic partners for coverage under these provisions.

According to a Congressional Budget Office report in 2003, about 83 percent of all domestic partners are opposite-gender, which means 17 percent are same-gender. If we apply these percentages to King County's ratio of domestic partners, we would expect to see 4 percent x 17 percent = 0.7 percent same-gender domestic partners. This result is consistent with the 0.6 percent HCA reports.

Based on the information above and the definition of domestic partners under this bill, we assumed additional annuities for survivors of member deaths at 0.7 percent for members under age 62, and 4.0 percent for members age 62 and over.

We considered changing our assumption about the average age difference between members and their survivors to acknowledge the addition of same-gender survivors. However, we believe that even if this assumption should be refined for this bill, such a refinement would not result in a material change in liabilities.

Otherwise, we developed these costs using the same assumptions as disclosed in the AVR.

APPENDIX B – MEMBERS IMPACTED

Members Impacted	
System / Plan	Expected Additional Survivor Annuities Per Year
PERS 1	1
PERS 2	5
PERS 3	0
TRS 1	1
TRS 2	0
TRS 3	1
SERS 2	1
SERS 3	1
PSERS 2	0
LEOFF 1	6
LEOFF 2	0
WSPRS 1	0
WSPRS 2	0
VFFRP	0
JRS	0
Judges	0

GLOSSARY OF ACTUARIAL TERMS

Actuarial Accrued Liability: Computed differently under different funding methods, the actuarial accrued liability generally represents the portion of the present value of fully projected benefits attributable to service credit that has been earned (or accrued) as of the valuation date.

Actuarial Present Value: The value of an amount or series of amounts payable or receivable at various times, determined as of a given date by the application of a particular set of actuarial assumptions (i.e. interest rate, rate of salary increases, mortality, etc.).

Aggregate Funding Method: The Aggregate Funding Method is a standard actuarial funding method. The annual cost of benefits under the Aggregate Method is equal to the normal cost. The method does not produce an unfunded liability. The normal cost is determined for the entire group rather than on an individual basis.

Entry Age Normal Cost Method (EANC): The EANC method is a standard actuarial funding method. The annual cost of benefits under EANC is comprised of two components:

- Normal cost.
- Amortization of the unfunded liability.

The normal cost is determined on an individual basis, from a member's age at plan entry, and is designed to be a level percentage of pay throughout a member's career.

Normal Cost: Computed differently under different funding methods, the normal cost generally represents the portion of the cost of projected benefits allocated to the current plan year.

Projected Unit Credit (PUC) Liability: The portion of the Actuarial Present Value of future benefits attributable to service credit that has been earned to date (past service).

Projected Benefits: Pension benefit amounts which are expected to be paid in the future taking into account such items as the effect of advancement in age as well as past and anticipated future compensation and service credits.

Unfunded PUC Liability: The excess, if any, of the Present Value of Benefits calculated under the PUC cost method over the Valuation Assets. This is the portion of all benefits earned to date that are not covered by plan assets.

Unfunded Actuarial Accrued Liability (UAAL): The excess, if any, of the actuarial accrued liability over the actuarial value of assets. In other words, the present value of benefits earned to date that are not covered by plan assets.

Judicial Impact Fiscal Note

Bill Number: 5688 S SB	Title: Registered domestic partners	Agency: 055-Admin Office of the Courts
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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:

Non-zero but indeterminate cost. Please see discussion.

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

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.

OFM Contact	Bob Shirley	Phone: 360-9020420	Date: 02/16/2009
Agency Preparation:	Brian Backus	Phone: 360-705-5320	Date: 02/18/2009
Agency Approval:	Dirk Marler	Phone: 360-705-5211	Date: 02/18/2009
OFM Review:	Cherie Berthon	Phone: 360-902-0659	Date: 02/19/2009

Request # -1

Part II: Narrative Explanation

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

The substitute bill adds language to the RCW general provisions on Rules of Construction and on Definitions making state registered domestic partners and partnerships the equivalent of married persons and marriages where references to married people and marriages are made throughout the RCW (except for RCW Chapter 26.04 – Marriage). It includes sections that apply the equivalency to additional specific RCW chapters. None of the amendments is expected to impact the courts. Therefore, the fiscal impacts for the substitute are the same as in the note on the bill as introduced.

This bill treats state registered domestic partners and partnerships the same as married persons and marriages where references to married people and marriages are made in many RCW chapters. It also amends some of the definitions in the RCW for this purpose.

Several sections apply the equivalency to criminal and civil law in ways that extend or limit the class of people who are granted protection or who are subject to prosecution for crimes. Others have the effect of extending or limiting the classes of people who can use statutory defenses for certain crimes or privileges against disclosure.

Section 7 applies the equivalency to the RCW Chapter 2.56 which describes the responsibilities of the Administrative Office of the Courts.

II. B - Cash Receipts Impact

This bill could impact the receipts for filing fees in civil cases. The net change, if any, is expected to be minimal.

II. C - Expenditures

It is expected that the changes to classes of people granted protection, subject to prosecution, and entitled to statutory defenses or privileges will result in additional filings in some areas and fewer in others. It is not possible to predict the changes in volumes, but any increases or decreases are likely to be small. Overall, it is expected that the net result would be no additional case filings.

Section 7 would require revisions to the Family Law Handbook maintained by the Administrative Office of the Courts. Routine revisions are made annually. The cost of the additional revisions required by the bill is estimated at \$8,000 for staff time. Because the Handbook is revised annually, there should be no additional cost for publishing the version with the revisions the bill requires.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Individual State Agency Fiscal Note

Revised

Bill Number: 5688 S SB	Title: Registered domestic partners	Agency: 085-Office of the Secretary of State
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2010	FY 2011	2009-11	2011-13	2013-15
Secretary of State's Revolving Account-Non-Appropriated 407-6				11,115	14,820
Total \$				11,115	14,820

Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
Fund					
Total \$					

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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.

OFM Contact: Bob Shirley	Phone: 360-9020420	Date: 02/16/2009
Agency Preparation: Dalene Conant	Phone: 360-586-4553	Date: 02/16/2009
Agency Approval: Dan Speigle	Phone: 360-586-1116	Date: 02/16/2009
OFM Review: Regan Hesse	Phone: 360-902-9820	Date: 02/16/2009

Request # 2009-45-2

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.

Our fiscal note for the Substitute is the same as we submitted for the original bill because the changes in the Substitute do not affect OSOS.

Section 71 authorizes the Office of the Secretary of State (OSOS) to record changes to registered domestic partnerships in the event of a change of address, name change, dissolution or death.

It is assumed OSOS would create a form on which these changes would be documented to ensure consistency, accuracy, and to provide a document suitable for scanning for query purposes. OSOS also assumes that records of change (address, name, dissolution or death) would be maintained in separate database fields for query purposes by other governmental agencies and/or the general public. Both the creation of the form and the changes to the database would have minimal cost impacts.

The effective date is January 1, 2012.

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.

RCW 26.60.040 allows for the secretary to set fees in rule to cover the secretary’s costs. The secretary currently charges \$10 for change filings. Based on the current number of registered domestic partnerships (4,940 as of 1/28/09), and assuming a change rate of approximately 15% per year, the office would collect \$7,410 per year from change filings.

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 2010	FY 2011	2009-11	2011-13	2013-15
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.

WAC 434-112-085 would need to be revised to incorporate the new change filing fee for domestic partnerships.

Individual State Agency Fiscal Note

Bill Number: 5688 S SB	Title: Registered domestic partners	Agency: 100-Office of Attorney General
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Part I: Estimates

☒ No Fiscal Impact

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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.

OFM Contact: Bob Shirley	Phone: 360-9020420	Date: 02/16/2009
Agency Preparation: Cam Comfort	Phone: (360) 664-9429	Date: 02/19/2009
Agency Approval: Sarian Scott	Phone: (360) 586-2104	Date: 02/19/2009
OFM Review: John Shepherd	Phone: 360-902-0538	Date: 02/19/2009

Request # 09-121-1

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 substitute bill differs from the original bill in the following ways:

Under section 2 of the substitute bill, the requirement that agencies amend their rules to reflect the intent of the legislature to ensure that all privileges, immunities, rights, benefits, or responsibilities granted or imposed by statute to an individual because that individual is or was a spouse in a martial relationship are granted or imposed on equivalent terms to an individual because that individual is or was in a state registered domestic partnership is now subject to the availability of funds appropriated for this specific purpose. All new rules or amended rules would be required to be formulated to reflect the intent stated in the intent section. No agency rule would be invalid for failure to comply with section 2.

Sections 3 and 4 of the substitute bill are new sections that would add sections to chapter 1.12 RCW and chapter 1.16 RCW providing that throughout the code, except for chapter 26.04 RCW, the terms spouse, marriage, marital, husband, wife, widow, widower, next of kin, and family shall be interpreted as applying equally state registered partnerships or individuals in state registered domestic partnerships. In addition, references to dissolution of marriage shall apply equally to state registered domestic partnerships that have been terminated, dissolved, or invalidated, to the extent that such interpretation does not conflict with federal law. Finally, gender-specific terms such as husband and wife used in any statute, rule, or other law shall be construed to be gender neutral, and applicable to individuals in state registered domestic partnerships.

Section 23 of the original bill amending RCW 9A.44.010 has been removed from the substitute bill.

Ten new sections are added throughout the code providing that the terms spouse, marriage, martial, husband, wife, widow, widower, next of kin, and family shall be interpreted as applying equally to state registered domestic partnerships or individuals in state registered domestic partnerships. In addition, references to dissolution of marriage shall apply equally to state registered domestic partnerships that have been terminated, dissolved, or invalidated, to the extent that such interpretation does not conflict with federal law. Finally, gender-specific terms such as husband and wife used in any statute, rule, or other law shall be construed to be gender neutral, and applicable to individuals in state registered domestic partnerships.

Section 62 in the original bill adding a new section to chapter 26.21A RCW has been removed from the substitute bill.

Finally, section 203 of the substitute bill would delay the effective date of section 153 of the substitute bill, pertaining to the basic health plan, to January 1, 2012.

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.

None.

Part III: Expenditure Detail

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: 5688 S SB	Title: Registered domestic partners	Agency: 107-Wash State Health Care Authority
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Part I: Estimates



No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2010	FY 2011	2009-11	2011-13	2013-15
Public Employees' and Retirees InsuranceAccount-Non-Appropriated 721-6		133,333	133,333	3,838,245	5,791,311
Total \$		133,333	133,333	3,838,245	5,791,311

Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years	0.0	0.6	0.3	0.2	0.0
Fund					
General Fund-State 001-1	0	57,257	57,257	640,168	1,252,810
General Fund-Federal 001-2	0	8,331	8,331	93,139	182,273
General Fund-Private/Local 001-7	0	587	587	6,559	12,836
St Health Care Authority Admin Acct-State 418-1	0	133,333	133,333	66,667	0
Public Employees' and Retirees InsuranceAccount-Non-Appropriated 721-6	0	(66,175)	(66,175)	3,031,713	4,343,392
Health Services Account-State 760-1	0	60,359	60,359	27,387	0
Total \$	0	193,692	193,692	3,865,633	5,791,311

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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.

OFM Contact:	Bob Shirley	Phone: 360-9020420	Date: 02/16/2009
Agency Preparation:	Christy Vaughn	Phone: 3602523378	Date: 02/19/2009
Agency Approval:	Dennis Martin	Phone: (360) 923-2831	Date: 02/19/2009
OFM Review:	Nick Lutes	Phone: 360-902-0570	Date: 02/19/2009

Request # 09-46-01-1

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.

See attached narrative.

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.

See attached narrative.

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.

See attached narrative.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years		0.6	0.3	0.2	
A-Salaries and Wages		35,570	35,570	17,785	
B-Employee Benefits		10,369	10,369	5,184	
E-Goods and Services		141,415	141,415	70,708	
G-Travel		753	753	377	
J-Capital Outlays		5,585	5,585		
N-Grants, Benefits & Client Services				3,771,578	5,791,311
Total:	\$0	\$193,692	\$193,692	\$3,865,632	\$5,791,311

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 2010	FY 2011	2009-11	2011-13	2013-15
COMM CONS 3	52,104		0.2	0.1	0.1	
HLTH INS BN SP 4	48,396		0.2	0.1	0.1	
IT SPEC 5	77,352		0.2	0.1	0.1	
Total FTE's	177,852		0.6	0.3	0.2	0.0

III. C - Expenditures By Program (optional)

Program	FY 2010	FY 2011	2009-11	2011-13	2013-15
Basic Health (020)		60,359	60,359	27,387	
PEBB (040)		133,333	133,333	66,667	
PEBB Benefits Fund (850)				3,771,578	5,791,311
Total \$		193,692	193,692	3,865,632	5,791,311

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.

See attached narrative.

Part II: Narrative Explanation

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

This bill mandates that state-registered domestic partners must be treated the same as married spouses. Agencies must amend their rules to reflect the intent of the Legislature to ensure that all privileges, immunities, rights, benefits, or responsibilities granted or imposed by statute to an individual because that individual is or was a spouse in a marital relationship are granted or imposed on equivalent terms to an individual because that individual is or was in a state registered domestic partnership.

As described in RCW 26.60.030, state registered domestic partnerships must consist of two unmarried persons of the same sex or at least one of the partners must be at least 62 years old. They must also share a common residence, be at least eighteen years old, be able to consent to the partnership, and not be entered into a domestic partnership with another person. The Secretary of State asks for attestation that these requirements are met.

Background:

Estimates of the percentage of gay/lesbian/bisexual (GLB) persons in the general population vary from 1% to 10% of the total US population. According to the American Community Survey (ACS) Washington's GLB population ranked at 5.7%. We assume this percentage would also apply to the Basic Health (BH) enrollment and to the Health Insurance Partnership (HIP), should it be operationalized.

The 2000 US Census indicated there were 16,000 same sex couples in Washington. Data from the ACS show a 50% increase by 2005, with nearly 24,000 couples identified as same sex couples. As of January, 2009, 9,920 individuals have registered as domestic partners (4,960 partnerships). Currently, there are 1,518 individuals who have registered a domestic partnership with the state who are 62 or older (this includes individuals who are the same sex as well as opposite sex as their partner).¹

We assume these statistics would also apply uniformly across the Basic Health (BH) and Public Employees Benefits Board (PEBB) enrollment and to any potential Health Insurance Partnership (HIP) population.

BH and HIP:

Section 153 of the proposed legislation amends section 70.47 RCW for BH. The effective date of the rule change would be January 1, 2012. Section 154 amends section 70.47A RCW for the HIP. It does not have a delayed effective date, but implementation of the HIP program has been delayed until at least January 1, 2011.

The rule changes required by the bill would cause BH and HIP to allow enrollment of state-registered domestic partners in addition to those who are legally married. Domestic partners would be required to disclose their status on enrollment applications, family addition and recertification forms, similar to the requirement that married couples must list their spouses. It would also require that they provide proof of their family gross income from all sources for both partners. If registered couples fail to notify BH of their change in relationship status,

¹ Secretary of State, Corporations Office, January 30, 2009

HCA Fiscal Note

Bill Number: SSB 5688

Registered Domestic Partners

HCA Request #: 09-46-01

they run the risk of receiving more subsidy than they qualify for and they would be required to repay any excess subsidy received to the state. This could also mean that some currently enrolled single members whose individual incomes qualify them for BH would no longer be eligible based on the family gross income when their income is combined with a domestic partner's income.

PEBB:

Section 86 and 87 of the bill would expand the PEBB domestic partner eligibility rule. The bill would allow opposite sex domestic partners who have been registered with the state (62 years old and older) to be eligible for PEBB benefits. Currently, PEBB only considers "partners [who] are barred from a lawful marriage" as qualified domestic partners. The effective date of the rule changes would be January 1, 2012.

Fiscal Impact

HCA has made several assumptions about this bill. Changes in the assumptions could have significant impacts on the expenditure estimates for implementing this bill.

Operational Impacts

BH:

BH would need to review its contracts with the contracted managed health care systems to ensure they are consistent with the new law.

BH currently allows applicants to self-declare their marital status, whether married, single, or legally separated, but reserves the right to ask for proof of enrollees' marital status. We assume BH would follow the same policy with domestic partners' applications.

To accommodate domestic partners' enrollment, BH would need to modify its legacy system to accept same sex couples' demographic information (listing one as main subscriber and one as spouse) and to distinguish opposite sex couples from legally married couples. This system of explicit designation would ensure that only those qualified accounts would be identified as domestic partners and would allow for accurate reporting of the number and percentages of the two types of domestic partner accounts, relative to total subsidized enrollment.

Member communications materials, including the Member Handbook, application, family addition and recertification forms and worksheets, brochures, and web pages would require modification. BH would also notify all existing accounts of the rule change, train all staff on domestic partner eligibility guidelines and new enrollment procedures, and provide training for key stakeholders.

HIP:

Commercial carriers in the small group market already recognize domestic partners, but since the federal government does not, there would be tax implications related to the Section 125 payroll deductions required under the HIP. This means that an unmarried participant would not be able to pay their domestic partner's share of the employee premium obligation with pre-tax dollars. This would require the HIP to ensure that the technical assistance it provides to employers (for example; the handbook or templates provided)

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would need to clarify this difference and refer employers to professional assistance in determining their responsibilities.

Fiscal impacts of the rule changes for HIP are not detailed in this fiscal note. If the program were to be implemented, the costs associated with this legislation would be included in the calculation of the implementation costs for the HIP program.

PEBB:

The Pay1 system would have to be altered so that opposite sex domestic partners could be distinguished from married spouses for tax purposes. DOP estimates 126 working days would be necessary to implement changes to the Pay1 system.

The fair market value of the subsidy provided to the domestic partner, or the child of the domestic partner, is treated as taxable income if the domestic partner or child does not meet the Internal Revenue Code Section 152 definition of qualified dependent. HCA Accounting issues 1099s reflecting the value of the subsidy for non-section 152 qualified same-sex domestic partners of retirees who are Medicare eligible. HCA would have to issue 1099s for this population in cases where the survivor is Medicare eligible and non-section 152 qualified.

PEBB member communications, materials and web page updates would be made in conjunction with the annual Open Enrollment changes. PEBB would also notify all existing accounts of the change, train all staff on domestic partner eligibility guidelines and new enrollment procedures, and provide training for key stakeholders in conjunction with annual communications during Open Enrollment.

Benefits Impact

BH and HIP:

Since BH and HIP enrollment is limited by subsidy funding, the total enrollment for the program would not increase as a result of the proposed legislation. It is assumed that the domestic partners that enroll in the program would not adversely impact the risk pool or increase rates.

PEBB:

PEBB eligibility changes in section 86 and 87 will be effective January 1, 2012. For the purposes of this fiscal note, a projected enrollment of 140 new enrollees is assumed.

Due to the addition of opposite sex domestic partners that are 62 years of age or older or who have a registered partnership with a PEBB member age 62 or older, it is assumed that the majority of the domestic partners that are added to the PEBB population will be dependents of retirees. It is also assumed that a large percentage of the enrollees will be in the Medicare risk pool. Of the estimated 140 new dependent enrollees added to PEBB coverage as a result of this bill, it is estimated that 35 percent would be added to active employee accounts and 65 percent would be added to retiree accounts. Of those populations, it is estimated that 8 percent would also have enrolled child dependents. Of the domestic partners added to retiree accounts, it is estimated that 85 percent would be Medicare, and 15 percent would be non-Medicare enrollees.

Active enrollees cost the same as risk adjusted rates, while non-Medicare retirees cost approximately 60 percent more than the non-Medicare risk pool. The retiree factor is

HCA Fiscal Note

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consistent with projection assumptions used in the HCA projection models K-12 remittance calculations, and the active assumption was determined based on the enrollment distribution of actives and non-Medicare retirees, and the non-Medicare cost factor.

II. B – Cash Receipts Impact

HCA estimates the following cash receipts based on the increased costs:

Cash Receipts		FY10	FY11	FY12	FY13	FY14	FY15
721	PEBB Insurance Account	-	133,333	1,260,204	2,578,041	2,784,284	3,007,027
Total		-	133,333	1,260,204	2,578,041	2,784,284	3,007,027

II. C – Expenditures

The estimated total expenditures are detailed below:

Expenditures		FY10	FY11	FY12	FY13	FY14	FY15
721	PEBB Insurance Account	-	(66,175)	1,093,273	1,938,440	2,089,990	2,253,402
001	General Fund State	-	57,257	86,754	553,414	600,737	652,073
001	General Fund Federal	-	8,331	12,622	80,517	87,402	94,871
001	GF-Local	-	587	889	5,670	6,155	6,681
760	Health Services Account	-	60,359	27,387	-	-	-
418	HCA Administrative Account	-	133,333	66,667	-	-	-
Total		-	193,692	1,287,592	2,578,041	2,784,284	3,007,027
Biennial total			193,692		3,865,632		5,791,311

The estimated impact on the PEBB employer funding rate is detailed below:

PEBB Funding Rate Impact	FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
Employer Funding rate impact	\$ -	\$ 0.08	\$ 0.13	\$ 0.80	\$ 0.87	\$ 0.95

Please see the “PEBB-UMP” attachment for additional detail on the PEBB benefits impacts.

HCA would need additional staff to prepare and adopt the rule changes regarding domestic partner eligibility for BH. HCA would also need staff to make system modifications to accommodate enrollment of domestic partners. In total, HCA estimates the following administrative expenses:

- 0.5 FTE Communications Consultant 3 position to modify member communication materials, beginning March 2011 through August 2011
- 0.5 FTE Information Technology Specialist 5 position to modify BH MBMS legacy system, beginning March 2011 through August 2011
- 0.5 FTE Health Insurance Benefits Specialist 4 – Trainer, to provide training to staff and key stakeholders, beginning March 2011 through August 2011
- Administrative cost of \$200,000 to modify the PEBB PAY1 legacy system, beginning March 2011 through August 2011

Part IV: Capital Budget Impact

None.

HCA Fiscal Note

Bill Number: SSB 5688

Registered Domestic Partners

HCA Request #: 09-46-01

Part V: New Rule Making Required

BH and HIP: Yes, BH and the HIP would be required to revise chapters 182-25 and 182-26 WAC, respectively.

PEBB: Yes. WAC 182-12-260 on eligible dependents would need to be amended.

HCA Fiscal Note

Bill #: S SB 5688

PEBB-UMP Impact

HCA Request: 09-46-01

FY 10	FY 11	FY 12	FY 13	FY 14	FY 15
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Expenditure change

721 Benefits	-	-	1,193,537	2,578,041	2,784,284	3,007,027
418 Administration	-	133,333	66,667	-	-	-
Total	-	133,333	1,260,204	2,578,041	2,784,284	3,007,027

Revenue change

State Share	\$ -	\$ 117,333	\$ 177,775	\$ 1,134,043	\$ 1,231,018	\$ 1,336,216
Employee Share (1)	\$ -	\$ 16,000	\$ 24,242	\$ 154,642	\$ 167,866	\$ 182,211
Other Enrollment	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Non Medicare Retirees	\$ -	\$ -	\$ 437,232	\$ 469,413	\$ 503,961	\$ 541,053
Medicare Retirees	\$ -	\$ -	\$ 620,955	\$ 819,943	\$ 881,439	\$ 947,547
Total	\$ -	\$ 133,333	\$ 1,260,204	\$ 2,578,041	\$ 2,784,284	\$ 3,007,027

State Share Source

48.8%	GF-State	-	57,257	86,754	553,414	600,737	652,073
7.1%	GF-Federal	-	8,331	12,622	80,517	87,402	94,871
0.5%	GF-Local	-	587	889	5,670	6,155	6,681
19.7%	Other Appropriated	-	23,115	35,022	223,406	242,511	263,235
23.9%	Non Appropriated	-	28,043	42,488	271,036	294,213	319,356
100.0%	Total Active revenue	-	117,333	177,775	1,134,043	1,231,018	1,336,216

Cover Sheet Fund 721 Expenditures(2)

-	(66,175)	1,093,273	1,938,440	2,089,990	2,253,402
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Employer Funding rate impact

	Enrollment							
MCO	41,589							
Self-Insured	69,890							
Waivers	5,973							
	117,452	\$ -	\$ 0.08	\$ 0.13	\$ 0.80	\$ 0.87	\$ 0.95	

Notes:

- 1) This fiscal note assumes that state employees pay an average of 12% of the cost of medical premiums in CY 10 and following years.
- 2) Since the Cover Sheet Fund 721 does not include the GF-S, GF-F, and GF-L as revenue, but does include them as expenditures, the bolded funds above, (less Funds 418, 438, and 439) equal the Cover Sheet Fund 721 expenditure line.

Individual State Agency Fiscal Note

Bill Number: 5688 S SB	Title: Registered domestic partners	Agency: 124-Department of Retirement Systems
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years	0.3	0.0	0.1	0.0	0.0
Fund					
Department of Retirement Systems	65,732	0	65,732	0	0
Expense Account-State 600-1					
Total \$	65,732	0	65,732	0	0

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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.

OFM Contact: Bob Shirley	Phone: 360-9020420	Date: 02/16/2009
Agency Preparation: Michelle Hardesty	Phone: 360-664-7193	Date: 02/19/2009
Agency Approval: Cathy Cale	Phone: 360-664-7305	Date: 02/19/2009
OFM Review: Ryan Black	Phone: 360-902-0417	Date: 02/19/2009

Request # 09-041-1

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 substitute bill extends the rights of domestic partners in all of the public retirement systems and plans administered by the Department of Retirement Systems (DRS). This includes portability of public retirement benefits, Plan 3 retirement system contributions, and DRS (general) rules to grant equal application for state registered domestic partners wherever there is a reference to the terms spouse, marriage, marital, husband, wife, widow, widower, next of kin and family.

The changes would not take effect until January 1, 2012.

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.

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.

ADMINISTRATIVE ASSUMPTIONS

- Proof of Washington State registry as a domestic partner will be required prior to the distribution of any benefits.
- Proof of termination of a domestic partnership may be required in some instances.
- The current survivor option factors will be used.

The assumptions above were used in developing the following workload impacts and cost estimates.

BENEFITS/CUSTOMER SERVICE

Staff will respond to member inquiries, in writing and by telephone. Benefits staff will also support the modification of DRS' automated systems, the review of member communications, and the creation or modification of policies procedures and rules to support the new legislation. The tasks associated with implementing this bill are as follows:

- Create a new domestic partnership brochure and designation forms
- Prepare estimated survivor retirement benefits
- Update the on-line operations manual
- Participate in the business requirement development for the Benefits and Member Information Systems
- Conduct user acceptance testing of automated system modifications
- Respond to telephone and e-mail inquiries
- Update retirement seminar and pension workshop materials

Retirement Services Analyst 3 – 181 hours (salaries/benefits) = \$5,773

Total Estimated Benefits/Customer Service Costs = \$5,773

MEMBER COMMUNICATIONS

Members and employers will receive notification of the law change via standard agency communications. DRS will update the paper and Web versions of approximately 48 different publications.

Communications Consultant 5 – 100 hours (salaries/benefits) = \$4,323

Total Estimated Member Communications Costs = \$4,323

AUTOMATED SYSTEMS

DRS' automated systems will require modifications to create a domestic partner designation and allow domestic partners to be recognized the same as a spousal designation. The systems tasks associated with implementing this bill are as follows:

- Modify flexible survivor processes
- Modify the death transition and notification processes
- Modify the retirement process
- Modify interface to third party record keeper
- Test new modifications for all system/plans

Information Technology Specialist 4 – 260 hours (salaries/benefits) = \$11,491

Programmer time of 391 hours @ \$95 per hour = \$37,145

DIS* cost of \$500 per week for 14 programmer weeks = \$7,000

Total Estimated Automated Systems Costs = \$55,636

*cost for mainframe computer processing time and resources at the Department of Information Services

ESTIMATED TOTAL COST TO IMPLEMENT THIS BILL:

BENEFITS/CUSTOMER SERVICE = \$5,773

MEMBER COMMUNICATIONS = \$4,323

AUTOMATED SYSTEMS = \$55,636

ESTIMATED TOTAL COSTS = \$65,732

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years	0.3		0.1		
A-Salaries and Wages	16,522		16,522		
B-Employee Benefits	5,065		5,065		
C-Personal Service Contracts					
E-Goods and Services	44,145		44,145		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$65,732	\$0	\$65,732	\$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 2010	FY 2011	2009-11	2011-13	2013-15
Communications Consultant 5	69,756	0.1		0.0		
Info Tech Specialist 4	71,496	0.1		0.1		
Retirement Services Analyst 3	49,368	0.1		0.1		
Total FTE's	190,620	0.3		0.1		0.0

Part IV: Capital Budget Impact

No 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.

New rules will be required for this bill.

Department of Revenue Fiscal Note

Bill Number: 5688 S SB	Title: Registered domestic partners	Agency: 140-Department of Revenue
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2010	FY 2011	2009-11	2011-13	2013-15
Educ Legacy Trust-State 01 - Taxes 55 - Inheritance Tax				(260,000)	(520,000)
Total \$				(260,000)	(520,000)

Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years	0.4		0.2		
Fund					
GF-STATE-State 001-1	47,300		47,300		
Total \$	47,300		47,300		

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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.

OFM Contact: Bob Shirley	Phone: 360-9020420	Date: 02/16/2009
Agency Preparation: Diana Tibbetts	Phone: 360-570-6085	Date: 02/19/2009
Agency Approval: Kim Davis	Phone: 360-570-6087	Date: 02/19/2009
OFM Review: Ryan Black	Phone: 360-902-0417	Date: 02/19/2009

Request # 5688-2-1

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 SSB 5688.

This legislation adds persons registered in a domestic partnership to a number of existing statutes that refer to the marital terms such as spouse, marriage, marital, husband, wife, widow, widower, etc. The changes and additions to statutes allow for the laws to apply equally to registered domestic partnerships including the individuals within such partnerships and marital relationships and persons involved. New sections are added to the retail sales tax chapter (chapter 82.08 RCW), the estate tax chapter (chapter 83.100 RCW), and the property tax chapter (chapter 84.04 RCW).

RCWs 83.100.046 and 83.100.047 are amended to treat a state registered domestic partner as a surviving spouse. These statutes affect estate tax. RCW 83.100.047 allows a state registered domestic partner the same treatment as a surviving spouse, and a state registered domestic partner is entitled to the unlimited marital deduction from the Washington taxable estate. These amendments to the estate tax statutes are effective January 1, 2012.

RCW 84.04.050 is amended to include registered domestic partnership in the definition of "householder."

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

Office of Financial Management, U.S. Census Bureau, Washington State Secretary of State, and Department of Revenue estate tax data were used for this estimate.

A Washington Estate Tax Return must be filed if the decedent owned property in Washington State and the gross estate is worth \$2 million or more, even if no tax is due. On average, there are less than 1,000 estate tax returns filed per year. Of those 1,000 returns, approximately two-fifths declare a married status. Statewide there are over 2.8 million married couples and just over 5,000 registered domestic partnerships. As compared to the married population in Washington, less than 0.02 percent of the married population filed an estate tax return and took the unlimited marital deduction. It is assumed that, on average, there would be one additional estate tax filer per year that would qualify for the unlimited marital deduction.

It is assumed that the effective date of all sections not given a specific effective date is 90 days after the adjournment of the legislative session.

REVENUE ESTIMATES

Extending the marital deduction to registered state domestic partners will cause minimal state impact. The size of estates varies greatly and ranges from \$2 million to \$25 million, so this estimate is based on a weighted average of historical estate tax data. The estimated state revenue loss is \$260,000 per fiscal year. The first impact to estate tax collections will be in Fiscal Year 2013 because the tax is not due until nine months after the date of death of the decedent.

TOTAL REVENUE IMPACT:

State Government (cash basis, \$000):

Request # 5688-2-1

FY 2010 - \$ 0
FY 2011 - \$ 0
FY 2012 - \$ 0
FY 2013 - \$ (260)
FY 2014 - \$ (260)
FY 2015 - \$ (260)

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

To implement this legislation, the Department of Revenue (Department) will incur costs of approximately \$47,300 in Fiscal Year 2010. These costs are for amendment of nine administrative rules.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years	0.4		0.2		
A-Salaries and Wages	29,200		29,200		
B-Employee Benefits	7,300		7,300		
E-Goods and Services	8,100		8,100		
J-Capital Outlays	2,700		2,700		
Total \$	\$47,300		\$47,300		

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 2010	FY 2011	2009-11	2011-13	2013-15
HEARINGS SCHEDULER	32,688	0.0		0.0		
TAX POLICY SP 3	69,756	0.4		0.2		
WMS BAND 3	88,546	0.0		0.0		
Total FTE's	190,990	0.4		0.2		

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 458-20-217 (Lien for taxes), WAC 458-57-015 (Valuation of property, property subject to estate tax, how to calculate the tax), WAC 458-57-115 (Valuation of property, property subject to estate tax, and how to calculate the tax), WAC 458-57-155 (Farm deduction), WAC 458-61A-202 (Inheritance or devise), WAC 458-61A-211 (Mere change in identity or form - Family corporations and partnerships), WAC 458-12-110 (Listing of personal property by the assessor - Penalties for failing to list personal property and for making a false or fraudulent listing), WAC 458-14-056 (Petitions - Time limits - Waiver of filing deadline for good cause), and WAC 458-30-275 (Continuing classification upon sale or transfer of ownership of classified land - Actions of landowner and county officials to be taken prior to recording a conveyance of classified land). Persons affected by this rule-making would include registered domestic partners, assessors, appraisers, owners with land classified in the designated

forest land or current use program, and taxing districts.

Individual State Agency Fiscal Note

Bill Number: 5688 S SB	Title: Registered domestic partners	Agency: 160-Office of Insurance Commissioner
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Part I: Estimates



No Fiscal Impact

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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.

OFM Contact: Bob Shirley	Phone: 360-9020420	Date: 02/16/2009
Agency Preparation: Kacy Scott	Phone: (360) 725-7041	Date: 02/18/2009
Agency Approval: Kacy Scott	Phone: (360) 725-7041	Date: 02/18/2009
OFM Review: Ryan Black	Phone: 360-902-0417	Date: 02/18/2009

Request # FN 52-1

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.

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.

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.

Individual State Agency Fiscal Note

Bill Number: 5688 S SB	Title: Registered domestic partners	Agency: 235-Department of Labor and Industries
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
Fund					
Public Safety and Education Account-State 02V-1	15,328	12,042	27,370	33,658	38,751
Accident Account-State 608-1	67,828	0	67,828	0	0
Accident Account-Non-Appropriated 608-6	184,481	276,722	461,203	891,045	1,187,317
Medical Aid Account-State 609-1	67,828	0	67,828	0	0
Total \$	335,465	288,764	624,229	924,703	1,226,068

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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.

OFM Contact: Bob Shirley	Phone: 360-9020420	Date: 02/16/2009
Agency Preparation: Melody Porter	Phone: 360-902-4618	Date: 02/20/2009
Agency Approval: Joshua Swanson	Phone: 360-902-6805	Date: 02/20/2009
OFM Review: Mike Woods	Phone: 360-902-9819	Date: 02/20/2009

Request # 5688 SB-1

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.

See Attached.

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.

See Attached.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Personal Service Contracts					
E-Goods and Services	142,956		142,956		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	192,509	288,764	481,273	924,703	1,226,068
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$335,465	\$288,764	\$624,229	\$924,703	\$1,226,068

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.

Part II: Explanation

This bill expands the rights and responsibilities of registered domestic partners to give them the same legal rights as married spouses.

This version of the bill only made technical changes that do not impact our programs.

II. A – Brief Description of What the Measure Does that Has Fiscal Impact

Section 17 concerns the Crime Victims Compensation Program. It adds a new section to Chapter 7.68 RCW that extends the application of the terms spouse, marriage, marital, husband, wife, widow, widower, next of kin, and family to apply equally to state registered domestic partnerships or individuals in state registered domestic partnerships as well as to married persons. It also states that specific terms such as husband and wife used in any statute, rule or other law shall be construed as gender neutral and applicable to individuals in state registered domestic partnerships.

Section 140 concerns Industrial Insurance. It adds a new section to Chapter 51.08 RCW that extends the application of the terms spouse, marriage, marital, husband, wife, widow, widower, next of kin, and family to apply equally to state registered domestic partnerships or individuals in state registered domestic partnerships as well as to married persons. It also states that specific terms such as husband and wife used in any statute, rule or other law shall be construed as gender neutral and applicable to individuals in state registered domestic partnerships.

Sections 132, 133, 134, 135, 136, 137 and 138 concern Employment Standards. It extends the application of the terms spouse, marriage, marital, husband, wife, widow, widower, next of kin, and family to apply equally to state registered domestic partnerships or individuals in state registered domestic partnerships as well as to married persons. It also states that specific terms such as husband and wife used in any statute, rule or other law shall be construed as gender neutral and applicable to individuals in state registered domestic partnerships.

II. B – Cash Receipt Impact

None.

II. C – Expenditures

Three Labor and Industries (L&I) programs, Workers' Compensation, Crime Victims Compensation program, and Employment Standards are impacted. Workers' Compensation and Crime Victims Compensation Programs will have fiscal impact and cost estimates are provided below. The Employment Standards activities of the Protected Leave Unit will require new enforcement functions, but are assumed to be minimal and will be handled within existing appropriation levels.

Workers' Compensation Benefits Increase

This legislation will affect workers' compensation wage replacement benefits. These benefits include:

- Time-loss compensation (or temporary total disability benefits).
- Loss of Earning Power compensation (temporary partial disability benefits).
- Survivor death benefits.
- Total permanent disability pension benefits.

The calculations for the affect on each benefit type are outlined below.

The calculations for the increase in workers' compensation benefits are based on 2.6 million workers with 52.7 percent being single. The number of state registered domestic partnerships as of February 17, 2009 is 5,042 which is 10,084 people. We assume that 70 percent of this population participates in the labor force and of that amount 72 percent, or 5,082 workers, are covered by the state fund.

Increase in Fatal Benefits

The current annual cost for Fatal Benefits is \$14,591,348. We assume that 100 percent of this is for "married" workers. We estimate an increase due to state registered domestic partners of 0.41 percent based on actuarial estimates. This results in a total increase in Fatal Benefits of \$59,825 in the first year.

Calculation:

Current annual Fatal Benefit cost		\$ 14,591,348
Workers affected (domestic partners)	×	0.41 %
Increase in Fatal Benefits	=	\$ 59,825

Increase in Time-loss, Loss of Earning Power, and Total Permanent Disability (TPD)

Pension Benefits

The current annual cost for time-loss, loss of earning power, and TPD pension benefits is \$732,699,637. Workers who are entitled to these benefits receive a percentage of their monthly wage at time of injury. This benefit is 65 percent for married workers and 60 percent for single workers. Therefore, there will be a five percent increase in monthly benefits for state registered domestic partners (the difference between 65 percent for married workers and 60 percent for single workers). We assume that 0.20 percent of workers will be affected based on actuarial estimates. We assume an annual increase in time-loss, loss of earning power, and pension benefits of \$112,723 in the first year.

Calculation:

Current annual cost for time-loss, loss of earning power, and TPD pensions		\$ 732,699,637
Percent of worker's wages for married workers	÷	65 %
Increase in benefit for domestic partners	×	5 %
Workers affected (domestic partners)	×	0.20 %
Increase time-loss, loss of earning power and TPD in benefits	=	\$112,723

The total benefit cost increase for registered domestic partnerships will be \$172,548 in the first year.

Total increase in Workers' Compensation Benefits

The increase in workers' compensation benefits is based on 5,042 state registered domestic partnerships as of February 17, 2009. We assume the number of registered domestic partnerships will increase over time. The increase from 5,042 in February 2009 to 6,000 in Fiscal Year 2010 reflects an assumed growth in the number of domestic partnerships.

The table below shows the total expected increase in workers' compensation benefits and the projected increase in registered domestic partnerships per year based on actuarial estimates. The

table below reflects growth we have already seen in domestic partnerships. We assume the growth in domestic partnerships will take a couple years to stabilize.

Fiscal Year	Projected Increase in Partnerships	Number of Partnerships	Workers' Compensation Benefits Increase
2010		6,000	\$ 184,481
2011	50 %	9,000	\$ 276,722
2012	40 %	12,600	\$ 387,411
2013	25 %	15,750	\$ 503,634
2014	15 %	18,113	\$ 579,179
2015	5 %	19,018	\$ 608,138

Other Assumptions

We assume that this statute will apply to claims filed on or after the effective date, and therefore will not apply to existing claims.

Self Insured Employers

There will be a proportional impact on Self-Insured employers.

Crime Victims Compensation Program (CVCP) Benefits Increase

Benefits for family members of fatal victims (lump sum payment or pension) currently cost approximately \$600,000 per year. Using an actuarial assumption of 0.60 percent increase in benefits for eligible registered domestic partners will raise compensation costs \$3,600 per year for fatalities.

Immediate family members of homicide victims and sexual assault victims are also eligible for mental health counseling. Currently, this cost is \$60,000 per year. Given the same assumption of 0.60 percent increase, mental health counseling costs will raise \$360 per year.

Time-loss for non-fatal claims cost CVCP approximately \$1.5 million per year. The actuarial assumption for industrial insurance is 0.29 percent. This assumption is too high for CVCP because there are limitations on benefits.

Less seriously injured victims will receive more time-loss under this provision, however more seriously injured victims will cost about the same amount because they will hit the cap on benefits sooner. The CVCP assumption is a 0.20 percent increase to raise the costs \$3,000 per year.

The total benefit cost increase for CVCP for registered domestic partnerships will be \$6,960 in the first year.

The increase in CVCP benefits is also based on 5,042 state registered domestic partnerships. We again assume the number of registered domestic partnerships will increase over time. The increase from 5,042 in February 2009 to 6,000 in Fiscal Year 2010 reflects an assumed growth in the number of domestic partnerships.

The table below shows the total expected increase in CVCP benefits and the projected increase in registered domestic partnerships per year based on actuarial estimates. The table below reflects growth we have already seen in domestic partnerships. We assume the growth in domestic partnerships will take a couple years to stabilize.

Fiscal Year	Projected Increase in Partnerships	Number of Partnerships	CVCP Benefits Increase
2010		6,000	\$ 8,028
2011	50 %	9,000	\$ 12,042
2012	40 %	12,600	\$ 15,655
2013	25 %	15,750	\$ 18,003
2014	15 %	18,113	\$ 18,903
2015	5 %	19,018	\$ 19,848

Forms and Publications

Insurance Services will have to revise numerous forms and publications, including but not limited to the Report of Accident (ROA), the pension benefits questionnaire, the pension option forms, the pension declaration forms, and application for survivor benefits to include options for state registered domestic partners and their children. We will also have to revise our outreach information, both existing publications and information on the public website.

Report of Accident (ROA)

This bill will require the department to revise, reprint, and mail the ROA. We will need to send four forms to 40,000 providers for a total of 160,000 forms. The costs to develop and distribute the new ROA are:

Printing	\$ 30,353.97
Postage and handling	\$ 18,412.25
Total Cost	\$ 48,766.22

Crime Victims Compensation Program (CVCP) will need the Application for Benefits revised as well. The cost to print and mail 30,000 forms is \$6,800.

Other Forms

Other workers' compensation and CVCP forms and publications will also need to be revised and reprinted, including:

Form	Quantity	Printing Costs
Claim for Pension by Spouse or Children	5,000	\$ 400
Application for Pension Benefits by Spouse or Children	2,000	\$ 100
Totals:	7,000	\$500

Total for all CVCP printing costs: **\$7,300.**

Publications	Quantity	Printing Costs
Employers' Guide to Industrial Insurance Benefits	10,000	\$12,500
Employers' Guide - Self-Insurance	500	\$1,100
Workers' Guide to Industrial Insurance Benefits	75,000	\$23,500
Workers' Guide - Spanish	12,000	\$5,400
Workers' Guide - Self-Insurance	75,000	\$23,500
Workers' Guide - Self-Insurance - Spanish	5,000	\$3,200
Pension Benefits	5,000	\$3,200
Pension Benefits - Spanish	1,500	\$1,750
Total:		\$74,150

Total for all State Fund forms and publication costs: **\$123,416.**

The estimate for revising and printing the publications are based on the assumption that we would need to add a new paragraph to existing publications. Estimates assume that text will not need major revisions based on the addition of new information.

Printing costs assume that new supplies will need to be printed and some existing stock will need to be recycled. Printing costs per unit vary depending on the quantity produced because a small print quantity will cost more per piece than a larger quantity.

Information Services Impact

System changes are needed to accommodate the information for state registered domestic partnerships and children as well as calculate compensation rates.

Specific programming changes to our systems are as follows:

LINIIS (Labor and Industries Industrial Insurance System)

- 90 hours – absorb work with existing staff.
- Provide an indicator to capture domestic partnership status.
- Display indicator on specific screens.
- Modify miscellaneous reports.

ORION (Organized Information Online – Document imaging system)

Application changes estimated for just ORION regarding:

- 120 hours – contracted.
- Possible database changes to reflect additional marital and dependent indicators.
- Information services MQ integration with LINIIS for keeping data in sync.
- ORION screen updates.

Claim & Account Center

- 60 hours – absorb work with existing staff.
- The assumption is made that this will only change the display of information.
- Possible database changes.
- Possible data extract modifications.
- Application UI changes.

We assume that we will need a total of 120 hours of programming at a rate of \$102 per hour.

This results in a total information services cost of **\$12,240**.

Funding Splits

The cost to implement this legislation is paid 50 percent Accident Account and 50 percent Medical Aid for the workers compensation program. Costs associated with the Crime Victims Compensation program are paid 100 percent from the Public Safety and Education Account.

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.

Individual State Agency Fiscal Note

Bill Number: 5688 S SB	Title: Registered domestic partners	Agency: 240-Department of Licensing
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Part I: Estimates

☒ No Fiscal Impact

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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.

OFM Contact: Bob Shirley	Phone: 360-9020420	Date: 02/16/2009
Agency Preparation: Keith Long	Phone: (360) 902-0141	Date: 02/23/2009
Agency Approval: Sam Knutson	Phone: (360) 902-3644	Date: 02/23/2009
OFM Review: Alyson Cummings	Phone: 360-902-0576	Date: 02/23/2009

Request # 5688 SSB-2

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.

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.

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 II: Explanation

This bill declares that for all purposes under state law, state registered domestic partners shall be treated the same as married spouses. Any privilege, immunity, right, benefit, or responsibility granted or imposed by statute, administrative or court rule, policy, common law or any other law to an individual because the individual is or was a spouse, or because the individual is or was an in-law in a specified way to another individual, is granted on equivalent terms, substantive and procedural, to an individual because the individual is or was in a state registered domestic partnership or because the individual is or was, based on a state registered domestic partnership, related in a specified way to another individual. Provides that the act shall be liberally construed to achieve equal treatment, to the extent it is not in conflict with the federal State Registered Domestic Partners and Married Spouses law.

II. A – Brief Description of What the Measure Does that Has Fiscal Impact

The Department of Licensing has coordinated the development of this fiscal note with the lead agency, the Office of the Secretary of State, and with the Health Care Authority. The agency will not have any costs associated with this bill.

Individual State Agency Fiscal Note

Bill Number: 5688 S SB	Title: Registered domestic partners	Agency: 300-Dept of Social and Health Services
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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:

Non-zero but indeterminate cost. Please see discussion.

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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.

OFM Contact:	Bob Shirley	Phone: 360-9020420	Date: 02/16/2009
Agency Preparation:	Marcia Wendling	Phone: 360-902-7769	Date: 02/23/2009
Agency Approval:	Mariann Schols	Phone: 360-902-8255	Date: 02/23/2009
OFM Review:	Adam Aaseby	Phone: 360-902-0659	Date: 02/23/2009

Request # 095688SSB-1

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.

Various statutes are amended to include domestic partnerships. Section 2 specifically directs agencies to amend their rules to ensure that state registered domestic partnerships are treated on the same terms as a spouse.

As compared to the original bill, several additional statutes were amended.

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.

Impacts to the department include:

- Various rules, procedures, and internal instructions will need to be amended.
- Eligibility and recovery determination calculations will need to be revised to include a domestic partner.
- Federal rules do not recognize same-sex unions. This will lead to new state-only funded programs. New state only programs will necessitate the development or modification of systems to administer these programs.

These impacts will result in increased staffing and expense to the state.

Changes from the original bill:

The substitute bill adds language to section 2 requiring agencies to amend their rules to reflect the intent, subject to the availability of funds appropriated for this specific purpose. The intent of the bill is not consistent with federal laws and rules, which prohibit states from treating registered domestic partnerships the same as traditional marriages for certain federally funded programs, such as Medicaid. To meet the intent, the department will amend its rules to create separate state-only funded programs to provide equal benefits for domestic partners within specifically appropriated funds.

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.

Section 2 directs agencies to amend their rules to reflect the intent of the legislation.

Individual State Agency Fiscal Note

Bill Number: 5688 S SB	Title: Registered domestic partners	Agency: 305-Department of Veterans Affairs
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Part I: Estimates

☒ No Fiscal Impact

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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.

OFM Contact: Bob Shirley	Phone: 360-9020420	Date: 02/16/2009
Agency Preparation: Ken Malmin	Phone: 725-2165	Date: 02/17/2009
Agency Approval: Ken Malmin	Phone: 725-2165	Date: 02/17/2009
OFM Review: Eric Mandt	Phone: 360-902-0543	Date: 02/17/2009

Request # SSB 5688-1

Bill # 5688 S SB

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.

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.

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.

Individual State Agency Fiscal Note

Bill Number: 5688 S SB	Title: Registered domestic partners	Agency: 310-Department of Corrections
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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:

Non-zero but indeterminate cost. Please see discussion.

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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 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.

OFM Contact:	Bob Shirley	Phone: 360-9020420	Date: 02/16/2009
Agency Preparation:	Margaret Andreas	Phone: (360) 725-8262	Date: 02/20/2009
Agency Approval:	Susan Lucas	Phone: (360) 725-8277	Date: 02/20/2009
OFM Review:	Adam Aaseby	Phone: 360-902-0659	Date: 02/23/2009

Request # 104-1

Bill # 5688 S SB

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 166 modifies Chapter 72.09 RCW as follows:

The terms spouse, marriage, marital, husband, wife, widow, widower, next of kin, and family shall be interpreted as applying equally to state registered domestic partnerships as well as to marital relationships and married persons, and references to dissolution of marriage shall apply equally to state registered domestic partnerships that have been terminated, dissolved or invalidated, to the extent that such interpretation does not conflict with federal law.

Section 167 modifies Chapter 72.09.015 RCW as follows:

The definition of an inmate's immediate family is extended to include a person in a state registered domestic partnership with an offender.

Section 168 modifies Chapter 72.09.712 RCW as follows:

The definition of a victim's next of kin is extended to include a person in a state registered domestic partnership with the victim.

Section 203 (2) requires that sections 167 and 168 take effect August 1, 2009.

The fiscal impact is the result of necessary review and revision to numerous internal policies, offender and offender family handbooks/publications, offender programming curriculum, and staff training curriculum. This review and revision would need to occur quickly to met the August 1, 2009 effective date.

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.

Expenditures are a result of the necessary review and revision to internal policies and publications, offender programming curriculum, and staff training curriculum. Changes are not likely to cost more than \$50,000.

Part III: Expenditure Detail

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 identified.

Individual State Agency Fiscal Note

Bill Number: 5688 S SB	Title: Registered domestic partners	Agency: 343-Higher Education Coordinating Board
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Part I: Estimates

☒ No Fiscal Impact

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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.

OFM Contact: Bob Shirley	Phone: 360-9020420	Date: 02/16/2009
Agency Preparation: Pam Mead	Phone: 360-753-7862	Date: 02/20/2009
Agency Approval: Don Bennett	Phone: 360-753-7831	Date: 02/20/2009
OFM Review: Marc Webster	Phone: 360-902-0650	Date: 02/20/2009

Request # 106-2

Bill # 5688 S SB

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 Senate Bill 5688 would extend state-registered domestic partners the same treatment as married spouses and require agencies to amend rules and ensure all privileges, rights, benefits, and responsibilities be granted to an individuals in state-registered domestic partnerships. As higher education institutions have been practicing equal treatment and benefit to state-registered domestic partners before this legislation, no fiscal impact is anticipated.

State universities, regional universities, The Evergreen State College, and the State Board for Community and Technical Colleges have granted equivalent terms to individuals in a state-registered domestic partnership prior to this legislation. Institutions will amend their human resource policies to include the verbiage in the legislation but this effort is assumed to be absorbed by current FTE. Further, prior legislative action granted state-registered domestic partnerships health care benefits, beneficiary rights on retirement plans through the state of Washington and TIAA-CREF, and sick leave benefits.

Institution data and HECB analysis concludes that because of broad policies already benefiting state-registered domestic partnerships, no fiscal impact is anticipated.

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: 5688 S SB	Title: Registered domestic partners	Agency: 540-Employment Security Department
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Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years	0.4	0.0	0.2	0.0	0.0
Fund					
Unemployment Compensation Administration Account-Federal 119-2	41,000	0	41,000	0	0
Total \$	41,000	0	41,000	0	0

This bill was identified as a proposal governed by the requirements of RCW 43.135.031 (Initiative 960). Therefore, this fiscal analysis includes a projection showing the ten-year cost to tax or fee payers of the proposed taxes or fees.

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.

OFM Contact: Bob Shirley	Phone: 360-9020420	Date: 02/16/2009
Agency Preparation: Marisa Todd	Phone: 360-902-9560	Date: 02/18/2009
Agency Approval: Randi Warick	Phone: 360-902-9423	Date: 02/18/2009
OFM Review: Tammy Hay	Phone: 360-902-0553	Date: 02/18/2009

Request # 054-HRSD-1

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 2 is a new section that amends Chapter 34.05 requiring agencies to include spouses and domestic partners in their rules. SSB 5688 section 2 adds that the requirement for agencies to include spouses and domestic partners in their rules is subject to the availability of appropriated funds for this specific purpose and that the agency rules are not invalid if the agency does not comply with this section.

This bill adds new sections to several RCW titles to allow for state registered domestic partnerships to be interpreted the same as the terms spouse, marriage, marital, husband, wife, widow, widower, next of kin, and family. This amendment also requires that references to dissolution of marriages be applied equally to state registered domestic partnerships. In addition, this amendment requires that terms such as husband and wife in any statute, rule, or other law shall be construed as gender neutral and applicable to individuals in state registered domestic partnerships. SSB 5688 adds this new section to additional RCW titles and removes RCW 26.21A from adding it. SSB 5688 also removes the changes to the definitions in RCW 9A.44.010.

Section 133 adds a new section to Chapter 50.04 RCW that does not require a rule change but to construe existing law/rule as gender neutral and to apply it to state registered domestic partnerships.

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.

This bill does not impact 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.

SECTION 2 amends Chapter 34.05 requiring agencies, including the Employment Security Department, to include spouses and domestic partners in their rules. This section will require the department to implement minor rule making changes and low impact changes to information technology applications. In total, the one-time cost impact of this bill is estimated at 0.2 FTEs and \$41,000 in the 2009-2011 Biennium.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years	0.4		0.2		
A-Salaries and Wages	28,000		28,000		
B-Employee Benefits	8,000		8,000		
C-Personal Service Contracts					
E-Goods and Services	5,000		5,000		
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$41,000	\$0	\$41,000	\$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 2010	FY 2011	2009-11	2011-13	2013-15
ITS4	71,496	0.2		0.1		
ITS5	78,900	0.1		0.0		
WMS 2	75,000	0.2		0.1		
Total FTE's	225,396	0.4		0.2		0.0

Part IV: Capital Budget Impact

This bill does not impact 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.

Minor rulemaking would be required on the following Washington Administrative Codes (WAC) to include domestic partners:

- WAC 192-310-010 (employer registration)
- WAC 192-310-150 and -310-160 (exemption for corporate officer families)
- WAC 192 -310-190 (corporate officer benefits)
- WAC 192-150-055 (quit for illness or disability definition of immediate family)
- WAC 192-150-122 (people who leave for domestic violence)