

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 2771 HB	<b>Title:</b> Crime victims' comp program
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## Estimated Cash Receipts

Agency Name	2009-11		2011-13		2013-15	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Social and Health Services	0	5,290,000	0	10,000,000	0	10,000,000
<b>Total \$</b>	<b>0</b>	<b>5,290,000</b>	<b>0</b>	<b>10,000,000</b>	<b>0</b>	<b>10,000,000</b>

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

## Estimated Expenditures

Agency Name	2009-11			2011-13			2013-15		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Labor and Industries	(20.3)	(12,045,727)	(17,335,727)	(40.5)	(26,714,867)	(36,714,867)	(40.5)	(26,714,867)	(36,714,867)
Department of Social and Health Services	20.3	12,045,727	17,335,727	40.5	26,714,867	36,714,867	40.5	26,714,867	36,714,867
<b>Total</b>	<b>0.0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>	<b>\$0</b>	<b>\$0</b>	<b>0.0</b>	<b>\$0</b>	<b>\$0</b>

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

## Estimated Capital Budget Impact

Agency Name	2009-11		2011-13		2013-15	
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Department of Labor and Industries						
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	0	0	0	0	0
Department of Social and Health Services						
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>Total \$</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

\*\* See local government fiscal note

FNPID 25137

FNS029 Multi Agency rollup

<b>Prepared by:</b> Chris Stanley, OFM	<b>Phone:</b> (360) 902-9810	<b>Date Published:</b> Final
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\* See Office of the Administrator for the Courts judicial fiscal note

\*\* See local government fiscal note

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2771 HB	<b>Title:</b> Crime victims' comp program	<b>Agency:</b> 235-Department of Labor and Industries
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## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

<b>ACCOUNT</b>					
<b>Total \$</b>					

### Estimated Expenditures from:

	<b>FY 2010</b>	<b>FY 2011</b>	<b>2009-11</b>	<b>2011-13</b>	<b>2013-15</b>
FTE Staff Years	0.0	(40.5)	(20.3)	(40.5)	(40.5)
<b>Account</b>					
General Fund-State 001-1	0	(12,045,727)	(12,045,727)	(26,714,867)	(26,714,867)
General Fund-Federal 001-2	0	(5,290,000)	(5,290,000)	(10,000,000)	(10,000,000)
<b>Total \$</b>	0	(17,335,727)	(17,335,727)	(36,714,867)	(36,714,867)

### Estimated Capital Budget Impact:

	<b>2009-11</b>		<b>2011-13</b>		<b>2013-15</b>	
	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>Total \$</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact:	Phone:	Date: 01/14/2010
Agency Preparation: Melody Porter	Phone: 360-902-4618	Date: 01/21/2010
Agency Approval: Joshua Swanson	Phone: 360-902-6805	Date: 01/21/2010
OFM Review: Chris Stanley	Phone: (360) 902-9810	Date: 01/21/2010

Request # 2771-2

## 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.

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		(40.5)	(20.3)	(40.5)	(40.5)
A-Salaries and Wages		(1,913,841)	(1,913,841)	(3,826,894)	(3,826,894)
B-Employee Benefits		(642,429)	(642,429)	(1,273,502)	(1,273,502)
C-Personal Service Contracts		(1,200)	(1,200)	(2,400)	(2,400)
E-Goods and Services		(740,669)	(740,669)	(1,414,756)	(1,414,756)
G-Travel		(14,400)	(14,400)	(28,800)	(28,800)
J-Capital Outlays		(11,782)	(11,782)	(15,515)	(15,515)
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		(14,011,406)	(14,011,406)	(30,153,000)	(30,153,000)
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total:</b>	\$0	\$(17,335,727)	\$(17,335,727)	\$(36,714,867)	\$(36,714,867)

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

<b>Job Classification</b>	<b>Salary</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>2009-11</b>	<b>2011-13</b>	<b>2013-15</b>
Acturial Analyst 3			(1.0)	(0.5)	(1.0)	(1.0)
Administrative Assistant 3			(1.0)	(0.5)	(1.0)	(1.0)
Customer Service Specialist 2			(5.0)	(2.5)	(5.0)	(5.0)
Fiscal Analyst 1			(1.0)	(0.5)	(1.0)	(1.0)
Fiscal Tech 2			(1.0)	(0.5)	(1.0)	(1.0)
Industrial Insurance Compensation			(3.0)	(1.5)	(3.0)	(3.0)
Supervisor						
IT Specialist 4			(1.0)	(0.5)	(1.0)	(1.0)
Medical Treatment Adjudicator 2			(4.0)	(2.0)	(4.0)	(4.0)
Medical Treatment Adjudicator 4			(2.0)	(1.0)	(2.0)	(2.0)
Office Assistant 2			(3.0)	(1.5)	(3.0)	(3.0)
Office Assistant 3			(5.0)	(2.5)	(5.0)	(5.0)
Program Manager			(1.0)	(0.5)	(1.0)	(1.0)
Revenue Agent 3			(1.0)	(0.5)	(1.0)	(1.0)
Worker Compensation Adjudicator 3			(7.5)	(3.8)	(7.5)	(7.5)
Worker Compensation Adjudicator 4			(3.0)	(1.5)	(3.0)	(3.0)
Worker Compensation Adjudicator 5			(1.0)	(0.5)	(1.0)	(1.0)
<b>Total FTE's</b>			(40.5)	(20.3)	(40.5)	(40.5)

**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 transfers all powers, duties, and functions of the Department of Labor and Industries pertaining to the Crime Victims' Compensation program to the Department of Social and Health Services.

The effective date of this transfer is July 1, 2010.

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

**Sections 1 –9.** The bill changes all references from Department of Labor and Industries (L&I) to Department of Social and Health Services (DSHS), and all references from director to secretary.

#### **Section 10.**

**Subsection (1).** Adds a new section to RCW 74.08A.010 transferring all powers, duties, and functions of L&I pertaining to the Crime Victims' Compensation (CVC) program to DSHS.

**Subsection (2) (a).** This transfer includes:

- All program specific reports, documents, surveys, books, and records;
- All furniture, office equipment, motor vehicles, and other tangible property specific to performing the functions of this program; and
- Funds, credits, or other assets held in connection with the specific functions transferred by this legislation.

**Subsection (2) (b).** Any appropriations made to L&I to carry out the functions and duties of the CVC program shall be transferred and credited to DSHS to carry out the responsibilities of the program.

**Subsection (2) (c).** The Office of Financial Management (OFM) shall make a determination of the proper allocation if there are questions about the transfer. The director of OFM shall

determine and certify the proper allocation, if required by the transfer, to L&I, DSHS, the state auditor and the state treasurer.

**Subsection (3).** In addition, all rules and pending business pertinent to this transfer, as well as existing contracts and obligations shall remain in force and continued by DSHS.

**Subsection (5).** The director of OFM shall certify apportionments, if required because of the transfer, to L&I, DSHS, the State Auditor, and the State Treasurer.

**Section 11.** This legislation is effective July 1, 2010.

## **II. B – Cash Receipt Impact**

None. All cash receipts that are currently being collected by L&I will transfer to DSHS.

## **II. C – Expenditures**

The proposed transfer includes the State and Federal funding for the 40.5 FTEs required to administer the Crime Victims' Compensation program. In addition it includes the funding for benefit payments to victims, and associated legal fees necessary for the effective administration of the program.

There are multiple IT systems at L&I that are utilized by the CVCP. The Governor's budget assumes that L&I will continue to support those systems in the foreseeable future. Therefore, all IT costs and FTE support of those systems remain at L&I. The cost of transferring IT systems and IT support and any cost to physically move the program to DSHS is indeterminate until further analysis is done.

The transfer also incorporates the General Fund – State budget reductions included in the Governor's 2010 Supplemental budget.



Although not reflected in this fiscal analysis, it also assumes a fund shift between Fiscal Years 2010 and 2011 is necessary. This fund shift by fiscal year is included in the Governor's 2010 Supplemental Budget proposal. In order not to have a deficit in Fiscal Year 2010, the shift between years is necessary. This adjustment is because of the following issues:

- The CVC program has less funding in Fiscal Year 2010 because the federal grant is only \$3.6 million, compared to \$5.3 million in 2011. This grant is based on state expenditures three years earlier. Three years ago the CVC program reduced their fee schedule, thereby reducing state expenditures. Based on this the federal 2010 grant received was smaller.
- This funding methodology does not incorporate increased expenditures related with medical inflation or increased caseload impacts reflective of the current economic condition.
- The CVC program is anticipating higher costs in Fiscal Year 2010 than in Fiscal Year 2011 because of the timing of the proposed law changes. The Department has requested a reduction of benefits and tightening of eligibility to reduce expenditures. The proposed reductions will not take effect until April 1, 2010. This means the program will pay full benefits for the first nine months and show only three months of cost savings in Fiscal Year 2010.

Please see Table 1 below for dollar amounts.

**Crime Victims Program Budget Transfer To DSHS**  
July 1, 2010 to June 30, 2011 -- **FY 2011 only**

L&I Program	Sub Program	Title	Transfer to DSHS
080	81	CRIME VICTIMS - ADMIN	\$3,130,922
080	82	CRIME VICTIMS - BENEFIT PAYMENTS	17,276,406
080	91	LEGAL SERVICE FUND	76,273
FY 11 Supplemental Budget Decision Package - GFS Reduction - CR Reduced Medical Fees			(450,000)
FY 11 Supplemental GFS Budget Reduction			(1,040,842)
FY 11 to FY10 Supplemental Budget - Shift Between Fiscal Years			<u>(1,865,000)</u>
<b>Total</b>			<b>\$17,127,759</b>

The transfer also includes \$207,968 for indirect costs, for a total amount transferred of \$17,335,727.

**Indirect Costs**

The amount transferred in this fiscal note for indirect is:

Fund Name, Fund #	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
General Fund - State	0	(207,968)	(195,324)	(207,968)	(195,324)	(207,968)

Examples of activities provided by indirect costs include:

- Vendor payment and payroll processing.
- Equipment purchase, delivery, inventory, storage and set-up.
- Contract and purchasing services.

- Legislative and Public Affairs.
- Library services and public disclosure.
- Personnel and employee services.
- Budget and accounting.
- Facilities management.

## **Part IV: Capital Budget Impact**

None.

## **Part V: New Rule Making Required**

None.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2771 HB	<b>Title:</b> Crime victims' comp program	<b>Agency:</b> 300-Dept of Social and Health Services
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## Part I: Estimates



No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2010	FY 2011	2009-11	2011-13	2013-15
General Fund-Federal 001-2		5,290,000	5,290,000	10,000,000	10,000,000
<b>Total \$</b>		5,290,000	5,290,000	10,000,000	10,000,000

### Estimated Expenditures from:

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years	0.0	40.5	20.3	40.5	40.5
<b>Account</b>					
General Fund-State 001-1	0	12,045,727	12,045,727	26,714,867	26,714,867
General Fund-Federal 001-2	0	5,290,000	5,290,000	10,000,000	10,000,000
<b>Total \$</b>	0	17,335,727	17,335,727	36,714,867	36,714,867

### Estimated Capital Budget Impact:

	2009-11		2011-13		2013-15	
	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015
Acquisition	0	0	0	0	0	0
Construction	0	0	0	0	0	0
Other	0	0	0	0	0	0
<b>Total \$</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Request # 10HB2771.1-1

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact:	Phone:	Date: 01/14/2010
Agency Preparation: Mickie Coates	Phone: 360-902-8077	Date: 01/21/2010
Agency Approval: Dan Winkley	Phone: 360-902-8179	Date: 01/21/2010
OFM Review: Sandi Triggs	Phone: (360) 902-0553	Date: 01/21/2010

Request # 10HB2771.1-1

## 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.*

Sections 1 – 10 – Transfers all powers, duties, and functions pertaining to the Crime Victims Compensation (CVC) program from the Department of Labor and Industries (L&I) to the Department of Social and Health Services (DSHS). All references to L&I are changed to DSHS and all references to the director are changed to secretary.

DSHS shall use applicable crime victims rules adopted by L&I, until such time as DSHS adopts its own rules.

The transfer includes the following as it pertains to the CVC program:

- Written materials
- Tangible property
- Funds, credits, or other assets
- Appropriations
- Existing contracts and obligations

The director of the Office of Financial Management shall certify any necessary apportionments of budgeted funds.

Section 11 – This act takes effect July 1, 2010

### 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.*

Federal funding for operation of the Crime Victims Compensation Program will transfer to the DSHS.

### 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.*

The proposed transfer includes approximately \$12 million in GF-State funding, \$5 million in federal funding, and a total of 40.5 FTE's each State Fiscal Year. These transfer amounts are intended to fund costs associated with administering the CVC program, benefit payments to victims, and legal fees necessary for the operation of the program.

It is assumed that additional costs will be incurred related to moving L&I staff, furniture, and equipment to DSHS facilities and for information technology systems transfers, development, or modifications that will be needed for DSHS to carry out the requirements of this bill. These costs are currently indeterminate and not included in the estimates provided in this fiscal note.

## Part III: Expenditure Detail

### III. A - Expenditures by Object Or Purpose

	FY 2010	FY 2011	2009-11	2011-13	2013-15
FTE Staff Years		40.5	20.3	40.5	40.5
A-Salaries and Wages		1,913,841	1,913,841	3,826,894	3,826,894
B-Employee Benefits		642,429	642,429	1,273,502	1,273,502
C-Personal Service Contracts		1,200	1,200	2,400	2,400
E-Goods and Services		699,669	699,669	1,332,756	1,332,756
G-Travel		14,400	14,400	28,800	28,800
J-Capital Outlays		11,782	11,782	15,515	15,515
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services		14,011,406	14,011,406	30,153,000	30,153,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		41,000	41,000	82,000	82,000
9-					
<b>Total:</b>	\$0	\$17,335,727	\$17,335,727	\$36,714,867	\$36,714,867

### 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
Actuarial Analyst 3			1.0	0.5	1.0	1.0
Administrative Assistant 3			1.0	0.5	1.0	1.0
Customer Service Specialist 2			5.0	2.5	5.0	5.0
Fiscal Analyst 1			1.0	0.5	1.0	1.0
Fiscal Tech 2			1.0	0.5	1.0	1.0
Industrial Insurance Compensation			3.0	1.5	3.0	3.0
Medical Treatment Adjudicator 4			2.0	1.0	2.0	2.0
Medical Treatment Adjudicator 2			4.0	2.0	4.0	4.0
Office Assistant 2			3.0	1.5	3.0	3.0
Office Assistant 3			5.0	2.5	5.0	5.0
Program Manager			1.0	0.5	1.0	1.0
Revenue Agent 3			1.0	0.5	1.0	1.0
Supervisor - IT Specialist 4			1.0	0.5	1.0	1.0
Worker Compensation Adjudicator 3			7.5	3.8	7.5	7.5
Worker Compensation Adjudicator 4			3.0	1.5	3.0	3.0
Worker Compensation Adjudicator 5			1.0	0.5	1.0	1.0
<b>Total FTE's</b>			40.5	20.3	40.5	40.5

### III. C - Expenditures By Program (optional)

Program	FY 2010	FY 2011	2009-11	2011-13	2013-15
Economic Services Administration (060)		17,170,727	17,170,727	36,384,867	36,384,867
Administration and Supporting Services (110)		98,000	98,000	196,000	196,000
Payments to Other Agencies (145)		67,000	67,000	134,000	134,000
<b>Total \$</b>		17,335,727	17,335,727	36,714,867	36,714,867

## 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.*

Rule changes may be necessary.