

Multiple Agency Fiscal Note Summary

Bill Number: 1512 HB	Title: Ferry system personnel
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Estimated Cash Receipts

NONE

Estimated Expenditures

Agency Name	2011-13			2013-15			2015-17		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of Attorney General	Fiscal note not available								
Department of Personnel	Fiscal note not available								
Department of Labor and Industries	Fiscal note not available								
Public Employment Relations Commission	1.0	0	237,000	1.0	0	224,000	1.0	0	224,000
Department of Transportation	.0	0	(1,988,000)	.0	0	(1,988,000)	.0	0	(1,988,000)
Marine Employees' Commission	(2.3)	0	(440,000)	(2.3)	0	(440,000)	(2.3)	0	(440,000)
Total	(1.3)	\$0	\$(2,191,000)	(1.3)	\$0	\$(2,204,000)	(1.3)	\$0	\$(2,204,000)

Estimated Capital Budget Impact

NONE

Prepared by: Heather Matthews, OFM	Phone: (360) 902-0543	Date Published: Preliminary
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID 27706

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 1512 HB	Title: Ferry system personnel	Agency: 275-Public Employment Relations Comm
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
Account					
Puget Sound Ferry Operations	125,000	112,000	237,000	224,000	224,000
Account-State 109-1					
Total \$	125,000	112,000	237,000	224,000	224,000

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Debbie Driver	Phone: 360-786-7143	Date: 01/24/2011
Agency Preparation: Cathy Callahan	Phone: 360 570-7312	Date: 01/27/2011
Agency Approval: Cathy Callahan	Phone: 360 570-7312	Date: 01/27/2011
OFM Review: Heather Matthews	Phone: (360) 902-0543	Date: 01/27/2011

Request # HB 1512-2

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.

House Bill 1511 abolishes the Marine Employees' Commission (MEC) and transfers the duties and powers of the MEC to the Public Employment Relations Commission (PERC).

Sections 1, 3, 5, 6, 7, and 8 of the bill transfer the administration of Chapter 47.64 RCW from the MEC to PERC, including all assets and existing cases.

Section 11 of the bill directs OFM to transfer budgeted funds from the MEC to PERC. This section establishes the procedures for the transfer of assets, files, and property to PERC.

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.

The bill requires the MEC appropriate to be transferred to PERC. The MEC appropriation is larger than PERC needs to implement the bill. PERC assumes that it can absorb the work of the MEC by hiring one additional labor relations adjudicator/mediator. At this time, the following savings will accrue to the state as follows:

Elimination of MEC office space

A single administrative cost center

Reduction of personnel

Realizing economies of scale in terms of budget, accounting, travel, IT, and AGO support.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
A-Salaries and Wages	85,000	85,000	170,000	170,000	170,000
B-Employee Benefits	23,000	23,000	46,000	46,000	46,000
C-Personal Service Contracts					
E-Goods and Services	12,000	1,000	13,000	2,000	2,000
G-Travel	1,000	3,000	4,000	6,000	6,000
J-Capital Outlays	4,000		4,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$125,000	\$112,000	\$237,000	\$224,000	\$224,000

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 2012	FY 2013	2011-13	2013-15	2015-17
Labor Relations	85,000	1.0	1.0	1.0	1.0	1.0
Adjudicator/Mediator						
Total FTE's	85,000	1.0	1.0	1.0	1.0	1.0

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.

PERC will adopt rules to incorporate the provisions and requirements of Chapter 47.64 RCW into Title 391 WAC.

Individual State Agency Fiscal Note

Bill Number: 1512 HB	Title: Ferry system personnel	Agency: 405-Department of Transportation
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
Account					
Puget Sound Capital Construction Account-State 099-1	(250,000)	(250,000)	(500,000)	(500,000)	(500,000)
Motor Vehicle Account-State 108 -1	(2,691,000)	(2,691,000)	(5,382,000)	(5,382,000)	(5,382,000)
Puget Sound Ferry Operations Account-State 109-1	1,947,000	1,947,000	3,894,000	3,894,000	3,894,000
Total \$	(994,000)	(994,000)	(1,988,000)	(1,988,000)	(1,988,000)

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

☒

If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐

If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐

Capital budget impact, complete Part IV.

☐

Requires new rule making, complete Part V.

Legislative Contact: Debbie Driver	Phone: 360-786-7143	Date: 01/24/2011
Agency Preparation: Matt Hanbey	Phone: 206-515-3763	Date: 01/28/2011
Agency Approval: David Moseley	Phone: 206-515-3401	Date: 01/28/2011
OFM Review: Erik Hansen	Phone: 360-902-0423	Date: 01/31/2011

Request # 11-047-1

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.

The proposed legislation abolishes the Marine Employees Commission (MEC) and establishes the Public Employment Relations Commission (PERC) as the entity to handle labor issues (Sections 1-8). In addition Section 9 would require no less than 15 percent of the labor hours be performed by apprentices for all projects by the Washington State Ferries (WSF) estimated to cost \$6.0 million or more. Currently the threshold is \$2.0 million. The proposal also transfers jurisdiction over ferry employee injuries from Jones Act coverage to the Department of Labor and Industries' (L&I) Industrial Insurance (Sections 10-11).

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.

The proposal transfers authority over marine employee union labor relations from the Marine Employees Commission (MEC) to the Public Employment Relations Commission (PERC) and abolishes the MEC. It is difficult to determine the fiscal impact related to potential differences in arbitration decisions made by the PERC as compared to arbitration decisions that have been made by the MEC.

The impact related to the increase of the threshold from \$2.0 million to \$6.0 million for the requirement that 15 percent of the labor be performed by apprentices is estimated to save \$250,000 per year. This was estimated by reviewing the contracts over \$2.0 million so far this biennium, with the assumption that 30 percent of the contract cost is labor, with a savings of 9 percent on the hourly labor costs.

This proposal also transfers ferry employees from coverage under Jones Act to coverage through the Department of Labor and Industries (L & I). Based on a four-year average (FY 2007 – FY 2010) the department will save an estimated \$2.7 million per year for tort claims and defense cost (Motor Vehicle Account) and \$0.6 million per year related to current payments to ferry employees under labor contracts (maintenance and cure, wage supplement and time loss) and for third party administration of claims (Puget Sound Ferry Operations Account). The estimated additional costs under L & I coverage for 1,793,000 hours of service is estimated to be approximately \$2.6 million per year (Puget Sound Ferry Operations Account).

Possible costs not figured into these calculations include the following:

- There may be pending Jones Act cases that would be settled under the current system in which case there would be additional costs for maintenance and cure, wage supplement and time loss (Puget Sound Ferry Operations Account) and additional costs for tort and legal costs for Jones Act claims (Motor Vehicle Account).
- Savings due to employees paying a portion of the L & I rate.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits	2,424,000	2,424,000	4,848,000	4,848,000	4,848,000
C-Personal Service Contracts					
E-Goods and Services	(3,168,000)	(3,168,000)	(6,336,000)	(6,336,000)	(6,336,000)
G-Travel					
J-Capital Outlays	(250,000)	(250,000)	(500,000)	(500,000)	(500,000)
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$(994,000)	\$(994,000)	\$(1,988,000)	\$(1,988,000)	\$(1,988,000)

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

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

Request # 11-047-1

Individual State Agency Fiscal Note

Bill Number: 1512 HB	Title: Ferry system personnel	Agency: 408-Marine Employees' Commission
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)
Account					
Puget Sound Ferry Operations	(210,000)	(230,000)	(440,000)	(440,000)	(440,000)
Account-State 109-1					
Total \$	(210,000)	(230,000)	(440,000)	(440,000)	(440,000)

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Debbie Driver	Phone: 360-786-7143	Date: 01/24/2011
Agency Preparation: Kathy Marshall	Phone: 360-586-6354	Date: 01/27/2011
Agency Approval: Kathy Marshall	Phone: 360-586-6354	Date: 01/27/2011
OFM Review: Erik Hansen	Phone: 360-902-0423	Date: 01/27/2011

Request # 02KM-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 7 abolishes the Marine Employees' Commission and transfers its duties, assets, and appropriations to the Public Employment Relations Commission.

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.

It is assumed abolishment of the agency will be effective April 30, 2011. Costs associated with closure would occur in fiscal year 2011.

Cost to transfer files, furniture and other assets is estimated at \$3,500.

Annual leave buyout costs for two staff in fiscal year 2011 are estimated at \$17,964, including salary and benefits. This assumes an average of 233 hours per employee at a rate of \$38.50 per hour.

The cost to buyout the agency's office lease agreement is estimated at \$ 45,354. The remaining lease cost would be two months at \$1,074 per month plus 36 months at \$1,200 per month.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2012	FY 2013	2011-13	2013-15	2015-17
FTE Staff Years	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)
A-Salaries and Wages	(106,164)	(106,164)	(212,328)	(212,328)	(212,328)
B-Employee Benefits	(32,049)	(32,049)	(64,098)	(64,098)	(64,098)
C-Personal Service Contracts					
E-Goods and Services	(67,526)	(89,526)	(157,052)	(157,052)	(157,052)
G-Travel	(1,761)	(2,261)	(4,022)	(4,022)	(4,022)
J-Capital Outlays	(2,500)		(2,500)	(2,500)	(2,500)
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total:	\$(210,000)	\$(230,000)	\$(440,000)	\$(440,000)	\$(440,000)

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 2012	FY 2013	2011-13	2013-15	2015-17
Commission Members	100	(0.9)	(0.9)	(0.9)	(0.9)	(0.9)
Confidential Secretary	68,117	(1.4)	(1.4)	(1.4)	(1.4)	(1.4)
Total FTE's	68,217	(2.3)	(2.3)	(2.3)	(2.3)	(2.3)

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.

Under RCW 47.64.280 the Marine Employees' Commission has responsibility to adjust all complaints, grievances, and disputes between labor and management arising out of the operation of the ferry system as provided in RCW 47.64.150; provide for impasse mediation as required in RCW 47.64.210; and perform those duties required in RCW 47.64.300. 1512 HB abolishes the Marine Employees' Commission and transfers all responsibilities and assets to the Public Employment Relations Commission.