

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1836 HB	<b>Title:</b> Individual provider overtime	<b>Agency:</b> 300-Department of Social and Health Services
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## Part I: Estimates

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No Fiscal Impact

### Estimated Cash Receipts to:

ACCOUNT	FY 2018	FY 2019	2017-19	2019-21	2021-23
General Fund-Federal 001-2	23,377,000	23,306,000	46,683,000	46,612,000	46,612,000
<b>Total \$</b>	23,377,000	23,306,000	46,683,000	46,612,000	46,612,000

### Estimated Expenditures from:

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	56.8	56.8	56.8	56.8	56.8
<b>Account</b>					
General Fund-State 001-1	19,792,000	19,697,000	39,489,000	39,394,000	39,394,000
General Fund-Federal 001-2	23,377,000	23,306,000	46,683,000	46,612,000	46,612,000
<b>Total \$</b>	43,169,000	43,003,000	86,172,000	86,006,000	86,006,000

### 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:

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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.

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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).

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Capital budget impact, complete Part IV.

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Requires new rule making, complete Part V.

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## 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 1(5)(b)(i)(A) permanently extends the maximum number of hours from 60 to 65 hours per workweek that providers may work if they had worked more than 40 hours per week in January 2016. Language that temporarily set the workweek hour limit to 65 hours for fiscal years 2016 and 2017 is stricken.

Section 1(5)(b)(ii) exempts individual providers caring for their disabled adult child from the workweek limits.

Section 1(10)(a) excludes these hours from being counted in the formula for determining whether overtime has exceeded 8.75 percent of total authorized personal care hours.

### 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.*

The department assumes that all services costs would be eligible for a 56 percent Federal Medical Assistance Percentage (FMAP) and that all staffing would receive the standard 50 percent FMAP.

### 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.*

#### Assumptions:

- The overtime rate is \$7.61 per hour above the standard wage rate.
- o NOTE: this is the current FY 2017 rate. If the proposed 2017-19 collective bargaining agreement is approved, this rate will increase.
- All providers fully utilize the hours available for their current workweek limit.
- Changes to the workweek limit will not change the number of monthly hours worked by individual providers caring for their adult children.

(1.) Elimination of the Workweek Hour Cap for IP Parents. This bill exempts individual providers caring for their disabled adult children from the workweek hour limits in existing statute, which limit the number of hours an individual provider may work without meeting certain exception criteria. The department estimates about 105,000 overtime hours per month if individual providers caring for their disabled adult children evenly allocate their hours throughout the month to minimize the amount of overtime they would earn. If individual providers maximize the amount of overtime they earn, about 608,000 additional overtime hours per month are projected. Therefore, individual providers caring for adult disabled children could utilize an additional 503,000 hours (608,000 hours minus 105,000 hours) above optimal levels.

To obtain the total cost of the 503,000 additional hours, monthly hours are annualized and then multiplied by \$7.61, which is the wage and tax amount for overtime that is in excess of the regular wage. Multiplying the 503,000 additional monthly hours times 12 months per year times \$7.61 equals \$45,934,000. The department currently has \$8,640,000 in the budget to cover the hours for individual providers caring for their disabled adult children based on workweek hour rules in existing statute. This amount is further reduced by \$1,068,000 for hours that are used to calculate the continuation of the 65-hour workweek limit in this fiscal note. It is important

to note that the \$1,068,000 would need to be added back to this section if the bill were modified to eliminate the continuation of the 65-hour workweek limit. After making these adjustments, the cost of services for individual providers caring for their disabled adult children is \$36,226,000 Total Funds.

FY 2018 and ongoing = \$36,226,000 Total Funds (\$15,940,000 GF-State)

(2.) Continuation of the 65-hour Workweek Limit. If an individual provider worked in excess of 40 hours per week during January 2016, the department may pay the individual provider for up to 65 hours per week for FYs 2016 and 2017. Based on existing statute, the workweek limit is scheduled to decrease from 65 to 60 hours per workweek beginning in FY 2018 and thereafter. This bill would continue the 65 hour workweek limit beginning FY 2018 and after so that the maximum hours do not decrease to 60 hours per workweek.

The department estimates that maintaining the weekly hour cap of a 65-hour workweek beyond FY 2017 adds 348,000 more overtime hours per year; however, the department assumes that about 60 percent or 209,000 hours would for clients that have met criteria for an exception-to-rule. This means that 139,000 hours remain after deducting the hours for those that have an exception. Multiplying the 139,000 additional hours by the \$7.61 overtime rate equals \$1,058,000 Total Funds, which is the cost of continuing the 65-hour workweek limit.

FY 2018 and ongoing = \$1,058,000 Total Funds (\$465,000 GF-State)

Note: Without the parent provider provision of this bill, the total number of additional paid overtime hours to maintain the 65-hour cap would be 348,000, which equates to an annual cost of \$2,648,000 Total Funds (\$1,165,000 GF-State).

(3.) Staffing. The department would require a net increase of 56.8 staff to implement the requirements of this bill. There is a reduction of 2.25 hours of work for each client that will no longer require case management time as there will be no approval of overtime for parent providers who are exempt from weekly work limits under this bill, which equates to a reduction of 8.6 FTE.

However, additional case management time is required for the 8,200 IPs caring for an adult child to monitor billing patterns for front-loading work schedules (six hours), providing customer service for providers and clients with questions about work week limits and exceptions (two hours), and conducting home visits (three hours each visit) three times per year to monitor safety and health of clients who are receiving care from a provider working a high number of hours per week.

The increased case management time equates to a net increase of 53.2 FTE. An additional 3.6 FTE for supervisors are also included. Please see table in attached backup document for further detail.

FY 2018 = 56.8 FTE, \$5,885,000 Total Funds (\$3,387,000 GF-State)

FY 2019 and ongoing = 56.8 FTE, \$5,719,000 Total Funds (\$3,292,000 GF-State)

## Part III: Expenditure Detail

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

	FY 2018	FY 2019	2017-19	2019-21	2021-23
FTE Staff Years	56.8	56.8	56.8	56.8	56.8
A-Salaries and Wages	3,328,000	3,442,000	6,770,000	6,884,000	6,884,000
B-Employee Benefits	1,366,000	1,426,000	2,792,000	2,852,000	2,852,000
C-Professional Service Contracts					
E-Goods and Other Services	680,000	680,000	1,360,000	1,360,000	1,360,000
G-Travel					
J-Capital Outlays	340,000		340,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	37,284,000	37,284,000	74,568,000	74,568,000	74,568,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	171,000	171,000	342,000	342,000	342,000
9-					
<b>Total:</b>	<b>\$43,169,000</b>	<b>\$43,003,000</b>	<b>\$86,172,000</b>	<b>\$86,006,000</b>	<b>\$86,006,000</b>

**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 2018	FY 2019	2017-19	2019-21	2021-23
Social Service Specialist 3	58,000	40.2	40.2	40.2	40.2	40.2
Social Service Specialist 4	66,000	13.0	13.0	13.0	13.0	13.0
Social Service Specialist 5	68,000	3.6	3.6	3.6	3.6	3.6
<b>Total FTE's</b>	<b>192,000</b>	<b>56.8</b>	<b>56.8</b>	<b>56.8</b>	<b>56.8</b>	<b>56.8</b>

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

Program	FY 2018	FY 2019	2017-19	2019-21	2021-23
Developmental Disabilities Administration (040)	25,463,000	25,338,000	50,801,000	50,676,000	50,676,000
Aging and Long-Term Support Administration (050)	17,706,000	17,665,000	35,371,000	35,330,000	35,330,000
<b>Total \$</b>	<b>43,169,000</b>	<b>43,003,000</b>	<b>86,172,000</b>	<b>86,006,000</b>	<b>86,006,000</b>

## 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.

New rules would be required to implement this bill.

## Staffing Estimate for HB 1836 - Individual Provider Overtime

	ASSUMPTIONS				FTE		
	HOURS	VISITS	TOTAL HOURS	% CLIENT	DDA	AL TSA	TOTAL
<b>Workload Impact</b>							
<b>TOTAL</b>	<b>8.8</b>	<b>4</b>	<b>8.8</b>		<b>42.9</b>	<b>13.9</b>	<b>56.8</b>
Monitor for billing pattern/front loading	6.0	1	6.0	100%	27.9	9.0	36.9
Home Visits	3.0	1	3.0	68%	9.5	3.1	12.6
Customer Service	2.0	1	2.0	100%	9.3	3.0	12.3
Reduction for no longer approving OT	(2.3)	1	(2.3)	62%	(6.5)	(2.1)	(8.6)
Supervision				15	2.7	0.9	3.6