

Multiple Agency Fiscal Note Summary

Bill Number: 6264 SB	Title: Higher ed. contracts/ESD
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Estimated Cash Receipts

NONE

Estimated Expenditures

Agency Name	2017-19			2019-21			2021-23		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
University of Washington	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Washington State University	.0	0	0	.0	0	0	.0	0	0
Eastern Washington University	.0	0	0	.0	0	0	.0	0	0
Central Washington University	.0	0	0	.0	0	0	.0	0	0
The Evergreen State College	.0	0	0	.0	0	0	.0	0	0
Western Washington University	.0	0	0	.0	0	0	.0	0	0
Employment Security Department	.0	0	0	.0	0	0	.0	0	0
Community and Technical College System	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total	0.0	\$0	\$0	0.0	\$0	\$0	0.0	\$0	\$0

Estimated Capital Budget Impact

NONE

Prepared by: Breann Boggs, OFM	Phone: (360) 902-0659	Date Published: Final 2/21/2018
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

FNPID: 52498

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 6264 SB	Title: Higher ed. contracts/ESD	Agency: 360-University of Washington
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

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.

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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.

Legislative Contact: Daniel Masterson	Phone: 360-786-7454	Date: 01/11/2018
Agency Preparation: Jed Bradley	Phone: 2066164684	Date: 01/16/2018
Agency Approval: Sharyl Morris	Phone: 2065434679	Date: 01/16/2018
OFM Review: Breann Boggs	Phone: (360) 902-0659	Date: 01/21/2018

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 of SB 6264 prohibits institution of higher education from entering into contracts with any private entity for the purpose of acting as a third-party payer as defined by RCW 50.04.248, professional employer organization as defined by RCW 50.04.298, or any other type of employer representative on behalf of the institution of higher education to the employment security department.

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 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.

We are still assessing the potential impact of this legislation, but are providing the following assessment with information currently on hand.

For now, we have marked this bill as indeterminate. It is possible that this bill would present no fiscal impact if it does not apply to using professional employer organizations for activities in foreign countries, including for study abroad programs, international research activities, and implementation of federal or other grants in the developing world.

If interpreted broadly, however, this bill would have a significant impact on the UW's international activities in research and public health spheres. For example, the UW partners in other countries may contract with payroll providers who are able to navigate complex tax laws in those countries. Doing this work "in house" would represent significant cost and concerns about financial and legal risk. If this legislation were to impact those activities, the UW would see significant additional costs in ensuring that these activities are not outsourced. We estimate that the cost could be in the millions of dollars, but would certainly exceed the \$50,000 threshold.

We will continue to assess the impact of this legislation and will update our estimates as more information becomes available.

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: 6264 SB	Title: Higher ed. contracts/ESD	Agency: 365-Washington State University
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Part I: Estimates

☒ No Fiscal Impact

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: Daniel Masterson	Phone: 360-786-7454	Date: 01/11/2018
Agency Preparation: Chris Jones	Phone: 509-335-9682	Date: 01/16/2018
Agency Approval: Chris Jones	Phone: 509-335-9682	Date: 01/16/2018
OFM Review: Breann Boggs	Phone: (360) 902-0659	Date: 01/21/2018

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.

SB 6264 states that institutions of higher education are prohibited from entering into contracts with any private entity for the purposes of acting as a third-party payer as defined by RCW 50.04.248, professional employer organization as defined by RCW 50.04.298, or any other type of employer representative on behalf of the institution of higher education to the employment security department.

WSU has not identified any contracts with a "third-party payer" that would be affected by this bill, so is estimating no fiscal impact based on the current understanding of the bill.

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: 6264 SB	Title: Higher ed. contracts/ESD	Agency: 370-Eastern Washington University
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Part I: Estimates

☒ No Fiscal Impact

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.

Legislative Contact: Daniel Masterson	Phone: 360-786-7454	Date: 01/11/2018
Agency Preparation: Alexandra Rosebrook	Phone: (509) 359-7364	Date: 01/16/2018
Agency Approval: Alexandra Rosebrook	Phone: (509) 359-7364	Date: 01/16/2018
OFM Review: Breann Boggs	Phone: (360) 902-0659	Date: 01/21/2018

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 bill prohibits institutions from entering into contracts with any private entity for the purposes of acting as a third-party payer, professional employer organization, or any other type of employer representative on behalf of the institutions to the employment security department.

Eastern does not contract for these services therefore, this proposed legislation has no fiscal impact.

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: 6264 SB	Title: Higher ed. contracts/ESD	Agency: 375-Central Washington University
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Part I: Estimates

☒ No Fiscal Impact

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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Daniel Masterson	Phone: 360-786-7454	Date: 01/11/2018
Agency Preparation: Lisa Plesha	Phone: (509) 963-1233	Date: 01/16/2018
Agency Approval: Lisa Plesha	Phone: (509) 963-1233	Date: 01/16/2018
OFM Review: Breann Boggs	Phone: (360) 902-0659	Date: 01/21/2018

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.

SB 6264 relates to contracting by institutions of higher education with private entities.

Sec 1 states Institutions of higher education are prohibited from entering into contracts with any private entity for the purposes of acting as a third-party payer as defined by RCW 50.04.248, professional employer organization as defined by RCW 50.04.298, or any other type of employer representative on behalf of the institution of higher education to the employment security department.

CWU determines there would be no fiscal impact to the university as we do not use any third party payroll services or staff leasing services.

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: 6264 SB	Title: Higher ed. contracts/ESD	Agency: 376-The Evergreen State College
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Part I: Estimates

☒ No Fiscal Impact

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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- ☐ Capital budget impact, complete Part IV.
- ☐ Requires new rule making, complete Part V.

Legislative Contact: Daniel Masterson	Phone: 360-786-7454	Date: 01/11/2018
Agency Preparation: Holly Joseph	Phone: 360-867-6652	Date: 01/26/2018
Agency Approval: Holly Joseph	Phone: 360-867-6652	Date: 01/26/2018
OFM Review: Breann Boggs	Phone: (360) 902-0659	Date: 01/27/2018

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.

SB 6264 relates to contracting by institutions of higher education with private entities.

Sec 1 states Institutions of higher education are prohibited from entering into contracts with any private entity for the purposes of acting as a third-party payer as defined by RCW 50.04.248, professional employer organization as defined by RCW 50.04.298, or any other type of employer representative on behalf of the institution of higher education to the employment security department.

TESC determines there would be no fiscal impact to the college as we do not use any third party payroll services or staff leasing services

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: 6264 SB	Title: Higher ed. contracts/ESD	Agency: 380-Western Washington University
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Part I: Estimates

☒

No Fiscal Impact

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.

Legislative Contact: Daniel Masterson	Phone: 360-786-7454	Date: 01/11/2018
Agency Preparation: Linda Teater	Phone: 360-650-4762	Date: 01/17/2018
Agency Approval: Linda Teater	Phone: 360-650-4762	Date: 01/17/2018
OFM Review: Breann Boggs	Phone: (360) 902-0659	Date: 01/21/2018

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 prohibits institutions of higher education from contracting with a third party in representation to the employment security department.

Western sees no fiscal impact due to this restriction.

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: 6264 SB	Title: Higher ed. contracts/ESD	Agency: 540-Employment Security Department
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Part I: Estimates

☒ No Fiscal Impact

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: Daniel Masterson	Phone: 360-786-7454	Date: 01/11/2018
Agency Preparation: Sondra Walsh	Phone: 360/902-0023	Date: 01/15/2018
Agency Approval: Sondra Walsh	Phone: 360/902-0023	Date: 01/15/2018
OFM Review: Devon Nichols	Phone: (360) 902-0582	Date: 01/15/2018

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.

Assuming all 47 institutions of higher education use private third-party companies, the bill would require ESD to amend the accounts of these employers to account for the removal of these third-party companies as employer representatives. The cost impact to the agency is minimal and can be absorb within the current work tasks, therefore, there would be no fiscal impact to the 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.

N/A

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.

N/A

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: 6264 SB	Title: Higher ed. contracts/ESD	Agency: 699-Community and Technical College System
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Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

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.

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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.

Legislative Contact: Daniel Masterson	Phone: 360-786-7454	Date: 01/11/2018
Agency Preparation: Brian Myhre	Phone: 360-704-4413	Date: 02/17/2018
Agency Approval: Cherie Berthon	Phone: 360-704-1023	Date: 02/17/2018
OFM Review: Breann Boggs	Phone: (360) 902-0659	Date: 02/18/2018

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 bill would prohibit institutions of higher education from entering into contracts with any private entity for the purposes of acting as a third-party payer, professional employer organization or any other type of employer representative, when representing the institution to the Employment Security Department.

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 cash receipts 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.

Indeterminate expenditure impact. The fiscal impact is anticipated to be less than fifty thousand dollars per year.

Approximately 15 colleges contract with third parties for unemployment claims management. The total value of those contracts is under \$30,000. Although some colleges indicate additional staff would be needed, most indicate that they would not hire additional staff, but would attempt to monitor/respond to ESD requests for employment information as needed. Some colleges have also stated that, without help responding to unemployment claims, UI costs would increase.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

No 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.

No rule-making required.