

Multiple Agency Fiscal Note Summary

Bill Number: 1445 HB	Title: Unempl benefits/family resp
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Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of Administrative Hearings	Fiscal note not available								
Employment Security Department	3.8	0	1,440,222	3.2	0	826,380	3.2	0	826,380
Total \$	3.8	0	1,440,222	3.2	0	826,380	3.2	0	826,380

Estimated Capital Budget Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Administrative Hearings	Fiscal note not available								
Employment Security Department	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

NONE

Prepared by: Anna Minor, OFM	Phone: (360) 902-0541	Date Published: Preliminary 2/ 4/2019
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

ENPID: 55162

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 1445 HB	Title: Unempl benefits/family resp	Agency: 540-Employment Security Department
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	4.3	3.2	3.8	3.2	3.2
Account					
Employment Service Administrative Account-State 134-1	1,027,032	413,190	1,440,222	826,380	826,380
Total \$	1,027,032	413,190	1,440,222	826,380	826,380

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: Joan Elgee	Phone: 360-786-7106	Date: 01/22/2019
Agency Preparation: Dan Phillips	Phone: 360 902-9448	Date: 02/04/2019
Agency Approval: Sondra Walsh	Phone: 360/902-0023	Date: 02/04/2019
OFM Review: Anna Minor	Phone: (360) 902-0541	Date: 02/04/2019

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 bill changes the criteria for unemployment insurance eligibility for those claimants with caregiving responsibilities. If this bill passes, claimants must be available for work, for at least as many hours per week as the claimant's typical work week hours are, and be ready, able, and willing to accept any suitable work which may be offered with reasonable notice from the employer. More people could potentially be eligible to receive unemployment benefits, which would also impact employers benefit rating.

Section 1: New Section: It is the intent of the legislature to ensure that WA unemployment insurance system remains responsive to the needs of individuals with caregiving responsibilities and potentially allow more people with these issues to receive UI benefits. **The fiscal impact would be more people in general could qualify for unemployment which could impact employers tax rates**

Section 3: Reenacted and amended RCW 50.20.050 - also talks about what would constitute if the claimant had good cause for quitting their job **Fiscal impact: More claimants with caregiving issues may qualify for unemployment. More money from the UI trust fund would be used. Employers would pay more taxes**

Section 7: Amended RCW 50.29.021 - Experienced rating - employers benefit rating would be affected. Of note: when an employer changes work shifts in such a way that makes care inaccessible and an employee must quit, the separating employer will be 100% charged for the benefits resulting.

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.

If this bill passes, the fiscal impact to ESD is based on more individuals qualifying for Unemployment Insurance under these provisions, increasing benefits paid and benefit charges assigned to employers. Workload will increase for claims adjudicators, and IT systems will require changes. In addition, a major rulemaking will be required.

One Time Costs: FY 2020 : \$928,716.

Policy and manuals updating: 400 hours at TPS3: \$34,019.

Rulemaking Cost: \$88,326

IT Development:

NGTS: 360 hours at ITS5 (one tester, one developer and one BA): \$30,439.

UTAB: 1.5 FTE at ITS5 (2 developers for 9 months): \$268,575.

UTAB: \$64,000/month for 2 contractors for 6 months: \$384,000 contract

Staff Time in Training: All claims center staff will be trained in new provisions. In total, this includes 2132 hours for multiple job types: \$123,357.

Overtime hours may be required to keep the overall adjudication workload timely for the one-time training required for existing staff.

On going Costs: FY 2020: \$98,316. FY 2021, 2022, 2023, 2024, and 2025: \$413,190 per fiscal year.

There will be an increase in the time required to adjudicate claims impacted by these policy changes. This bill is estimated to increase the workload of staff at the UIS 4 level by 6710 hours per year.

ESD processes approximately 15,500 able and available issues per year. We assume 30% of these issues are family care related, making 4650. We assume that approximately 30% of family care related able and available issues will be associated with voluntary quit issues, making 1395. We assume that each of those 1395 will require 30 additional minutes of research and fact-finding due to provisions of the bill, for a total of 41,850 minutes, or 697.50 hours.

ESD processes approximately 6500 voluntary quit (VQ) issues related to family or family medical issues per year. From this base of 6,500, we assume a 10% increase in family-related VQ issues (650), for 7,150 VQ issues affected by the bill. The 10% additional, or 650, VQ issues require 60 minutes each for initial adjudication, for a total of 39,000 minutes or 650 hours. All of the 7150 VQ issues require an additional 45 minutes for research and fact-finding due to the new provisions of the bill, for a total of 321,750 minutes, or 5362.5 hours.

The total number of estimated hours, 697.5 plus 650 plus 5362.5, equal 6710 hours of work that will be done at the UIS 4 level.

Using recent invoices from the Office of Administrative Hearings, we assume that each appeal will cost approximately \$192. \$93 is the hourly rate for Administrative Law Judge, \$54 per hour for support staff, and an overhead rate of 30.39%, and an average of 1 hour per appeal equals \$192. These are current OAH rates. Assuming 58 additional appeals per year beginning in FY21 (assumptions by the Office of Administrative Hearings), this equals a cost of \$11,136 per year.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
134-1	Employment Service Administrative Account	State	1,027,032	413,190	1,440,222	826,380	826,380
Total \$			1,027,032	413,190	1,440,222	826,380	826,380

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	4.3	3.2	3.8	3.2	3.2
A-Salaries and Wages	318,016	192,791	510,807	385,582	385,582
B-Employee Benefits	124,999	77,116	202,115	154,232	154,232
C-Professional Service Contracts	384,000		384,000		
E-Goods and Other Services	97,181	59,755	156,936	119,510	119,510
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements		11,136	11,136	22,272	22,272
T-Intra-Agency Reimbursements	102,836	72,392	175,228	144,784	144,784
9-					
Total \$	1,027,032	413,190	1,440,222	826,380	826,380

III. C - Operating FTE 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 2020	FY 2021	2019-21	2021-23	2023-25
COMMUNICATIONS	79,548	0.0		0.0		
CONSULTANT 5						
EMPLOYMENT SECURITY	48,480	0.0		0.0		
PROGRAM ASSISTANT						
EMPLOYMENT SECURITY	51,000	0.0		0.0		
PROGRAM COORDINATOR 1						
EMPLOYMENT SECURITY	59,148	0.0		0.0		
PROGRAM COORDINATOR 2						
EMPLOYMENT SECURITY	65,292	0.1		0.0		
PROGRAM COORDINATOR 3						
INVESTIGATOR 3	70,320	0.1		0.0		
INVESTIGATOR 4	73,908	0.0		0.0		
IT SPECIALIST 5	87,792	1.7		0.8		
MANAGEMENT ANALYST 5	77,616	0.6		0.3		
TAX POLICY SPECIALIST 3	87,792	0.2		0.1		
UI SPECIALIST 1	42,900	0.1		0.0		
UI SPECIALIST 2	47,376	0.1		0.0		
UI SPECIALIST 3	51,000	0.2		0.1		
UI SPECIALIST 4	56,256	1.2	3.2	2.2	3.2	3.2
UI SPECIALIST 5	59,148	0.1		0.0		
UI SPECIALIST 6	62,148	0.1		0.0		
Total FTEs		4.3	3.2	3.8	3.2	3.2

Part IV: Capital Budget Impact

N/A

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.

A significant amount of rulemaking will be required. This will be a major rulemaking.

WAC 192-150-150: When is a separation considered a refusal of new work. Suitable work/work that is less favorable will need to be re-defined.

WAC 192-150-055: Leaving work because of illness or disability.

WAC 192-180-005: Registration for work
WAC 192-150-050: Leaving work to accept bona fide job offer
WAC 192-170-050: Suitable work factors
WAC 192-150-145: Change in working conditions
WAC 192-170-070: Availability requirements for part-time eligible workers
WAC 192-170-010: Availability for work
WAC 192-180-012 - Requirements of individuals who leave work due to illness or disability
WAC 192-180-013: Job search requirements for individuals who work less than full time
WAC 192-150-060: Leaving work because of a disability - Notice to Employer