

Multiple Agency Fiscal Note Summary

Bill Number: 5373 SB	Title: Health care employees
-----------------------------	-------------------------------------

Estimated Cash Receipts

Agency Name	2019-21		2021-23		2023-25	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of Attorney General	0	147,000	0	158,000	0	140,000
Office of Administrative Hearings	0	48,135	0	72,202	0	72,202
Department of Labor and Industries	27,800	27,800	27,800	27,800	27,800	27,800
Department of Social and Health Services	Non-zero but indeterminate cost and/or savings. Please see discussion.					
Total \$	27,800	222,935	27,800	258,002	27,800	240,002

Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other						
Local Gov. Total						

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 Attorney General	.5	0	147,000	.6	0	158,000	.5	0	140,000
Washington State Health Care Authority	Fiscal note not available								
Office of Administrative Hearings	.2	0	48,135	.3	0	72,202	.3	0	72,202
Department of Labor and Industries	1.5	0	700,000	1.5	0	520,000	1.5	0	520,000
Department of Social and Health Services	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Health	.0	0	0	.0	0	0	.0	0	0
Department of Corrections	Non-zero but indeterminate cost and/or savings. Please see discussion.								
University of Washington	108.8	0	29,208,064	108.8	0	29,208,064	108.8	0	29,208,064
Total \$	111.0	0	30,103,199	111.2	0	29,958,266	111.1	0	29,940,266

Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Washington State Health Care Authority	Fiscal note not available								
Office of Administrative Hearings	.0	0	0	.0	0	0	.0	0	0
Department of Labor and Industries	.0	0	0	.0	0	0	.0	0	0
Department of Social and Health Services	.0	0	0	.0	0	0	.0	0	0
Department of Health	.0	0	0	.0	0	0	.0	0	0
Department of Corrections	.0	0	0	.0	0	0	.0	0	0
University of Washington	.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 3/ 6/2019
-------------------------------------	---------------------------------	---

Individual State Agency Fiscal Note

Bill Number: 5373 SB	Title: Health care employees	Agency: 100-Office of Attorney General
-----------------------------	-------------------------------------	---

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2020	FY 2021	2019-21	2021-23	2023-25
Legal Services Revolving Account-State 405-1	59,000	88,000	147,000	158,000	140,000
Total \$	59,000	88,000	147,000	158,000	140,000

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.4	0.6	0.5	0.6	0.5
Account					
Legal Services Revolving Account-State 405-1	59,000	88,000	147,000	158,000	140,000
Total \$	59,000	88,000	147,000	158,000	140,000

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: Richard Rodger	Phone: (360)786-7461	Date: 01/17/2019
Agency Preparation: Amy Soth	Phone: 509-456-3123	Date: 01/23/2019
Agency Approval: Dianna Wilks	Phone: 360-709-6463	Date: 01/23/2019
OFM Review: Cheri Keller	Phone: 360-902-0563	Date: 02/01/2019

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.

Fiscal Impact is \$50,000 or greater per fiscal year in the current biennium or in subsequent biennia.

Section 1 adds a new section that defines rules for employees that are employed by a health care facility, involved directly with patient care or clinical services, are paid by the hour or covered by a collective bargaining agreement, and have a license. Employer is defined as a licensed hospitals.

Section 1 requires employers to provide employees with uninterrupted meal and rest periods that can be taken at any point during the work period. Employers may not rely on others assigned to the unit to cover for those employees who are on meal or rest periods. The employer must proactively record uninterrupted breaks taken as well as missed breaks and provide these records quarterly to the Department of Health (DOH). This section also requires DOH to post on its website the number of missed meal or rest breaks each employer has. Violations of meal and rest breaks result in the employee receiving extra compensation and the employers receiving a fine. An employee's refusal to work during a meal or rest period is not grounds for any employment action. DOH has investigative authority. Employees also have private right of action which include an award of attorney fees and costs.

Section 2 amends RCW 49.28.130 and RCW 49.28.150 and provides various definitions. The amendment pertains to the definition of employee. Employee is now defined as someone employed by a health care facility, involved directly with patient care or clinical services, are paid by the hour or covered by a collective bargaining agreement, and have a license. However those who are work as such facilities owned and operated by the Department of Corrections (DOC) are not covered by this law.

Section 3 amends RCW 49.28.140 which pertains to overtime. It adds counseling as an employment action that an employee cannot be subject to for refusing overtime work. The Section also prohibits employers from using prescheduled on-call time to fill chronic or foreseeable staff shortages. The section sets out the compensation an employee must get if required to work overtime and sets out fines for employers who required an employee to work overtime. This section also gives DOH the ability to increase penalties under this section every 5 years as well as the authority to investigate an employer if there is a pattern of complaints. Finally the section gives employees the right to bring private actions wherein they can seek civil damages, equitable relieve and obtain attorney fees if they prevail.

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.

Cash receipts are assumed to equal the Legal Service Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agencies are the Department of Labor & Industries (L&I) and the University of Washington (UOW). The AGO will bill the client/all clients for legal services rendered.

These cash receipts represent the AGO's authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agencies' fiscal note. Appropriation authority is necessary in the

AGO budget.

AGO AGENCY ASSUMPTIONS:

L&I will be billed:

FY 2020: 0.10 Assistant Attorney General (AAG) and 0.05 Legal Assistant (LA) at a cost of \$22,000.
FY 2021 and in each FY thereafter: 0.30 AAG and 0.15 LA at a cost of \$70,000.

UOW will be billed:

FY 2020: 0.2 AAG at a cost of \$37,000.
FY 2021 and FY 2022: 0.1 AAG at a cost of \$18,000.

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.

AGO Agency Assumptions:

1. Legal services associated with the enactment of this bill will begin on July 1, 2019.
2. This request does not include cost of living salary increases identified in the Governor's proposed 2019-21 budget.
3. The AGO Agriculture & Health division has reviewed this bill and determined it will not increase or decrease the division's workload in representing the Department of Health (DOH). DOH's only role is to receive reports of breaks from employers and to post missed breaks on its website. New legal services are assumed to be nominal and costs are not included in this request.
4. The AGO Labor & Personnel Division (LPD) has reviewed this bill and determined it will not significantly increase or decrease the division's workload in representing the Department of Social and Health Services (DSHS), the Health Care Authority (HCA), and the Department of Children, Youth, and Families (DCYF). It is assumed that Washington Department of Veterans Affairs (WDVA) does not operate a "health care facility", and this bill exempts DOC employees. Given that these clients do not fall within the coverage of the bill, wage and hour advice and representation from LPD will not be required for these agencies. If Labor and Industries (L&I) seeks any wage and hour advice on this bill, such legal services can be provided within existing resources. New legal services are assumed to be nominal and costs are not included in this request.
5. The AGO Social & Health Services (SHO) division has reviewed this bill and determined it will not increase or decrease the division's workload in representing the DSHS, HCA and DCYF. These clients do not operate any "health care facilities" as defined in the bill. New legal services are assumed to be nominal and costs are not included in this request.
6. The AGO's Washington State University division has reviewed this bill and determined it will not increase or decrease the division's workload in representing Washington State University (WSU). Some additional legal services might be needed, but these are assumed to be nominal and costs are not included in this request.

Assumptions for the AGO Labor & Industries (LNI) Legal Services for L&I:

1. The AGO will bill L&I for legal services based on the enactment of this bill.
2. Section 1 requires L&I to assess double wages for an entire shift and penalties for missed meal and rest breaks. These will involve representation by AAGs at the Office Administrative Hearings and state courts.
3. Section 3 requires LNI to assess penalties for some additional types of overtime violations under the infraction process under RCW 7.80 (similar to traffic infractions in county district court).
3. L&I has identified 33,000 affected workers. Based on a 1% (compliance rate,) this is 330 complaints per year. Based on historical experience with similar Wage Payment Act (WPA) violations, approximately 42% go to citation or are otherwise resolved. LNI assumes 138.6 citations will be issued each FY.
4. There is a historic average of 20% appeal rate, which is 27.72 cases. LNI assumes 10 cases will require 0.1 AAG based on last year's caseload average per AAG for WPA cases.
5. In FY 2020, LNI assumes a need for 0.1 AAG FTE because of the roughly 8 month lag time to appeal. LNI will provide a small amount of implementation and client advice with existing resources.
6. Beginning in FY 2021 and in each FY thereafter, LNI assumes a need for 0.3 AAG FTE (28 cases; 0.1 AAG able to manage 10 cases each).
7. Total workload impact:
 FY 2020: 0.10 Assistant Attorney General (AAG) and 0.05 Legal Assistant (LA) at a cost of \$22,000.
 FY 2021 and in each FY thereafter: 0.30 AAG and 0.15 LA at a cost of \$70,000.

Assumptions for the AGO University of Washington divisions Legal Services for University of Washington (UOW):

1. The AGO will bill UOW for legal services based on the enactment of this bill.
2. In FY 2020, legal services are required in advising UOW on necessary changes to institutional policies and/or collective bargaining agreements, and litigating issues arising due to the new law.
3. In FY 2021 and FY2022, the AGO assumes legal services for litigating issues arising due to the new law.
4. No legal services are assumed I n FY 2023 and in each FY thereafter. Unanticipated legal services are assumed nominal.
3. Total workload impact:
 FY 2020: 0.2 AAG at a cost of \$37,000.
 FY 2021 and FY 2022: 0.1 AAG at a cost of \$18,000.

Note: Agency administration support FTEs are included in the tables below, using a Management Analyst 5 as a representative classification.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
405-1	Legal Services Revolving Account	State	59,000	88,000	147,000	158,000	140,000
Total \$			59,000	88,000	147,000	158,000	140,000

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.4	0.6	0.5	0.6	0.5
A-Salaries and Wages	39,000	56,000	95,000	100,000	88,000
B-Employee Benefits	13,000	19,000	32,000	34,000	30,000
C-Professional Service Contracts					
E-Goods and Other Services	7,000	11,000	18,000	20,000	18,000
G-Travel		1,000	1,000	2,000	2,000
J-Capital Outlays		1,000	1,000	2,000	2,000
Total \$	59,000	88,000	147,000	158,000	140,000

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
Assistant Attorney General	103,560	0.3	0.4	0.4	0.4	0.3
Legal Assistant 3	51,004	0.1	0.2	0.1	0.2	0.2
Management Analyst 5	77,614	0.1	0.1	0.1	0.1	0.1
Total FTEs		0.4	0.6	0.5	0.6	0.5

III. D - Expenditures By Program (optional)

Program	FY 2020	FY 2021	2019-21	2021-23	2023-25
Labor & Industries Division (LNI)	22,000	70,000	92,000	140,000	140,000
University of Washington Division (UOW)	37,000	18,000	55,000	18,000	
Total \$	59,000	88,000	147,000	158,000	140,000

Part IV: Capital Budget Impact

NONE

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.

Individual State Agency Fiscal Note

Bill Number: 5373 SB	Title: Health care employees	Agency: 110-Office of Administrative Hearings
-----------------------------	-------------------------------------	--

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2020	FY 2021	2019-21	2021-23	2023-25
Administrative Hearings Revolving Account-State 484-1	12,034	36,101	48,135	72,202	72,202
Total \$	12,034	36,101	48,135	72,202	72,202

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.1	0.3	0.2	0.3	0.3
Account					
Administrative Hearings Revolving Account-State 484-1	12,034	36,101	48,135	72,202	72,202
Total \$	12,034	36,101	48,135	72,202	72,202

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: Richard Rodger	Phone: (360)786-7461	Date: 01/17/2019
Agency Preparation: Deborah Feinstein	Phone: 360-407-2717	Date: 01/25/2019
Agency Approval: Deborah Feinstein	Phone: 360-407-2717	Date: 01/25/2019
OFM Review: Bryan Way	Phone: (360) 902-0650	Date: 02/01/2019

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.

This proposed legislation impacts hearings heard by the Office of Administrative Hearings in its Labor and Industries (L&I) – Wage Payments program.

Section 1 would provide double-time pay for certain health care workers who miss meal or rest periods and provides for fines to be levied against employers whose employees miss required meal or rest periods.

Under Title 49 RCW, a person aggrieved by a citation or determination of compliance issued by L&I may file an appeal. The Office of Administrative Hearings would handle these appeals under RCW 49.48.084.

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.

As a central service agency, OAH bills referring agencies for its costs and collects the revenue into the Administrative Hearings Revolving Account. Cash receipts are assumed to equal costs. OAH will bill the the Department of Labor and Industries (L&I) for the costs related to this proposed legislation.

These cash receipts represent the OAH's authority to bill and are not a direct appropriation to OAH. The direct appropriation is reflected in L&I's fiscal note. Appropriation authority is necessary in OAH's budget.

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.

L&I has identified 33,000 affected workers. The AGO has estimated that there will be about 330 complaints, 138 citations and 28 appeals per year beginning March 1, 2020.

OAH estimates that each appeal will take on average 8.5 hours.

OAH Workforce Assumptions:

- * Ratio of 1 line ALJ to .15 Senior ALJ to 0.5 legal support to 0.25 administrative support.
- * Average ALJ salary for line ALJ and senior ALJ used
- * Legal support staff assumed to be Legal Assistant 2 - range 40 step L.
- * Administrative support used a representative class of Management Analyst 4 - range 58 step L.
- * Benefit rates were analyzed by job class using SPS data.
- * Goods and services, travel and on-going capital outlays were projected based on historical data for each of the job classes.

Total Workload Impact:

FY 2020: 0.05 Administrative Law Judge at a cost of \$7,105; 0.01 Senior Administrative Law Judge at a cost of \$1,211, 0.03 Legal Assistant 2 at a cost of \$2,217. Agency administrative support is included using 0.01FTE of a Management Analyst 4 as a representative at a cost of \$1,501. Total cost: \$ 12,034.

FY 2021 and each fiscal year thereafter: 0.15 Administrative Law Judge at a cost of \$21,315; 0.02 Senior Administrative Law Judge at a cost of \$3,634, 0.08 Legal Assistant 2 at a cost of \$6,650. Agency administrative support is included using 0.04FTE of a Management Analyst 4 as a representative at a cost of \$4,502. Total cost: \$ 36,101.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
484-1	Administrative Hearings Revolving Account	State	12,034	36,101	48,135	72,202	72,202
Total \$			12,034	36,101	48,135	72,202	72,202

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.1	0.3	0.2	0.3	0.3
A-Salaries and Wages	7,343	22,028	29,371	44,056	44,056
B-Employee Benefits	2,589	7,768	10,357	15,536	15,536
C-Professional Service Contracts					
E-Goods and Other Services	1,900	5,700	7,600	11,400	11,400
G-Travel	88	263	351	526	526
J-Capital Outlays	114	342	456	684	684
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	12,034	36,101	48,135	72,202	72,202

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
Administrative Law Judge 3	90,000	0.1	0.2	0.1	0.2	0.2
Legal Assistant 2	46,188	0.0	0.1	0.1	0.1	0.1
Management Analyst 4	72,036	0.0	0.0	0.0	0.0	0.0
Senior Administrative Law Judge	105,000	0.0	0.0	0.0	0.0	0.0
Total FTEs		0.1	0.3	0.2	0.3	0.3

Part IV: Capital Budget Impact

NONE

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.

Individual State Agency Fiscal Note

Bill Number: 5373 SB	Title: Health care employees	Agency: 235-Department of Labor and Industries
-----------------------------	-------------------------------------	---

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2020	FY 2021	2019-21	2021-23	2023-25
General Fund-State 001-1	13,900	13,900	27,800	27,800	27,800
Total \$	13,900	13,900	27,800	27,800	27,800

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	1.5	1.5	1.5	1.5	1.5
Account					
Accident Account-State 608-1	374,000	221,000	595,000	442,000	442,000
Medical Aid Account-State 609-1	66,000	39,000	105,000	78,000	78,000
Total \$	440,000	260,000	700,000	520,000	520,000

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: Richard Rodger	Phone: (360)786-7461	Date: 01/17/2019
Agency Preparation: Allison Kaech	Phone: 360-902-4530	Date: 01/23/2019
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 01/23/2019
OFM Review: Anna Minor	Phone: (360) 902-0541	Date: 02/01/2019

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.

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.

See attached.

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 - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
608-1	Accident Account	State	374,000	221,000	595,000	442,000	442,000
609-1	Medical Aid Account	State	66,000	39,000	105,000	78,000	78,000
Total \$			440,000	260,000	700,000	520,000	520,000

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	1.5	1.5	1.5	1.5	1.5
A-Salaries and Wages	91,000	91,000	182,000	182,000	182,000
B-Employee Benefits	36,000	36,000	72,000	72,000	72,000
C-Professional Service Contracts	217,000		217,000		
E-Goods and Other Services	73,000	130,000	203,000	260,000	260,000
G-Travel	3,000	3,000	6,000	6,000	6,000
J-Capital Outlays	20,000		20,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	440,000	260,000	700,000	520,000	520,000

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
Fiscal Analyst 5	60,633	0.1	0.1	0.1	0.1	0.1
Indurstial Relations Agent 2	60,633	1.4	1.4	1.4	1.4	1.4
Total FTEs		1.5	1.5	1.5	1.5	1.5

Part IV: Capital Budget Impact

NONE

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.

See attached.

Part II: Explanation

This bill relates to meal and rest breaks and mandatory overtime for certain health care employees; amending RCW 49.28.130 and 49.28.140; adding a new section to 49.12 RCW and prescribing penalties.

This bill takes effect 90 days from sine die.

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

Section 1 adds a new section to chapter 49.12 RCW that applies only to hospital employers and allows employees who miss a meal or rest period to be compensated at double their normal rate of pay. It states the Department of Labor and Industries (L&I) must assess a fine of \$100 per employee, per shift for each time an employee misses a meal or rest period. The fine increases to \$250 after the third violation in 30 consecutive days, and penalties will increase every five years beginning January 1, 2024 based on changes in the consumer price index. L&I may investigate an employer's entire business operation if there is a pattern of complaints or multiple violations within 12 consecutive months. It states the refusal of an employee to work during a meal or rest period cannot result in counseling, discrimination or some type of penalty or discipline. It allows employees to file a civil action against an employer for alleged violations.

Section 2 is a definition section and amends RCW 49.28.130. It changes the definition of employee from just licensed practical nurses and registered nurses and includes surgical technologists, diagnostic radiologic technologists, cardiovascular invasive specialists, respiratory care practitioners, and certified nursing assistants who receive an hourly wage, or are covered by a collective bargaining agreement, and are involved in direct patient care. However, for facilities owned and operated by prisons and jails, the mandatory nurse's overtime restrictions would only apply to licensed practical nurses and registered nurses.

Section 3 amends RCW 49.28.140 by adding an additional prohibited action and prescribes penalties.

II. B – Cash Receipt Impact

This bill increases cash receipts to the General Fund State, fund 001. The following assumptions were used to develop the estimate.

- Section 1(4) of this bill requires L&I to issue penalties of \$100 for violations.
- The bill does not specify which fund the penalties go to, so it is assumed they are deposited to the General Fund.
- 330 complaints are anticipated. (see expenditure assumptions)
- 42 percent of complaints will result in a violation.
- 139 violations will be issued (330 complaints x 0.42 violation rate = 139).
- \$13,900 annual increase in cash receipts is expected beginning in fiscal year 2020 (139 violations x \$100 penalty = \$13,900).

II. C – Expenditures

This bill increases expenditures to the Accident Fund, fund 608 and the Medical Aid Fund, fund 609. The following assumptions were used to estimate the resources required to implement this bill.

Staffing

The expenditure calculations in this fiscal note includes the compensation and benefit changes approved in the 17-19 Biennial Budget.

- 1.4 FTE Industrial Relations Agent 2 (IRA2), permanent, beginning July 1, 2019. Duties include investigating meal and rest period violations, recommend assessments and penalties, and provide outreach and education.
 - It is estimated that there are currently 33,001 workers defined as an “employee” per this bill’s language.
 - Assuming a 1% filing rate from non-compliance, this results in about 330 complaints per year.
 - A standard IRA2 wage agent will investigate about 240 complaints per year.
 - This results in 1.4 FTE needed. (330 complaints / 240 complaints per IRA2 = 1.4).

Information Technology New Applications/Systems

\$216,772 is needed for 1,612 contractor hours to incorporate changes to multiple existing L&I computer applications, to occur during fiscal year 2020. This includes changes to the Complaint Activity Tracking System, Accounts Receivable Collections (ARC), and Pay ARC systems.

The expenditure calculations in this fiscal note includes changes to the hourly rates for contract technology based on an annual analysis completed by L&I. These changes include rates based on expert skill level and an inflationary factor in all categories.

Rule making

\$5,000 is needed for two rule making hearings to occur during fiscal year 2020. The average cost of one rule making hearing is \$2,500.

Attorney General-Legal Services

Providing legal advice on appeals will require an additional 0.1 FTE Assistant Attorney General (AAG), 0.05 FTE Legal Assistant (LA), at a cost of \$22,000 for fiscal year 2020; and 0.3 FTE AAG and 0.15 FTE LA, at a cost of \$70,000 annually for each subsequent fiscal year.

Administrative Hearings

\$12,000 is needed for fiscal year 2020, and \$36,000 annually for each subsequent fiscal year, for administrative hearings at the Office of Administrative Hearings. This estimate is based on 28 appeals per year, with an eight month time lag into fiscal year 2020.

Indirect Costs

The amount included in this fiscal note for indirect is:

Fund Name		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
608	Accident	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500	\$8,500
609	Medical Aid	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500	\$1,500
	Total:	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000

The department assesses an indirect rate to cover agency-wide administrative costs. Labor and Industries indirect rate is applied on salaries, benefits, and standard costs. For fiscal note

purposes the total indirect amount is converted into salary and benefits for partial or full indirect FTEs. Salary and benefits costs are based on a Fiscal Analyst 5 (Range 56, Step G).

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

This legislation would result in rule changes to:

- WAC 296-126-092, Meal periods—Rest periods

Individual State Agency Fiscal Note

Bill Number: 5373 SB	Title: Health care employees	Agency: 300-Department of Social and Health Services
-----------------------------	-------------------------------------	---

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost. Please see discussion.

Estimated Operating Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

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: Richard Rodger	Phone: (360)786-7461	Date: 01/17/2019
Agency Preparation: Bill Jordan	Phone: 360-902-8183	Date: 02/25/2019
Agency Approval: Dan Winkley	Phone: 360-902-8236	Date: 02/25/2019
OFM Review: Devon Nichols	Phone: (360) 902-0582	Date: 02/28/2019

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.

Section 1 – a new section is added to chapter 49.12 RCW regarding meal and rest breaks for employees of hospitals licensed under 70.41 RCW.

- The employer may not rely on other employees who are assigned to the unit to cover for the employees who are taking meal or rest periods, with the effect of increasing the workload on these employees.
- The employer must record when an employee takes or misses a meal or rest period.
- The employer may not use a default recoding system or record intermittent breaks, but must proactively record uninterrupted breaks taken and missed breaks.
- Any employee who has missed a meal or rest period in violation of this section, must be compensated at double the rate of pay.
- The Department of Labor and Industries (L&I) must assess a fine of one hundred dollars per employee, per shift for each time an employee has missed a meal or rest period in violation of this section. The fine is increased to two hundred fifty dollars per employee, per shift after the third violation that occurs within thirty consecutive days.
- Nothing prevents an aggrieved employee from bringing a private right to action seeking civil damages and equitable relief as may be appropriate.

Section 3 amends the Health care facility employees - Mandatory overtime prohibited - exceptions as follows:

- Adds language that prohibits the employer from using pre-scheduled on call time to fill chronic or foreseeable staff shortages, but does not prohibit using pre-scheduled on call time for immediate and unanticipated patient care emergencies.
- Adds language to prohibit scheduling of non-emergent procedures that would require overtime.
- Any employee who has been compelled or forced to work overtime in violation of this section, must be compensated at double the rate of pay.
- The L&I must assess a fine of one hundred dollars per employee, per shift for each time an employee has been compelled or forced to work overtime in violation of this section. The fine is increased to two hundred fifty dollars per employee, per shift after the third violation that occurs within thirty consecutive days.
- Nothing prevents an aggrieved employee from bringing a private right to action seeking civil damages and equitable relief as may be appropriate.

Please see the Expenditures section for the discussion of indeterminate fiscal costs for this 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.

A portion of the costs incurred to implement this legislation will be funded with federal funds based on the Public Assistance Cost Allocation Plan for the Department of Social and Health Services (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 following are the potential costs for DSHS, however, the amount is indeterminate:

- Staff costs for not being able to count on other employees in the unit to cover meals and rest periods.
- Staff costs for proactively recording uninterrupted breaks taken and missed breaks.
- Compensation for missed meals or rest periods at double the rate of pay.
- Fines from L&I for missed meal or rest periods.
- Fines from L&I for employees that are compelled or forced to work overtime.
- Civil action may be taken by an aggrieved employee.

Part III: Expenditure Detail

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

Individual State Agency Fiscal Note

Bill Number: 5373 SB	Title: Health care employees	Agency: 303-Department of Health
-----------------------------	-------------------------------------	---

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: Richard Rodger	Phone: (360)786-7461	Date: 01/17/2019
Agency Preparation: Donna Compton	Phone: (360) 236-4538	Date: 01/23/2019
Agency Approval: Stacy May	Phone: (360) 236-4532	Date: 01/23/2019
OFM Review: Bryce Andersen	Phone: (360) 902-0580	Date: 01/23/2019

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.

Section 1: Adds a new section to chapter 49.28 RCW (hours of labor) requiring each health care facility employer provide, on a quarterly basis, the Department of Health (DOH) records of when an employee takes or misses a meal or rest period. The department, then, is required to post each record received on the department's website, after redacting the employee's names.

For the purpose of this fiscal note, the DOH estimates the staff costs to post records onto the website to be minimal. The tasks in section (1) of this bill will be accomplished by existing staff within their normal workload, therefore, 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.

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.

NONE

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE

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

Individual State Agency Fiscal Note

Bill Number: 5373 SB	Title: Health care employees	Agency: 310-Department of Corrections
-----------------------------	-------------------------------------	--

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

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: Richard Rodger	Phone: (360)786-7461	Date: 01/17/2019
Agency Preparation: Greg Scott-Braaten	Phone: 360-725-8977	Date: 02/21/2019
Agency Approval: Michael Steenhout	Phone: 360-725-8270	Date: 02/21/2019
OFM Review: Trisha Newport	Phone: (360) 902-0417	Date: 02/21/2019

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.

Section 1 is a new section added to RCW 49.12 that requires uninterrupted meal and rest periods for health care employees and record keeping of when an employee takes or misses these rest and/or meal periods. This section also establishes penalties for employers that do not provide uninterrupted meal and rest periods.

Sections 2 changes the definitions of what constitutes an employee and employer as they relate to RCW's 49.28.130, 49.28.140, and 49.28.150.

Section 3 amends RCW 49.28.140 to state that employers may not use prescheduled on-call time to fill chronic or foreseeable staff shortages.

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.

The fiscal impact of this bill is indeterminate, assumed to be less than \$50,000 per Fiscal Year (FY).

Section 1 in this bill creates the requirement to ensure that nursing personnel receive their meal and periods and the implementation of tracking rest periods taken and missed. Missed meal and rest periods could result fines. The section refers to personnel in hospitals.

Section 2 removes Certified Nursing Assistants from the definition of employee as it relates to RCW 49.28.140 which outlines restrictions on the use of mandatory overtime with health care employees. This may result in a cost avoidance of not being fined for mandatory overtime use relating to that specific job classification.

Section 3 adds to RCW 49.28.140 that an employer may not use on-call time to cover chronic or foreseeable staff shortages. The DOC does not use on-call time to fill staffing shortages as on-call time is defined in this RCW 49.28.130. The DOC uses intermittent staff to address chronic or foreseeable staff shortages. As such, there is no fiscal impact relating to this section

If this bill is passed it could result in a cost avoidance of potential future fines related to RCW 49.28.140 and Certified Nursing Assistants.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE

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.

Individual State Agency Fiscal Note

Bill Number: 5373 SB	Title: Health care employees	Agency: 360-University of Washington
-----------------------------	-------------------------------------	---

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	108.8	108.8	108.8	108.8	108.8
Account					
University of Washington Hospital-Private/Local 505-7	14,604,032	14,604,032	29,208,064	29,208,064	29,208,064
Total \$	14,604,032	14,604,032	29,208,064	29,208,064	29,208,064

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: Richard Rodger	Phone: (360)786-7461	Date: 01/17/2019
Agency Preparation: Kelsey Rote	Phone: 2065437466	Date: 02/04/2019
Agency Approval: Becka Johnson Poppe	Phone: 206-616-7203	Date: 02/04/2019
OFM Review: Breann Boggs	Phone: (360) 902-0659	Date: 02/08/2019

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.

Similar to HB 1155 and SB 5190, SB 5373 establishes a staffing model that requires a significant increase in FTEs in order to comply with the requirements of the legislation. As a result, the fiscal impacts of SB 5373 are identical to the fiscal impacts of HB 1155 and SB 5190, and any fiscal impact differences between them are indeterminate.

This bill addresses meals and rest periods and mandatory overtime for certain health care employees.

Sec. 1 gives specifications by which employers are required to provide employees with breaks.

Sec. 2 provides definitions, including an expanded definition of "employee."

Sec. 3 addresses circumstances such as staff shortages, patient care emergencies and overtime.

Assuming full implementation of this bill, the total cost for UW Medical Center and Harborview Medical Center would be an estimated \$14,604,032 per fiscal year.

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.

Under this bill, the only circumstances when meal or rest periods can be interrupted are when there is an unforeseeable emergent circumstance or where the clinical circumstance may lead to harm without the employee's specific skill or expertise. UW Medical Center (UWMC) and Harborview Medical Center (HMC) are both advanced tertiary and quaternary care medical centers, with HMC being the only Level 1 adult/pediatric trauma and burn center in Washington, Alaska, Montana and Idaho. Due to the unpredictable nature of the patient population, flexibility is essential in the manner in which meal and rest periods can be scheduled.

By requirement of the applicable labor contracts at UWMC and HMC, rest periods are 15 minutes. Registered Nurses (RNs), surgical technicians and respiratory care practitioners typically take their breaks when their schedule allows, within certain agreed upon parameters between the employee and the shift supervisor. The use of intermittent breaks allows patient care to be provided in an efficient and effective manner that best reflects the complex needs of the patients and their families, while still providing for break time for employees. The UW assumes that this bill, with its requirement that all meal and rest periods be uninterrupted except for very limited circumstances, would necessitate additional staffing in the patient care units and surgical areas.

We estimate that each nursing unit at UWMC and HMC would require 16 additional hours of RN time daily to provide break coverage from 9:00 a.m. to 5:00 p.m., and from 9:00 p.m. to 5:00 a.m. (**See note below for details about this assumption) There are 19 nursing units at UWMC and 12 units at HMC, so an additional 496 hours a day would be needed $[(19+12)*16]$. 496 multiplied by 365 results in a total of 181,040 additional hours, or 87.04 FTEs, needed annually (1 FTE=2,080 hours annually). The average RN salary is \$102,961 and has a

benefit load rate of 40.1%. This results in additional labor costs of \$8,961,725 in salaries and \$3,593,625 in benefits for both hospitals, or \$12,555,377 annually.

While Harborview actually has a total of 20 nursing units, the UW has already implemented break relief programs in 8 of those 20 nursing units at HMC, costing the UW \$3,239,818 in labor costs annually ($8 \times 16 = 128$ hours per day, 46,720 hours per year, or 22.46 FTE).

The hospitals would require an increase in respiratory care practitioners at a rate of 16 hours at each hospital daily (i.e. 32 hours). 32 hours multiplied by 365 results in a total of 11,680 additional hours, or 5.62 FTEs, needed annually. The average respiratory care practitioner salary is \$85,181 and has a benefit load rate of 40.1%. This results in additional labor costs of \$478,717 in salaries and \$191,966 in benefits for both hospitals, or \$670,683 annually.

The hospitals would require an increase in surgical technicians at a rate of 16 hours at each hospital daily (i.e. 32 hours). 32 hours multiplied by 365 results in a total of 11,680 additional hours, or 5.62 FTEs, needed annually. The average surgical technician salary is \$64,933 and has a benefit load rate of 40.1%. This results in additional labor costs of \$364,923 in salaries and \$146,334 in benefits for both hospitals, or \$511,257 annually.

The hospitals have different needs for diagnostic radiologic technologists, cardiovascular invasive specialists and nursing assistants-certified, and the estimates for these employee groups are below.

UWMC would require an increase in diagnostic radiologic technologists at a rate of 8 hours daily. 8 hours multiplied by 365 results in a total of 2,920 additional hours, or 1.40 FTEs, needed annually. The average diagnostic radiologic technologist salary is \$93,731 and has a benefit load rate of 40.1%. This results in additional labor costs of \$131,223 in salaries and \$52,621 in benefits, or \$183,844 annually.

UWMC would require an increase in cardiovascular invasive specialists at a rate of 12 hours daily. 12 hours multiplied by 365 results in a total of 4,380 additional hours, or 2.11 FTEs, needed annually. The average cardiovascular invasive specialist salary is \$103,039 and has a benefit load rate of 40.1%. This results in additional labor costs of \$217,412 in salaries and \$87,182 in benefits, or \$304,594 annually.

UWMC's Certified Nursing Assistants (CNAs) generally experience uninterrupted breaks at this time, and thus UWMC would not need to add any FTEs to this category. However, HMC would require an increase in CNAs at a rate of 40 hours daily. 40 hours multiplied by 365 results in a total of 14,600 additional hours, or 7.02 FTEs, needed annually. The average CNA salary is \$38,462 and has a benefit load rate of 40.1%. This results in additional labor costs of \$270,004 in salaries and \$108,272 in benefits, or \$378,276 annually.

Neither hospital employs licensed practical nurses, and neither would need to increase their FTEs of this group due to implementation of this bill.

Section 3 of SB 5373 differs slightly from HB 1155 and SB 5190. SB 5373 adds language regarding employees who have been forced to work overtime, and what that employee would receive if that happened, or how employers would be penalized for violations. It is possible that this section could add fiscal expenses, if there were violations.

TOTAL ESTIMATED COST: Assuming full implementation of SB 5373, the total cost for both hospitals would be an estimated \$14,604,031 per fiscal year.

NOTE: these fiscal impact calculations are based on an assumption that the proposed workplace regulations apply only to inpatient staff, and that they are not applicable in the outpatient setting. Should the regulations apply to outpatient settings, the fiscal impact would significantly increase.

ADDITIONAL FISCAL IMPACT NOT REFLECTED ABOVE

In addition to operating the University of Washington Medical Center and Harborview Medical Center, which receive state appropriations, UW Medicine operates Northwest Hospital & Medical Center in North Seattle, a 501(c)(3) non-profit hospital; and, through an affiliation with the Hospital District governing entity, Valley Medical Center in Renton. As these entities do not receive direct state funding, the financial impact of this bill on those entities is not reflected in this fiscal note; however, they do operate under the UW Medicine umbrella.

Valley Medical Center would require an additional 63.83 FTEs (46.06 RNs, 0.88 LPNS, 2.63 respiratory care practitioners, 9.43 radiology techs and 4.83 cardiovascular invasive specialists, all with slightly different average annual salaries/benefit rates than the UW) to absorb the impact of this legislation at an additional annual cost of \$6,928,914.

Northwest Hospital & Medical Center would require 78.62 additional FTEs (39.3 RNs, 28.08 CNAs, 2.81 radiology techs, 2.81 cardiology specialists, 2.81 OR/surgical techs, and 2.81 respiratory care practitioners, all with slightly different average annual salaries/benefit rates than the UW) at an additional annual cost of \$7,233,466.

This financial impact would occur within the UW Medicine healthcare system in addition to the expenditures required to implement the legislation at UWMC and HMC.

****Details regarding the "16 hours" assumption used above:** In June of 2014, HMC completed a 6-month pilot project to study the cost of providing uninterrupted breaks. For the study, additional staff were provided to the day shifts of two pilot units from 8:00 a.m. to 6:00 p.m. The two units each used 20 additional hours a day, comprising 2 RNs at 10 hours each. Each shift was 12 hours long and used 9 RNs plus the 2 "break RNs." All the shifts required break coverage for three 15 minute rest breaks and one 30 minute meal break. The time spent purely on coverage was about 14 hours; however, adding to that time were other duties in which the RN participated while on shift: the hand-off time needed each time an RN left or returned from break, documentation of care provided by break nurses, and miscellaneous required activities in which the break nurse participated (staff meetings, mandatory education modules, etc.), resulting in the total of 20 additional hours mentioned above. For this fiscal note, the 20 additional hours a day was reduced to 16 hours because, although HMC tracks when employees miss complete breaks, outside of the pilot units there is not a method to determine if the breaks taken are interrupted or not. Additionally, there are a few areas (e.g., psychiatric rehabilitation) where a different break coverage model might be possible; however, given the patient care population at HMC and at UWMC, it is considered very likely that a good portion of breaks are interrupted and it is not possible to determine the exact amount. Finally, while most shifts are 12 hours long and start at 7:00 a.m. and end at 7:00 p.m., the first two and last two hours of a shift tend to be less realistic times for breaks. Therefore, a slightly narrower window of 9:00 a.m. to 5:00 p.m. was used in the estimates above.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
505-7	University of Washington Hospital	Private/Local	14,604,032	14,604,032	29,208,064	29,208,064	29,208,064
Total \$			14,604,032	14,604,032	29,208,064	29,208,064	29,208,064

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	108.8	108.8	108.8	108.8	108.8
A-Salaries and Wages	10,424,006	10,424,006	20,848,012	20,848,012	20,848,012
B-Employee Benefits	4,180,026	4,180,026	8,360,052	8,360,052	8,360,052
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	14,604,032	14,604,032	29,208,064	29,208,064	29,208,064

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
Cardiovascular Invasive Specialist	103,039	2.1	2.1	2.1	2.1	2.1
Certified Nursing Assistants	38,462	7.0	7.0	7.0	7.0	7.0
Diagnostic Radiologic Technologist	93,731	1.4	1.4	1.4	1.4	1.4
Registered Nurse	102,961	87.0	87.0	87.0	87.0	87.0
Respiratory Care Practitioner	85,181	5.6	5.6	5.6	5.6	5.6
Surgical Technician	64,933	5.6	5.6	5.6	5.6	5.6
Total FTEs		108.8	108.8	108.8	108.8	108.8

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.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5373 SB	Title: Health care employees
-----------------------------	-------------------------------------

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

☐ Cities:

☐ Counties:

☒ Special Districts: Public hospital districts would incur costs for hiring more staff to allow uninterrupted breaks and eliminate overtime requirements, and may incur costs from recording employee meal and rest periods or from being fined for violations of this legislation.

☐ Specific jurisdictions only:

☐ Variance occurs due to:

Part II: Estimates

☐ No fiscal impacts.

☐ Expenditures represent one-time costs:

☐ Legislation provides local option:

☒ Key variables cannot be estimated with certainty at this time: Methods for recording rest and meal breaks; whether actively recording will incur a cost; how many employees would miss breaks or how many employers would violate this section.

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Indeterminate Impact

Part III: Preparation and Approval

Fiscal Note Analyst: Rebecca Duncan	Phone: 360-725-5040	Date: 02/15/2019
Leg. Committee Contact: Richard Rodger	Phone: (360)786-7461	Date: 01/17/2019
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/15/2019
OFM Review: Anna Minor	Phone: (360) 902-0541	Date: 02/18/2019

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

This legislation would provide that certain hospital employees must be allowed to take uninterrupted meal and rest periods that are not intermittent, except under limited circumstances. It would also amend the prohibition on mandatory overtime in health care facilities by including additional employees, prohibiting the employer from using prescheduled on-call time to fill foreseeable staff shortages, and making other changes.

Section 1 would add a new section to chapter 49.12 RCW, addressing meals and rest periods for licensed practical nurses, registered nurses, surgical technologists, diagnostic radiologic technologists, cardiovascular invasive specialists, respiratory care practitioners, and certified nursing assistants.

In addition to requiring that breaks must be uninterrupted, any employee who has missed a meal or rest period in violation of this section must be compensated at double their rate of pay for an entire shift. In addition, this section establishes a schedule of administrative penalties, authorizes administrative investigations for employer violations, and authorizes employees to bring a private right of action.

Section 2 would provide definitions used in this legislation, including an expanded definition of "employee."

Section 3 would amend chapter 49.28 RCW, Hours of Labor, prohibiting an employer from using prescheduled on-call time to fill chronic or foreseeable staff shortages and scheduling nonemergency procedures that would require overtime. It would also provide the same compensation and penalty provisions as provided in section 1.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

The legislation would have an indeterminate impact on local government expenditures.

Section 1 would require that hospitals must provide uninterrupted meal and rest breaks for nurses and certain technologists and technicians. To provide this, hospitals would need to hire more staff to ensure all these breaks are uninterrupted.

According to analysis conducted by the Washington State Hospitals Association (WSHA), there are 43 public hospitals that would be impacted by this bill. Costs to each hospital would vary depending on the size of the hospital and how many staff of which kind would be required to allow uninterrupted breaks. WSHA examined how many more of each of the following positions each public hospital would need:

- Registered Nurse
- Respiratory Care Practitioners
- Surgical Technicians
- Diagnostic Radiologic Technologists
- Cardiovascular Invasive Specialists
- Certified Nursing Assistants

In total, WSHA finds that this legislation would lead to an increase of public hospital district expenditures equal to \$42,986,067.47 each year to staff the hospitals enough to provide uninterrupted breaks.

However, according to the Healthcare NW division of the Service Employees International Union (SEIU), many hospitals have already begun implementing break nurse programs to address this issue. The value provided above does not consider the hospitals already phasing in similar practices. In order to calculate the net impact of this legislation, we would need to know which public hospitals have already begun to increase staffing for this purpose, and to what extent. At this time, this data is not available, so the impact of this section of the legislation on public hospital districts is indeterminate.

In addition, section 3 of the legislation would prohibit an employer from using prescheduled on-call time to fill chronic or foreseeable staff shortages and scheduling nonemergency procedures that would require overtime. This provision may require hospitals to hire additional staff, and would also reduce their costs associated with overtime. In order to calculate the change in costs, it is necessary to subtract the current amount spent on mandatory overtime for the categories of healthcare workers identified by the bill from the costs incurred as a result of this change. At this time, this data is not available, so the impact of this section of the legislation on public hospital districts is also indeterminate.

Provisions in sections 1 and 3 address penalties if a hospital or employer of healthcare employees were to violate this legislation . The bill would require that any employee who has missed a meal or rest period in violation of this section must be compensated at double their rate of pay for an entire shift. In addition, the Department of Labor and Industries (L&I) must assess a fine of \$100 per employee, per shift, for each time an employee has missed a meal or rest period in violation of this section, and the fine increases to \$250 after the third violation within 30 days. However, there is no data projecting how many employees would miss a meal or rest period in violation of this section , so the additional costs of these provisions to public hospital districts are indeterminate.

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments , identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

This bill would have no impact on local government revenues.

SOURCES:

Washington State Hospital Association

Washington State Association of Local Public Health Officials

Department of Labor and Industries

Service Employees International Union, Healthcare NW