

Multiple Agency Fiscal Note Summary

Bill Number: 2758 HB	Title: 911 dispatch personnel/PTSD
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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
Board of Industrial Insurance Appeals	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Labor and Industries	.0	0	0	.0	0	0	.0	0	0
Actuarial Fiscal Note - State Actuary	Fiscal note not available								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
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
Board of Industrial Insurance Appeals	.0	0	0	.0	0	0	.0	0	0
Department of Labor and Industries	.0	0	0	.0	0	0	.0	0	0
Actuarial Fiscal Note - State Actuary	Fiscal note not available								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Prepared by: Robyn Williams, OFM	Phone: (360) 902-0575	Date Published: Preliminary 2/ 3/2020
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Individual State Agency Fiscal Note

Bill Number: 2758 HB	Title: 911 dispatch personnel/PTSD	Agency: 190-Board of Industrial Insurance Appeals
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. 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.
- ☒ 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: Trudes Tango	Phone: 360-786-7384	Date: 01/21/2020
Agency Preparation: William Chase	Phone: 360-753-2790	Date: 01/30/2020
Agency Approval: Bob Liston	Phone: 360-753-6823	Date: 01/30/2020
OFM Review: Anna Minor	Phone: (360) 902-0541	Date: 01/30/2020

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.

HB 2758 911 dispatcher exemption
Section 1(2)(a) of this proposed legislation adds 911 emergency dispatch personnel to the list of workers given an exemption under the statute for PTSD claims.

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.

Expenditures
The Board of Industrial Insurance Appeals (BIIA) uses data provided by the Department of Labor and Industries (L&I) to estimate the fiscal impact of this legislation.
L&I is estimating an additional 7 claims per year due to this proposal. Assuming approximately 15% of claims result in appeals to the BIIA, we expect a fiscal impact of greater than zero, but less than \$50,000 per year in the current biennium or in subsequent biennia.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

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
NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2758 HB	Title: 911 dispatch personnel/PTSD	Agency: 235-Department of Labor and Industries
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Part I: Estimates

☒ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

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: Trudes Tango	Phone: 360-786-7384	Date: 01/21/2020
Agency Preparation: Taylor Warren	Phone: 360-902-6985	Date: 01/24/2020
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 01/24/2020
OFM Review: Anna Minor	Phone: (360) 902-0541	Date: 01/27/2020

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

NONE

III. B - Expenditures by Object Or Purpose

NONE

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*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Identify acquisition and construction costs not reflected elsewhere on the fiscal note and describe potential financing methods

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.

OFM Notes:

Please note that this bill may have non-appropriated impact to the Accident Account (fund 608) and Medical Aid Account (fund 609) which are not included in the fiscal note summary, but are explained in L&I's fiscal note narrative.

Part II: Explanation

This bill relates to recognizing posttraumatic stress disorders of 911 emergency dispatch personnel; and amending RCW 51.08.142.

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

Section 1 (2)(a) adds 911 emergency dispatch personnel to the list of workers given an exception under the statute for PTSD claims.

II. B – Cash Receipt Impact

Non-appropriated State Fund Premiums

As an insurance entity, (L&I) premium rates are intended to match premiums to claims cost projections. Therefore, for this fiscal analysis it is assumed that any incremental costs or savings will equal the incremental revenue collected.

Non-Appropriated Premium Impact to Employers

Individual changes to the Accident and Medical Aid fund do not change rate assumptions by themselves. Cost increases are only one of many components in determining rates. The high-level strategy that is used to determine if a rate change is necessary is as follows:

- Review of liabilities, or costs of the Worker Comp System.
- Investment earnings.
- Adequate revenue (premiums + investments) based on projected costs (actuarial estimates) will determine need for a premium change.

Non-appropriated Self-Insured Employers

If an employer chooses to be self-insured, they are responsible to pay for overall claim costs and a portion of administration costs of L&I's Self-Insurance Program and other costs of related support functions. The administrative assessment is an amount per dollar of claim benefit costs. If benefit costs are increased due to the change in this bill, self-insured employers would be assessed by L&I for their appropriate portion of administrative costs based on the increase. Incremental costs or savings will equal the incremental revenue collected from assessments.

II. C – Expenditures

Non-appropriated – State Fund Benefits Costs

There is non-appropriated impact only to the Accident Account, fund 608, and Medical Aid Account, fund 609. (Non-appropriated costs are not included in the Fiscal Note Summary.) The non-appropriate impact is indeterminate based on the following assumptions:

With 1,593 dispatchers in Washington, per the Employment Security Department, and adult lifetime incidence rate of 6.7 percent for the general population and a 38 percent reporting rate, L&I expects about 7 claims per year. The cost of these 7 claims will depend on the mix of claim types. The low cost estimate is \$221,000 annually (1 time-loss claim, 6 Permanent Partial Disability (PPD) and the high estimate is \$1,759,000 annually (1 time-loss claim, 4 PPDs, 2 Pensions).

(1)	Number in-force 911 dispatchers	1,593	2019 OES report of Statewide Data for Police, Fire & Ambulance Dispatchers from ESD
(2)	Dispatcher PTSD prevalence:	6.7%	The lifetime prevalence of PTSD in the general population per the U.S. National Comorbidity Survey
(3)	Est Num current workforce w/ PTSD	110	(1) x (2), rounded
(4)	Presumed reporting rate:	38%	SHARP web research, general population
(5)	Est Num current workforce w/ PTSD reporting	40	(3) x (4), rounded
(6)	Average Service Years	5.6	national dispatcher annual turnover 18%
(7)	Est Num reporting annually w/PTSD	7	(5) / (6), rounded
(8)	Treatment cost per service year	\$4,100	2008 RAND study of VA PTSD claims
(9)	annual medical trend	4.50%	actuarial assumption
(10)	years from 2008 to 2020	12	
(11)	total trend	1.696	(1.045^{12})
(12)	Average annual medical cost FY 20	\$7,000	(8) x (11) rounded, VA costs presumed equal to L&I costs
(13)	Time-loss Medical Cost	\$7,000	Actuarial costing base FY2020
(14)	PPD Medical Cost	\$20,000	Actuarial costing base FY2020
(15)	PTSD medical cost for Time-loss Claim	\$7,000	(12) from above, assumption
(16)	PTSD medical cost for PPD Claim	\$20,000	(14) / (13) x (15)

(17)	PTSD medical cost for Pension Claim	\$70,000	10 x \$5,600, assumption
(18)	PTSD indemnity cost for TL claim	\$4,000	Actuarial costing base FY2017, assumption
(19)	PTSD indemnity cost for PPD claim	\$15,000	Actuarial costing base FY2017, assumption
(20)	PTSD indemnity cost for TPD claim	\$552,000	Actuarial costing base FY2017, assumption
(21)	New period low cost estimate	\$221,000	low cost distribution: 1TL, 6PPD, 0 Pension
(22)	New period high cost estimate	\$1,759,000	high cost distribution: 1TL, 4PPD, 2 Pension

Appropriated -Operating Costs

L&I anticipates only 7 claims associated with the bill and will implement this bill with existing resources.

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

This legislation would result in rule changes to:

- WAC 296-14-300, to address the exception for new coverage that the bill would create.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 2758 HB	Title: 911 dispatch personnel/PTSD
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Part I: Jurisdiction—Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☒ Cities: Indeterminate but likely minimal costs to cities due to expansion of eligible PTSD claims by 911 emergency dispatch personnel.
- ☒ Counties: Indeterminate but likely minimal costs to counties due to expansion of eligible PTSD claims by 911 emergency dispatch personnel.
- ☐ Special Districts:
- ☐ 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: Number of local government entities with state funded insurance or that are self-insured; unknown if the increase in claims each year would lead to an increase in costs for local governments;

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: Ellen Hatleberg	Phone: 360-725-3086	Date: 01/29/2020
Leg. Committee Contact: Trudes Tango	Phone: 360-786-7384	Date: 01/21/2020
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 01/29/2020
OFM Review: Anna Minor	Phone: (360) 902-0541	Date: 01/29/2020

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 amends RCW 51.08.142 (Occupational disease—Exclusion of mental conditions caused by stress, except for certain firefighters) to allow 911 emergency dispatch personnel who receive calls for assistance and dispatch emergency services to make posttraumatic stress disorder (PTSD) claims if hired after the effective date of June 7, 2018. This legislation would allow 911 emergency dispatch personnel to be exempt from the rule that excludes claims based on mental conditions or mental disabilities caused by stress, along with certain fire fighters and law enforcement officers who are already exempt.

EFFECTIVE DATE: Ninety days after adjournment of the session in which the bill is passed.

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.

This legislation would have indeterminate expenditure impacts for local governments. According to the Department of Labor and Industry's 2758 Fiscal Note, there are approximately 1,593 dispatchers in Washington and this legislation may lead to seven claims per year. The annual cost estimate these seven claims ranged between \$221,000 and \$1,759,000. It is unknown if the increase in claims each year would lead to an increase in costs for local governments. However, according to the Department of Labor and Industry, though local governments may see state funded insurance premium costs go up due to 911 dispatchers claims, the fiscal impact for the per hour rate for the risk class would not be significant because dispatchers are spread over many risk classes.

Across the state, different agencies operate the Public Safety Answering Points (PSAPs/911 call centers). PSAPs are governed by different entities, such as counties, cities, independent entities, and the Washington State Patrol. Many local government entities are covered by state funded insurance which covers L&I workers compensation claims, though some larger cities and counties are self-insured which may have a different structure. The number of entities with state funded insurance and those that are self-insured are not known. For the purposes of this analysis, it is assumed that implications for the two insurance types would be similar.

As an example, TCOMM911, which operates for Thurston County, has state insurance. Their current benefit structure would likely cover general costs. However, in the case that this legislation could lead to a claim that results a confirmed posttraumatic stress disorder (PTSD) diagnosis, there may be increased premiums for the risk class state fund operators report in due to covering disability costs.

ASSUMPTION:

The implications of state funded and self-insured entities would be similar.

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 legislation would have no revenue impacts for local governments.

ASSUMPTION:

Any incremental costs or savings will equal the incremental revenue collected for state fund premiums.

SOURCES:

Department of Labor and Industry

Department of Labor and Industry's 2758 HB Fiscal Note, 2020

TCOMM911 (Thurston County)

Washington State 911 Coordination Office

Washington Self Insurers Association