

Multiple Agency Fiscal Note Summary

Bill Number: 2577 HB	Title: Agencies/businesses & profs.
-----------------------------	--

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
Joint Legislative Audit and Review Committee	.1	20,100	20,100	.7	243,000	243,000	.6	209,100	209,100
Board of Accountancy	.0	0	0	.0	0	0	.0	0	0
Board of Registration for Professional Engineers & Land Surveyors	.0	0	0	.0	0	0	.0	0	0
Criminal Justice Training Commission	.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 Licensing	.0	0	0	.0	0	0	.0	0	0
Department of Health	.0	0	0	.0	0	0	.0	0	0
Department of Natural Resources	.2	34,600	34,600	.3	64,200	64,200	.3	64,200	64,200
Total \$	0.3	54,700	54,700	1.0	307,200	307,200	0.9	273,300	273,300

Estimated Capital Budget Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Joint Legislative Audit and Review Committee	.0	0	0	.0	0	0	.0	0	0
Board of Accountancy	.0	0	0	.0	0	0	.0	0	0
Board of Registration for Professional Engineers & Land Surveyors	.0	0	0	.0	0	0	.0	0	0
Criminal Justice Training Commission	.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 Licensing	.0	0	0	.0	0	0	.0	0	0
Department of Health	.0	0	0	.0	0	0	.0	0	0
Department of Natural Resources	.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

Prepared by: Veronica Jarvis, OFM	Phone: (360) 902-0649	Date Published: Revised 2/ 5/2020
--	---------------------------------	---

Individual State Agency Fiscal Note

Bill Number: 2577 HB	Title: Agencies/businesses & profs.	Agency: 014-Joint Legislative Audit and Review Committee
-----------------------------	--	---

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	0.0	0.1	0.1	0.7	0.6
Account					
General Fund-State 001-1	0	20,100	20,100	243,000	209,100
Total \$	0	20,100	20,100	243,000	209,100

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: Carrington Skinner	Phone: 360-786-7192	Date: 01/22/2020
Agency Preparation: Jennifer Sulcer	Phone: 360-786-5181	Date: 01/24/2020
Agency Approval: Keenan Konopaski	Phone: 360-786-5187	Date: 01/24/2020
OFM Review: Linda Hamilton	Phone: (360) 902-0556	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.

This bill aims to increase the transparency of state regulatory inspections/audits of businesses and professions by requiring state regulatory agencies to provide clear and sufficient information regarding the inspection/audit process to the businesses and professions they regulate.

JLARC EVALUATION

JLARC is to evaluate state regulatory agencies' performance and compliance with this chapter and survey regulated businesses to obtain feedback on agencies' implementation of this chapter.

BILL SUMMARY

Section 1: Outlines the intent of the bill. The Legislature finds that licensing and regulation of businesses and professions requires periodic inspections and site visits by state agencies to determine that regulatory requirements are being met. This bill seeks to clarify state agencies responsibilities during inspections by requiring the agencies to provide clear and sufficient information about the inspection process to the regulated businesses and professions.

Section 2: Directs each state regulatory agency that conducts audits, inspections or examinations of businesses they regulate to provide the following information for each inspection:

- (a) The purpose and legal authority for the inspection;
- (b) Whether the inspection will be announced or unannounced;
- (c) The responsibility of the inspector to present identification during the inspection;
- (d) Contact information for an agency staff person who is available to answer questions about the inspection;
- (e) Whether the business can remedy the violation during or after the inspection to avoid or mitigate sanctions;
- (f) How the business may provide past agency advice or interpretations it relied on for consideration in agency decisions;
- (g) Whether the business may designate a company representative and have legal or other technical professionals participate in the inspection;
- (h) How the business may respond to the outcome of an inspection, what the next steps are and an estimate for future communication.

This section must be implemented by December 31, 2020.

The above requirements do not apply:

- In emergency situations.
- In any criminal investigations or proceedings.
- If they would create a conflict with federal or state law or unreasonably limit, delay, or prevent an agency from performing its statutory duties.

Section 3: Defines "regulatory" and "regulatory agency."

Section 4: Agencies must post a general description about the responsibilities specified in Section 2 of this act on its website. The posting does not have to include specifics for each inspection/audit program.

Section 5: Directs JLARC to review agencies' performance and compliance with this chapter. The review must

include surveying regulated businesses to obtain their view on agency implementation and identifying how views compare for small and large businesses.

The study is due by December 31, 2023. This section expires July 1, 2024.

Section 6: Sections 2 through 4 of this act constitute a new chapter in Title 18 RCW.

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.

The report is to be completed by December 31, 2023.

JLARC staff will begin preliminary work on the program review in 2021. Initial work will focus on identifying regulatory agencies and establishing contact with them to learn about their inspection and audit responsibilities. Preliminary work will determine what data is currently available and what information will be collected by the state regulatory agencies to determine performance and compliance with this chapter.

Beginning in 2023, JLARC staff will begin formal review of the program and begin the data collection process. JLARC staff will review administrative records, inspection and audit reports and other documentation for selected agencies to meet the objectives outlined in the bill.

The bill requires JLARC to survey regulated businesses and professions to obtain feedback and attitudes on agency implementation of this chapter. Survey results must compare responses for small and large businesses. It is unclear how many Washington businesses and professions are regulated and subject to inspections. Therefore, JLARC anticipates engaging a survey expert to assist with survey development, implementation and analysis.

JLARC estimates its costs to be divided between a) JLARC staff costs, and b) the costs associated with engaging external experts to assist JLARC staff in completing its assignment.

a) JLARC estimates its costs based on audit months (approximately \$20,100 per audit month). JLARC estimates it will take 21 audit months to complete the assignment required by this bill.

b) Consultant Costs: JLARC anticipates engaging a survey expert to design and conduct a statewide survey of regulated businesses and professions. We estimate consultant costs of \$60,000.

JLARC assumes comparable consultant efforts and costs made available for previous studies, and estimated costs reflect JLARC's recent experience in contracting with external entities for similar work.

JLARC ASSUMES THAT THE ASSIGNMENT IN THIS PROPOSED BILL MAY REQUIRE ADDITIONAL RESOURCES. JLARC WILL ASSESS ALL OF THE ASSIGNMENTS MANDATED IN THE 2020 LEGISLATIVE SESSION. BASED ON ALL LEGISLATION THAT IS PASSED, JLARC MAY SUBSEQUENTLY DETERMINE THAT IT CAN ABSORB THE COSTS FOR THIS PROPOSED BILL IN ITS BASE BUDGET, IF THE WORKLOAD OF OTHER ENACTED LEGISLATION DOES NOT EXCEED

CURRENT STAFFING LEVELS.

HOWEVER, ADDITIONAL RESOURCES TO COVER CONSULTANT COSTS OF \$60,000 WOULD NEED TO BE PROVIDED.

JLARC Audit Months: JLARC calculates its staff resources in "Audit Months" to estimate the time and effort to undertake and complete its studies. An "Audit Month" reflects a JLARC analyst's time for a month, together with related administrative, support, and goods/services costs. JLARC's anticipated 2019-21 costs are calculated at approximately \$20,100 per audit month.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	0	20,100	20,100	243,000	209,100
Total \$			0	20,100	20,100	243,000	209,100

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		0.1	0.1	0.7	0.6
A-Salaries and Wages		12,500	12,500	125,000	118,800
B-Employee Benefits		4,000	4,000	40,000	38,000
C-Professional Service Contracts				42,000	18,000
E-Goods and Other Services		3,300	3,300	33,000	31,400
G-Travel		300	300	3,000	2,900
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 \$	0	20,100	20,100	243,000	209,100

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
Research Analyst	111,051		0.1	0.1	0.5	0.4
Support staff	77,705				0.2	0.2
Total FTEs			0.1	0.1	0.7	0.6

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: 2577 HB	Title: Agencies/businesses & profs.	Agency: 165-Board of Accountancy
-----------------------------	--	---

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: Carrington Skinner	Phone: 360-786-7192	Date: 01/22/2020
Agency Preparation: Paul Bitar	Phone: 360-407-8129	Date: 01/22/2020
Agency Approval: Paul Bitar	Phone: 360-407-8129	Date: 01/22/2020
OFM Review: Ramona Nabors	Phone: (360) 902-0547	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.

Section 2 of the bill would require ACB would to provide certain information to any business that it audits, inspects, or examines. This section may require ACB to clarify its expectations of these businesses in a separate letter. However, this could without be done without fiscal impact because the requirements of this bill are already imbued in ACB's disciplinary and peer processes as outlined in policy, rule, and statute.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

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

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2577 HB	Title: Agencies/businesses & profs.	Agency: 166-Board of Registration for Professional Engineers & Land Surveyors
-----------------------------	--	--

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: Carrington Skinner	Phone: 360-786-7192	Date: 01/22/2020
Agency Preparation: Paul Bitar	Phone: (360) 407-8129	Date: 01/22/2020
Agency Approval: Paul Bitar	Phone: (360) 407-8129	Date: 01/22/2020
OFM Review: Veronica Jarvis	Phone: (360) 902-0649	Date: 01/22/2020

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.

Section 2 would require BORPELS to provide certain information to any business that it audits, inspects, or examines.

The information that BORPELS would be required to provide is straightforward, and could be communicated to businesses using a standard letter. BORPELS could meet this requirement within existing staff resources, so the agency does not anticipate a fiscal impact from 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.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

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

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2577 HB	Title: Agencies/businesses & profs.	Agency: 227-Criminal Justice Training Commission
-----------------------------	--	---

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: Carrington Skinner	Phone: 360-786-7192	Date: 01/22/2020
Agency Preparation: Brian Elliott	Phone: 206-835-7337	Date: 01/22/2020
Agency Approval: Brian Elliott	Phone: 206-835-7337	Date: 01/22/2020
OFM Review: Jenna Forty	Phone: (360) 902-0419	Date: 01/22/2020

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.

This bill has no material fiscal impact on the Criminal Justice Training Commission.

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.

This bill has no cash receipt impact.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

This bill has no expenditure impact.

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

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2577 HB	Title: Agencies/businesses & profs.	Agency: 235-Department of Labor and Industries
-----------------------------	--	---

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: Carrington Skinner	Phone: 360-786-7192	Date: 01/22/2020
Agency Preparation: Shana J Snellgrove	Phone: 360-902-6408	Date: 01/23/2020
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 01/23/2020
OFM Review: Anna Minor	Phone: (360) 902-0541	Date: 01/23/2020

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.

This bill requires each state regulatory agency to present specific information to persons and businesses at each audit, inspection, or examination. The general descriptions of this information must also be posted on each agency's website.

Section 2(1) requires that by December 31, 2020, each state regulatory agency that conducts audits, inspections, or examinations must provide the following information at each audit, inspection, or examination:

- The purpose and legal authority for conducting the audit, inspection, or examination;
- Whether advance notice for an audit, inspection, or examination will be provided and the basis for not providing advance notice;
- The responsibility of the auditor, inspector, or examiner to present identification during the audit, inspection, or examination.
- The responsibility of an auditor, inspector, or examiner to provide contact information for a staff person who is available to answer questions regarding the audit, inspection, or examination;
- Whether the business may correct a potential or actual violation during or after an audit, inspection, or examination to avoid or mitigate an administrative sanction;
- How the business may provide past agency advice or interpretations it relied upon for consideration in agency decisions;
- Whether the business may designate company representatives to participate in the audit, inspection, or examination; and
- How the business may respond to the outcome of an audit, inspection, or examination, what the next steps are in the process, and a good faith estimate for future communication.

Section 2(2) stipulates the requirements specified in section 2(1) do not apply:

- In emergency situations where worker safety is in imminent danger;
- In any criminal investigation; or
- If they would create a conflict with federal or state law or unreasonably limit, delay, or prevent an agency from performing its statutorily authorized duties.

Section 4 requires state agencies to post a general description of the responsibilities specified in section 2 on their website.

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.

There will be minor costs associated with creating new forms, adjusting processes, providing training to staff, and maintaining new website information. The Department of Labor and Industries will implement the

requirements of this bill using existing resources.

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

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2577 HB	Title: Agencies/businesses & profs.	Agency: 240-Department of Licensing
-----------------------------	--	--

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: Carrington Skinner	Phone: 360-786-7192	Date: 01/22/2020
Agency Preparation: Sieng Bonham	Phone: 360-902-3932	Date: 01/22/2020
Agency Approval: Kristin Bettridge	Phone: 360-902-3644	Date: 01/22/2020
OFM Review: Veronica Jarvis	Phone: (360) 902-0649	Date: 01/22/2020

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.

This bill sets parameters on the information state agencies must provide at each audit/inspection/examination of the businesses and professions they regulate, as well as specifies information that must be available on their web site. The department currently implements portions of these requirements. Implementing all of the requirements can be done within existing resources, 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.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

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

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 2577 HB	Title: Agencies/businesses & profs.	Agency: 303-Department of Health
-----------------------------	--	---

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: Carrington Skinner	Phone: 360-786-7192	Date: 01/22/2020
Agency Preparation: Melissa Hoyt	Phone: 360-236-4543	Date: 01/22/2020
Agency Approval: Carl Yanagida	Phone: 360-7894832	Date: 01/22/2020
OFM Review: Bryce Andersen	Phone: (360) 902-0580	Date: 01/23/2020

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 2577 requires regulatory agencies to provide certain information at each audit, inspection, or examination, and to post information about the responsibilities of the agency its website. Both the Environmental Public Health and Health Services and Quality Assurance divisions within the Department of Health conduct audits and inspections. Staff time to develop materials for posting on the agency's website, to be shared at each audit and inspection, and to provide the Joint Legislative Audit and Review Committee's evaluation can be performed within existing resources. Therefore no fiscal impact is associated with this proposal.

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

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.

NONE

Individual State Agency Fiscal Note

Bill Number: 2577 HB	Title: Agencies/businesses & profs.	Agency: 490-Department of Natural Resources
-----------------------------	--	--

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	0.0	0.3	0.2	0.3	0.3
Account					
General Fund-State 001-1	0	34,600	34,600	64,200	64,200
Total \$	0	34,600	34,600	64,200	64,200

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: Carrington Skinner	Phone: 360-786-7192	Date: 01/22/2020
Agency Preparation: Angela Konen	Phone: 360-902-2165	Date: 02/05/2020
Agency Approval: Stephen Bernath	Phone: 360-902-1028	Date: 02/05/2020
OFM Review: Leslie Connolly	Phone: (360) 902-0543	Date: 02/05/2020

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.

This bill establishes a new chapter in Title 18 RCW Businesses and Professions (Sections 2-4). Forests and forest products RCW 76.0 is noted in Title 18 RCW.

Section 1 emphasizes that agencies have a responsibility to provide a clear description of their audit, inspection, or examination processes to businesses and professions they regulate.

Section 2 (1) stipulates each state regulatory agency that conducts audits, inspections or examinations within its regulatory authority over businesses and professions must provide a specific list of information (1)(a)- (h) during each audit, inspection, examination, or site visit that the regulatory agency conducts. This must be done by December 31, 2020 to be compliant.

Section 2 (2) Exceptions to these requirements include: Emergencies where environmental quality, worker or public safety, health or welfare are in imminent danger; Criminal investigations or proceedings, or an agency's undercover, surveillance or seizure activities; or if these create conflict with federal or state law or unreasonable limit, delay of prevent and agency from performing its statutorily authorized duties.

Section 3 proposes to include regulatory state agencies as defined in RCW 19.02.020 (11) "Regulatory agency" means any state agency, board, commission, division, that regulates one or more professions, occupations, industries, businesses, or activities. The definition of regulatory agency does not include local government.

Section 4 state regulatory agencies must post on their websites the general list of information required during audits, inspections, examinations and site visits, and be compliant with this act.

Section 5 JLARC shall review agencies' performance and compliance with this bill by December 31, 2023. This review must include comparisons for small and large businesses. This section expires on July 1, 2024.

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.

Per the Attorney General's Office (AGO), RCW 19.02.020 may not apply to some of the programs within the Department of Natural Resources (DNR). DNR has regulatory programs concerning forestry operations and mining operations, but it does not regulate "business or professions." RCW 19.02.050 expressly lists the agencies that are subject to RCW 19.02. DNR is not included on that list, even though sister agencies with similar missions, like the Department of Ecology and the Department of Fish & Wildlife, are included.

This bill does not apply or have fiscal impact to DNR's Wildfire Program, Washington Geological Survey or

Aquatics Division. However, it does have a low fiscal impact to Forest Practices Division.

DNR's Forest Practices Division already provides most of this required information for their program at the bottom of the Forest Practices Applications/enforcement documents. Specifically, how to appeal a decision or enforcement action. DNR assumes compliance with Section 2 (1) (a) through (h) has a low fiscal impact and the requirements of this section will be accomplished by adding standard explanatory information to forest practices applications, water type modification forms, and other forms that are currently used. However, some costs are assumed as it is expected advance notification will be required for some activities (for example, rule compliance monitoring site visits). Other costs will be incurred for updating forest practices applications and enforcement documents, as well as for updating web site information. DNR's Forest Practices Division requires 0.25 full time equivalent (FTE) Natural Resource Specialist 3 (NRS3) to ensure all six Regions throughout the state are in compliance with this bill. FY 2021 costs are \$34,600 and \$32,100 per FY ongoing. Goods, services, and travel costs are assumed to be \$0 for Forest Practices for this fiscal note. Administrative costs are calculated at 27% of staff salary and benefits. For fiscal note purposes, this cost represents a Fiscal Analyst 2 position (0.07 FTE).

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
001-1	General Fund	State	0	34,600	34,600	64,200	64,200
Total \$			0	34,600	34,600	64,200	64,200

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years		0.3	0.2	0.3	0.3
A-Salaries and Wages		17,300	17,300	34,600	34,600
B-Employee Benefits		6,700	6,700	13,400	13,400
C-Professional Service Contracts					
E-Goods and Other Services		3,600	3,600	3,200	3,200
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		7,000	7,000	13,000	13,000
9-					
Total \$	0	34,600	34,600	64,200	64,200

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 2	52,536		0.1	0.0	0.1	0.1
Natural Resource Specialist 3	67,248		0.3	0.1	0.3	0.3
Total FTEs			0.3	0.2	0.3	0.3

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