

Multiple Agency Fiscal Note Summary

Bill Number: 5193 SB	Title: Unemp. claim adjudicators
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Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2021-23				2023-25				2025-27			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of Financial Management	.0	0	0	0	.0	0	0	0	.0	0	0	0
Employment Security Department	.8	0	0	228,205	2.5	0	0	618,027	3.6	0	0	834,188
Total \$	0.8	0	0	228,205	2.5	0	0	618,027	3.6	0	0	834,188

Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Financial Management	.0	0	0	.0	0	0	.0	0	0
Employment Security Department	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Prepared by: Anna Minor, OFM	Phone: (360) 790-2951	Date Published: Final 1/25/2021
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Individual State Agency Fiscal Note

Revised

Bill Number: 5193 SB	Title: Unemp. claim adjudicators	Agency: 105-Office of Financial Management
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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: Susan Jones	Phone: 360-786-7404	Date: 01/13/2021
Agency Preparation: Jim Jenkins	Phone: 360-902-0403	Date: 01/22/2021
Agency Approval: Jamie Langford	Phone: 360-902-0422	Date: 01/22/2021
OFM Review: Tyler Lentz	Phone: (360) 790-0055	Date: 01/25/2021

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.

A new Section 2 states that the Employment Security Department will create a training program to certify qualified individuals to perform as unemployment insurance claim adjudicators so that there is a pool of certified individuals to pull from in times of high unemployment. This program must be open to both state and other public employees and private citizens.

The bill specifies employment security department to create the training program. The bill is vague about what the training program entails, or more importantly, what the process will be to use existing state employees in other classifications to be called upon to train for, and perform as, unemployment insurance claim adjudicators. T

This may impact components within the state employee labor force, union negotiation, employee leave type, HRMS and other personnel payroll and tracking systems, classification and compensation etc.

It is assumed that the work can be done within current resources by reprioritizing workload.

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

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

Part V: New Rule Making Required

Individual State Agency Fiscal Note

Bill Number: 5193 SB	Title: Unemp. claim adjudicators	Agency: 540-Employment Security Department
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	0.0	1.7	0.8	2.5	3.6
Account					
Unemployment Compensation Administration Account-Federal 119-2	0	228,205	228,205	618,027	834,188
Total \$	0	228,205	228,205	618,027	834,188

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: Susan Jones	Phone: 360-786-7404	Date: 01/13/2021
Agency Preparation: Heather McCormack-Martin	Phone: 360-902-9570	Date: 01/21/2021
Agency Approval: Carole Holland	Phone: 360 4817209	Date: 01/21/2021
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 01/21/2021

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

The bill requires that the Employment Security Department (ESD) establish a training program to train persons to perform as unemployment insurance claim adjudicators and, therefore, be able to react more quickly in cases of increased adjudication workload.

The bill proposes to add a new section to Chapter 51.12 RCW and requires ESD to create an adjudicator training program.

Section 1 - In this section, the legislature makes the case that, in spite of its best efforts, the ESD was caught inadequately staffed to handle the sudden and overwhelming increase in adjudication workload during both the Great Recession and the COVID-19 pandemic. This inadequate adjudication staffing was compounded by a federal funding model that is based on administrative resources being determined by past workload rather than current or future needs. For this reason, the legislature is proposing to have the ESD establish a pool of qualified adjudicators to respond to increased workloads during times of economic crisis.

In Section 2 of the bill, the legislature mandates that the ESD create a training program to train qualified individuals to be unemployment insurance adjudicators. The program must have the following features:

- Be accessible to both public employees and private citizens.
- Be of such quality that individuals who are trained may be able to work as unemployment insurance claim adjudicators within one week of coming to work for the ESD.
- Provide a certification to those individuals who complete it.

In addition, the Office of Financial Management is directed to work with the ESD to find suitable recruits for the program. Finally, the ESD is required to report to the House Committee on Labor and Workplace Standards and the Senate Committee on Labor, Commerce, and Tribal Affairs by October 1, 2021, and every year thereafter, the number of individuals who have completed the training.

Creating such a program will require support from the claim center adjudication department, the Office of Financial Management, the training unit, the human resources department, and the policy unit.

The bill does not specify the details of the training or whether trainees should be compensated. For fiscal note purposes, ESD envisions that the training program will consist of a four-week foundational course that will be provided to qualified selected individuals. These individuals will be hired as temporary employees for the four weeks that they will be in training. Individuals who pass that course will be certified as trained adjudicators. They will then enter a pool of trained adjudicators who can be called upon in the event of an emergency. Upon being called up, the individuals will be hired as a temporary employee by the agency and given a one-week refresher course to bring their skills up to date.

Such a program will require an outlay by the agency that requires expenditure for the compensation of the trainees, both when they undertake the initial foundational training, and when they are hired and put through the refresher training. In addition, there will be an outlay for training in the form of trainers to provide the training. It's anticipated that 20 trainees will be trained at a time and that two trainers will be needed to train these individuals, one lead trainer and one co-trainer.

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.

Due to the continued hiring of adjudicators with federal funds through CARES Act 1 and 2, it's envisioned that this training program will not need to be implemented until fiscal year 2022. The total estimated cost of implementing this bill is \$1,690,420 over Fiscal Years 2023 - 2027.

There may be minimal rulemaking costs that the Agency will absorb if necessary.

Training:

The first Core Training Class will begin on 8/1/22 and end on 8/30/22 with 20 trainees classified as temporary Unemployment Insurance Specialist 4's (UIS4). Training will then continue annually until a pool of 100 adjudicators is achieved. Because of attrition, it's assumed that 20 more trainees will need to be trained every year on an ongoing basis. The training will be provided by two Program Coordinator 3s (PC3). This will require the following:

- 160 hours for each trainer, for a total of 320 hours for each class. (360 hours = .17 FTE = \$17,219)
- 160 hours for each trainee, for a total of 3200 hours for each class. (3200 hours = 1.53 FTE = \$154,546)

The first Refresher Training Class will begin on 9/16/23 and end on 9/30/23. Training will then continue annually until the pool of 100 adjudicators has been given refresher training and thereafter on an ongoing basis. Refresher training will then be provided continually for all those who have gone through the core training. The training will last 56 hours for each trainee. As the number of trainees will increase by 20 each year beginning in FY2024 the costs for the Refresher Training Class are as follows:

- FY2024 (20 FTE's at UIS4 Classification * 56 hours = 1,120 hours) (1,120 hours = .53 FTE = \$53,536)
- FY2025 (40 FTE's at UIS4 Classification * 56 hours = 2,240 hours) (2,240 hours = 1.07 FTE = \$108,081)
- FY2026 (60 FTE's at UIS4 Classification * 56 hours = 3,360 hours) (3,360 hours = 1.6 FTE = \$161,616)
- FY2027 (80 FTE's at UIS4 Classification * 56 hours = 4,480 hours) (4,480 hours = 2.14 FTE = \$216,162)

The 20 CFR Part 603 Confidentiality and Disclosure of State UC Information requires security of UI information within the agency. Hiring the trainees allows the agency to use UI systems and information during training. Also per Human Resource staff, these individuals need to be compensated for time spent training.

Equipment

Each Trainee will receive a laptop and a VPN to complete the training. The cost of laptops and VPS are below:

- Laptop = \$2,750

- VPN = \$72

- FY2023 (20 Laptops = \$55,000) + (20 VPN = \$1440) = \$56,440

- FY2024 (20 Laptops = \$55,000) + (20 VPN = \$1440) = \$56,440

- FY2025 (20 Laptops = \$55,000) + (20 VPN = \$1440) = \$56,440

- FY2026 (20 Laptops = \$55,000) + (20 VPN = \$1440) = \$56,440

- FY2027 (20 Laptops = \$55,000) + (20 VPN = \$1440) = \$56,440

Total Equipment Cost = \$282,200 (\$56,440*5)

Total cost per year:

- FY2023 - \$17,219 + \$154,546 + \$56,440 = \$228,205

- FY2024 - \$17,219 + \$154,546 + \$53,536 + \$56,440 = \$281,741

- FY2025 - \$17,219 + \$154,546 + \$108,081 + \$56,440 = \$336,286

- FY2026 - \$17,219 + \$154,546 + \$161,616 + \$56,440 = \$389,821

- FY2026 - \$17,219 + \$154,546 + \$216,162 + \$56,440 = \$444,367

Total Implementation Cost:

\$228,205+ \$281,741 + \$336,286 + \$389,821 + \$444,367 = \$1,680,420

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2022	FY 2023	2021-23	2023-25	2025-27
119-2	Unemployment Compensation Administration Account	Federal	0	228,205	228,205	618,027	834,188
Total \$			0	228,205	228,205	618,027	834,188

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years		1.7	0.8	2.5	3.6
A-Salaries and Wages		87,644	87,644	257,579	367,643
B-Employee Benefits		35,058	35,058	103,031	147,057
C-Professional Service Contracts					
E-Goods and Other Services		25,452	25,452	75,145	107,565
G-Travel					
J-Capital Outlays		56,440	56,440	112,880	112,880
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		23,611	23,611	69,392	99,043
9-					
Total \$	0	228,205	228,205	618,027	834,188

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 2022	FY 2023	2021-23	2023-25	2025-27
Employment Security Program Coordinator 3	59,688		0.2	0.1	0.2	0.2
Unemployment Insurance Specialist 4	51,432		1.5	0.8	2.3	3.4
Total FTEs			1.7	0.9	2.5	3.6

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

IV. D - Capital FTE Detail: *List FTEs by classification and corresponding annual compensation. Totals need to agree with total FTEs in Part IVB*

NONE

N/A

Part V: New Rule Making Required