

Multiple Agency Fiscal Note Summary

Bill Number: 5190 E S SB AMH LAW! H1300.2	Title: Health care workers/benefits
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Estimated Cash Receipts

Agency Name	2021-23			2023-25			2025-27		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Employment Security Department	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

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 Administrative Hearings	Fiscal note not available											
Board of Industrial Insurance Appeals	Fiscal note not available											
Department of Labor and Industries	1.1	0	0	733,000	1.1	0	0	322,000	1.1	0	0	322,000
Department of Social and Health Services	Fiscal note not available											
Department of Children, Youth, and Families	Fiscal note not available											
Department of Corrections	Fiscal note not available											
University of Washington	Fiscal note not available											
Employment Security Department	.0	0	0	90,000	.0	0	0	0	.0	0	0	0
Total \$	1.1	0	0	823,000	1.1	0	0	322,000	1.1	0	0	322,000

Estimated Capital Budget Expenditures

Agency Name	2021-23			2023-25			2025-27		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Administrative Hearings	Fiscal note not available								
Board of Industrial Insurance Appeals	Fiscal note not available								
Department of Labor and Industries	.0	0	0	.0	0	0	.0	0	0
Department of Social and Health Services	Fiscal note not available								
Department of Children, Youth, and Families	Fiscal note not available								
Department of Corrections	Fiscal note not available								
University of Washington	Fiscal note not available								
Employment Security Department	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

Prepared by: Anna Minor, OFM	Phone: (360) 790-2951	Date Published: Preliminary 3/29/2021
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Individual State Agency Fiscal Note

Bill Number: 5190 E S SB AMH LAWS H1300.2	Title: Health care workers/benefits	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:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	1.1	1.1	1.1	1.1	1.1
Account					
Accident Account-State 608-1	286,000	81,000	367,000	162,000	162,000
Medical Aid Account-State 609-1	286,000	80,000	366,000	160,000	160,000
Total \$	572,000	161,000	733,000	322,000	322,000

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: Heidi Cao	Phone: 360-786-7157	Date: 03/24/2021
Agency Preparation: Jenifer Colley	Phone: (360) 902-6983	Date: 03/29/2021
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 03/29/2021
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 03/29/2021

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.

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 2022	FY 2023	2021-23	2023-25	2025-27
608-1	Accident Account	State	286,000	81,000	367,000	162,000	162,000
609-1	Medical Aid Account	State	286,000	80,000	366,000	160,000	160,000
Total \$			572,000	161,000	733,000	322,000	322,000

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years	1.1	1.1	1.1	1.1	1.1
A-Salaries and Wages	101,000	101,000	202,000	202,000	202,000
B-Employee Benefits	34,000	34,000	68,000	68,000	68,000
C-Professional Service Contracts	375,000		375,000		
E-Goods and Other Services	51,000	25,000	76,000	50,000	50,000
G-Travel	1,000	1,000	2,000	2,000	2,000
J-Capital Outlays	10,000		10,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	572,000	161,000	733,000	322,000	322,000

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 2022	FY 2023	2021-23	2023-25	2025-27
Fiscal Anayst 5	78,408	0.1	0.1	0.1	0.1	0.1
IT Application Development - Journey	96,888	1.0	1.0	1.0	1.0	1.0
Total FTEs		1.1	1.1	1.1	1.1	1.1

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

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 provides health care workers with presumptive coverage for workers' compensation benefits during a public health emergency; amending RCW 50.20.010 and 50.29.21; reenacting and amending RCW 50.20.050; adding a new section to chapter 50.04 RCW; adding a new section to chapter 51.32 RCW; creating a new section; and declaring an emergency.

ESSB 5190 AMH LAWS H1300.2 is different from SSB 5190 in that it:

The engrossed substitute with the H1300.2 striking amendment makes changes to language as follows:

For purposes of unemployment insurance:

- Specifies that health care employee eligibility related to quarantine is for the period of quarantine consistent with recommended guidance or direction from certain entities; and
- Applies the misconduct exception related to quarantine and the availability to work provisions specifically to health care workers.

For purposes of the presumption of occupational disease under workers' compensation:

- Removes the specification that the health care employee contracted or was exposed to the disease at the health care facility;
- Disallows payment of wage replacement benefits on the date the disease was contracted but waives the standard three-day waiting period for such benefits;
- Provides for deduction of the costs of payments from the calculation of certain assessments from self-insured employers and self-insurance hospital groups; and
- Modifies the definition of "health care employee" from one who may have direct contact with certain persons, to having or likely having had such contact.

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

Section 6

(1) For health care employees who are covered under this title, there exists a prima facie presumption that any infectious or contagious diseases which are the subject of a public health emergency are occupational diseases under RCW 51.08.140 during a public health emergency.

(2) The health care employee must provide verification, as required by the department by rule, to the department or the self-insurer that the employee is in quarantine or has contracted the disease after exposure to the infectious or contagious disease that is the subject of the public health emergency.

(3) The presumption of occupational disease may be rebutted by clear and convincing evidence that:

(a) The exposure to the infectious or contagious disease which is the subject of the public health emergency occurred from other employment or non-employment activities; or

(b) The employee was working from the employee's home or other location not under the employer's control, on leave from the employee's employment, or some combination thereof, for the period of quarantine outlined for the disease immediately prior to the employee's date of disease contraction or period of incapacity resulting from exposure to the disease which is the subject of the public health emergency.

(4) (a) RCW 51.32.090(7) does not apply to an occupational disease under this section except that no worker shall receive compensation for or during the day on which the occupational disease was contracted. For the purpose of this subsection (4), the day on which the occupational disease was contracted is whichever date occurs first of the following:

(i) The date that the worker first missed work due to symptoms of the infectious or contagious disease;

(ii) The date the worker was quarantined by a medical provider or public health official; or

(iii) The date the worker received a positive test result confirming contraction of the infectious or contagious disease.

(b) If leave or similar benefits are paid to the worker as part of a federal or state program for these employees during the public health emergency, total temporary disability benefits are not payable for the same period of time covered by this federal or state program.

(5) (a) When a determination involving the presumption established under this section is appealed to the Board of Industrial Insurance Appeals (BIIA) and the final decision allows the claim of benefits, the BIIA shall order that all reasonable costs of the appeal, including attorneys' fees and witness fees, be paid to the worker or the worker's beneficiary by the opposing party. If the opposing party is a state fund employer or retrospective rating group, the costs and fees are paid by the employer or retrospective rating group.

(b) When a determination involving the presumption established in this section is appealed to any court and the final decision allows the claim benefits, the court shall order that all reasonable costs of appeal, including attorneys' fees and witness fees, be paid to the worker or the worker's beneficiary by the opposing party. If the opposing party is a state fund employer or retrospective rating group, the costs and fees are paid by the employer or retrospective rating group.

(c) When reasonable costs of the appeal must be paid by the department as the opposing party in a state fund case, the cost shall be paid from accident fund and charged to the costs of the claim.

(6) Costs of claims allowed under this section shall not affect the experience rating of employers insured by the state fund. When calculating assessments due to the department for which total claim costs are the basis, self-insured employers and self-insurance hospital groups formed under RCW 51.14.150 and 51.1.160 may deduct the cost of payments made under this section from the total of all claim costs reported.

Section 9

This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions, and takes effect immediately.

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. Although this legislation eliminates the costs of these presumptively covered claims from the administrative assessment calculation, generally, if benefit costs are increased due to changes in the law, 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 to the Accident Account, fund 608, and Medical Aid Account, fund 609. (Non-appropriated costs are not included in the Fiscal Note Summary.) The following assumptions were used to calculate the estimates:

A. Estimate of future Health Care worker and First Responder Covid-19 claims

The University of Washington Institute for Health Metrics and Evaluation (IHME) has provided projections of Covid-19 infections in Washington through June 1, 2021*. Their mean estimates as of March 7, 2021 are shown below, along with the lower and upper uncertainty bounds on those estimates.

Estimated Washington Covid-19 infections, November 2020 – June 2021*:

Month	Year	Lower Uncertainty Bound	Mean	Upper Uncertainty Bound
11	2020		110,242	
12	2020		122,058	
1	2021	68,979	72,589	76,716
2	2021	30,536	32,901	35,642
3	2021	22,755	26,853	31,719
4	2021	8,694	11,316	13,979
5	2021	1,241	2,257	3,478
6	2021	186	497	985

* Institute for Health Metrics and Evaluation (IHME). COVID-19 Mortality, Infection, Testing, Hospital Resource Use, and Social Distancing Projections. Seattle, United States of America: Institute for Health Metrics and Evaluation (IHME), University of Washington, 2021. Projections and data dated 3/17/21.

The State Fund incurred an estimated average of **590** Covid-19 claims per month during November and December of 2020, based on updated claim data as of February 6, 2021. So approximately **0.508%** ($=590 / [(110,242 + 122,058) / 2]$) of infections currently result in a State Fund claim. We assume State Fund incurred Covid-19 claims each month will be proportional to the Covid-19 infections in Washington between January, 2021 and June, 2021, i.e. the Middle estimate for March 2021 is 136 ($= 0.508\% \times 26,853$, the Mean March 2021 infections estimated by the UW IHME as of 3/17/21).

Projected State Fund Covid-19 Claims incurred January 2021 and later:

Month	Year	Lower	Middle	Upper
3	2021	116	136	161
4	2021	44	57	71
5	2021	6	11	18
6	2021	1	3	5

Total claims incurred 4/1/21 and later:

Lower	Middle	Upper
51	71	94

Based on Covid-19 claim data for injuries incurred through 9/30/2020, and reported through mid-December 2020, approximately **95%** of accepted State Fund Covid-19 claims were related to Health Care Workers and First Responders. If the distribution of workers filing Covid-19 claims in the future remains similar, we would expect approximately 95% of the future Covid-19 claims to be claims for Health Care workers, which is shown in the table below:

Projected State Fund Health Care worker and First Responder Covid-19 Claims incurred January 2021 and later:

Month	Year	Lower	Middle	Upper
3	2021	110	129	153
4	2021	42	54	67
5	2021	6	10	17
6	2021	1	3	5

Total claims incurred 4/1/21 and later:

Lower	Middle	Upper
49	67	89

Note that estimates of Covid-19 infections have been changing dramatically over the last several months. Infections have been lower than initially estimated, and estimates of current and future Covid-19 infections have decreased significantly. This has significantly reduced our estimates of State Fund Covid-19 claims from our initial estimates for SB 5190. The estimate is based on revised IHME Covid-19 infection estimates as of March 17, 2021.

B. Elimination of 3 day waiting period

We do not have separate estimates of Covid-19 claim costs, so we assume the average Covid-19 claim costs will be similar to the average State Fund claim costs for this estimate.

We estimate that time-loss payments for State Fund claims would be approximately 11.1% higher if the 3-day waiting period were eliminated. The average State Fund claim incurred in Fiscal Year 2021 is estimated to incur approximately \$6,310 in time-loss payments. So eliminating the 3-day waiting period would result in an increase of approximately \$700 (= 11.1% x \$6,310) in time-loss payments per claim. If this increase did not lead to increases in other claim costs for the Covid-19 claims, the total impact would be approximately **\$700** per Covid-19 claim.

Assuming this bill would be effective for Covid-19 claims incurred on or after April 1, 2021, we would anticipate the elimination of the 3-day waiting period would result in the following additional time-loss costs:

- Lower estimate: **\$34,000** (= 49 x \$700)
- Middle estimate: **\$47,000** (= 67 x \$700)
- Upper estimate: **\$62,000** (= 89 x \$700)

C. Estimated impact of reduced Legal Fees and Costs

We estimate that the State Fund paid approximately \$3,115,000 in fees and attorney costs from 2015-2020 in cases where an employer or retrospective rating group appealed a case to superior or higher court and the worker's right to relief was sustained. The State Fund paid a total of \$1,023,834,000 in Claims Administrative Expenses (CAE) over those six years, so eliminating those costs and fees would have reduced CAE by approximately 0.30% (= $\$3,115,000 / 1,023,834,000$).

- a) We estimate the Claims Administrative Expenses on claims incurred during Fiscal Year 2022 to be approximately \$241,957,000. A reduction of 0.30% in these expenses would be equivalent to an annual savings of **\$726,000** (= $\$241,957,000 \times 0.30\%$).
- b) As of 9/30/2020 the State Fund had a liability of \$864,265,000 for unpaid Claims Administrative Expenses on claims already incurred. A reduction of 0.30% in these expenses would be equivalent to a one-time reduction of **\$2,593,000** (= $\$864,265,000 \times 0.30\%$) in these liabilities.

Appropriated - Operating Costs

This proposed bill increases expenditures to the Accident Account, 608, and the Medical Aid Account, 609. The following assumptions were used to estimate the resources requested to implement this bill.

Information Technology

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. All expenditures in this section are for the 21-23 Biennium.

Contract developers will modify and enhance multiple internal systems to treat presumptive claims as occupational diseases that will be charged to the Accident Fund but not affect ratings, systems include, the Ratings, Early Claims Solution (ECS) and the Labor & Industries Insurance System (LINIIS). Quality Assurance (QA), hardware, software, and server infrastructure costs are also required for this effort.

A total of \$405,576 is needed in the 2021-23 biennium for all information technology changes. This includes:

- Contractor costs – \$307,740 is needed for 2,272 contractor hours
- QA – \$67,500
- Hardware – \$1,836
- Software – \$14,100
- Server infrastructure – \$14,400 (ongoing costs include \$7,200 per year in fiscal years 2024 – 2027)

(1.0) IT Application Development - Journey, permanent, starting July 1, 2021. Duties include supporting initial project work, ongoing application maintenance and support.

Rule making

\$5,000 is needed for 2 rule making hearings. The average cost of one rule making hearing is \$2,500. (2 hearings x \$2,500 each = \$5,000) These hearing will be held in the fall of 2021 at the earliest and will be FY22 expenditures.

Indirect Costs

The amount included in this fiscal note for indirect is:

Fund Name		FY 2022	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
608	Accident	3,500	3,500	3,500	3,500	3,500	3,500
609	Medical Aid	3,500	3,500	3,500	3,500	3,500	3,500
	Total:	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000	\$7,000

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 59, Step G).

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

This legislation would result in rule changes to:

- WAC 296-17-870

Individual State Agency Fiscal Note

Bill Number: 5190 E S SB AMH LAWS H1300.2	Title: Health care workers/benefits	Agency: 540-Employment Security Department
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

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

Estimated Operating Expenditures from:

	FY 2022	FY 2023	2021-23	2023-25	2025-27
Account					
Unemployment Compensation Administration Account-Federal 119-2	90,000	0	90,000	0	0
Total \$	90,000	0	90,000	0	0

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: Heidi Cao	Phone: 360-786-7157	Date: 03/24/2021
Agency Preparation: Michelle Meader	Phone: 360 902-0901	Date: 03/26/2021
Agency Approval: Carole Holland	Phone: 360 4817209	Date: 03/26/2021
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 03/28/2021

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.

5190-S.E. AMH LAWS H1300.2 amends SB5190 and makes the following changes :

For purposes of unemployment insurance, the amended bill:

- Specifies that health care employee eligibility related to quarantine is for the period of quarantine consistent with recommended guidance or direction from certain entities; and
- Applies the misconduct exception related to quarantine and the availability to work provisions specifically to health care workers.

For purposes of the presumption of occupational disease under workers' compensation, the amended bill:

- Removes the specification that the health care employee contracted or was exposed to the disease at the health care facility.
- Disallows payment of benefits on the date the disease was contracted but waives the standard three-day waiting period.
- Provides for deduction of the costs of payments for certain assessments from self-insured employers and self-insurance hospital groups; and
- Modifies the definition of "health care employee" from one who may have direct contact with certain persons, to having or likely having had such contact.

Section 1, 2 and 4: RCW 9A.50.010 further defines health care worker.

Section 3: Separations that occur on or after July 4, 2021, the claimant if is a health care employee who worked during a public health emergency and is unable to work due to being under quarantine or contracting the disease. RCW 50.20.050 amends to determine if a claimant shows good cause for voluntarily leaving work. The amendment further clarifies that the worker is providing direct care to patients or likely to have such contact.

Section 4 (iii): Adds that the claimant worked at a health care facility as defined in RCW 9A.050.010, was directly involved in delivery of health services and was terminated from work due to entering quarantine because of exposure to or contracting the disease that is the subject of the declaration of the public health emergency.

Section 5 (renumbered): (New) adds the conformity clause making this addition null and void if it conflicts with federal Unemployment Insurance (UI) requirements.

Section 6 (renumbered): (New) There is a presumption that the health care employee was exposed to the disease at the health care facility. The health care employee must provide verification as required to the department by rule that the employee has contracted or is in quarantine after exposure to the infectious or contagious disease that is the subject of the public health emergency. The presumption of occupational disease may be rebutted if there is clear and convincing evidence that exposure occurred from other employment or non-employment activities or the employee was working from the employee's home, on leave or some combination for a period of 14 or more consecutive days immediately prior to the employee's injury, occupational disease, or incapacity resulted from exposure to the disease. For purposes of RCW 51.32.090(7), 14 consecutive calendar days shall be 10 consecutive days (Total Temporary Disability under the Department of Labor and Industries). The following terms are defined: Health care employee, health care facility, contracted, and public health emergency.

Section 7(renumbered): adds (1)(c) establishing that the person or persons who brought the appeal must pay the

attorneys' fees and witness fees set forth in section 6 if the judgement is sustained.

Section 8 (renumbered): Adds new section to RCW 51.32 discussing ramifications of failure to pay court-ordered attorneys' fees and costs.

Section 9 (renumbered): This act is necessary for the immediate preservation of the public peace, health, or safety, or support of the state government and its existing public institutions and takes effect immediately.

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 .

Section 4: Provides that the employers of healthcare workers who quit due to positive results or quarantine order will not have an increased experience rating for this quit reason.

The UI Trust Funds impact is indeterminate. The department does not have the data needed to project the impact to the trust fund and employer experience rating.

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 2022	FY 2023	2021-23	2023-25	2025-27
119-2	Unemployment Compensation Administration Account	Federal	90,000	0	90,000	0	0
Total \$			90,000	0	90,000	0	0

III. B - Expenditures by Object Or Purpose

	FY 2022	FY 2023	2021-23	2023-25	2025-27
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services	90,000		90,000		
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 \$	90,000	0	90,000	0	0

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

N/A

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules .

This bill will require major rulemaking to amend the following WACs.

WAC 192-170-010 Availability for work

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

WAC 192-150-130 Worksite Safety

WAC 192-150-060 Leaving work because of disability - Notice to employer

WAC 192-320-070 What conditions apply for relief of benefit charges due to a voluntary quit?

WAC 192-320-075 Charges to separating employer

To implement this bill as amended, the Employment Security Department (ESD) will need to modify its Unemployment Tax and Benefits System (UTAB). This modification is required to:

- Allow for a new voluntary quit option for health care employees who were unable to work or terminated from work during a public health emergency due to being under quarantine or contracting the disease that is the subject of the public health emergency.
- Add a new qualification for health care employees who are able and available to perform and actively seeking suitable work that will commence after quarantine or which can be performed from the individual's home.
- Allow for the change in qualifying separations date.

In addition to the system changes outlined above:

- Rulemaking will be required to allow ESD to create an alternative test to meet "able and available" for health care employees during a public health emergency and the new voluntary quit reason
- Develop training materials and train staff on changes

Total FY22 Anticipated One-time Costs = \$90,000

1. Information Technology Services (IT)

IT system change costs will be incurred in both FY 21 and FY 22 and will be absorbed by the department. The work will begin May 1, 2021 and be completed September 1, 2021.

IT Contract Developer (320 hours @ \$190/hr.) to modify the UTAB system to add new voluntary quit reason, modify able and available requirements and allow redetermination of affected health care claims. (FY21 = .08 FTE; \$30,400) + (FY22 = .08 FTE; \$30,400) Total FY21 and FY22 = \$60,800.

IT Business Analyst-Journey to test system changes made. (FY21 = .08 FTE; \$12,371) + (FY22 = .08 FTE; \$12,371) Total FY21 and FY22 = \$24,742

Total IT system change costs: \$85,542 (FY21 = .16 FTE; \$42,771 + FY22 .16 FTE; \$42,771. Since the costs for FY22 are less than 0.10 FTE, this is excluded from the cost estimate.)

Unemployment Insurance Customer Support (UICS)

In the original analysis of SB 5190, ESD assumed that all employees under Health Services, Ambulatory Health Care Services, Hospitals and Nursing/Residential Care Facilities may be affected by the new bill. The amended bill limits these benefits to direct care workers. Each separated claimant from North American Industry Classification System (NAICS) code 65621000, 65622000, or 65623000 will require fact finding by UICS staff to determine whether:

- The claimant provided direct care to patients.
- The separation reason was due to quarantine or contagion; and
- Documentation or proof provided by claimants meets requirements.

UICS estimates that, for claimants in the affected NAICS industries, the time for additional fact finding and adjudication will increase approximately 15 minutes per claim. However, the total cost is

indeterminate at this time because the department cannot predict the number of eligible claimants affected by the current and/or future public health emergencies.

2. Staff Training

UICS assumes that provisions of the bill will be incorporated into future training modules concerning able and available and voluntary quits and these provisions will be part of ongoing refresher training and training for new adjudicators. These are ongoing normal training expenses covered within existing training resources.

3. Conduct Major Rulemaking

This bill will require major rulemaking to amend the following RCWs and WACs.

- WAC 192-170-010-Availability for Work
- WAC 192-150-055 Leaving work because of illness or disability—General rules and definitions
- WAC 192-150-130 Worksite Safety
- WAC 192-150-060 Leaving work because of disability—Notice to employer
- WAC 192-320-070 What conditions apply for relief of benefit charges due to a voluntary quit?
- WAC 192-320-075 Charges to the separating employer

Total FY 22 One-time Cost for Rule Making: \$90,000

4. The impact to the UI trust fund is indeterminate and will depend on the number of claims identified during the review process.

The total one-time cost to implement this bill is \$90,000.