

Multiple Agency Fiscal Note Summary

Bill Number: 1122 HB	Title: WMS bargaining
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Estimated Cash Receipts

NONE

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of Financial Management	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Public Employment Relations Commission	.5	0	0	156,290	.4	0	0	116,466	.4	0	0	116,466
Total \$	0.5	0	0	156,290	0.4	0	0	116,466	0.4	0	0	116,466

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Financial Management	.0	0	0	.0	0	0	.0	0	0
Public Employment Relations Commission	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

NONE

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Individual State Agency Fiscal Note

Bill Number: 1122 HB	Title: WMS bargaining	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:

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

Estimated Capital Budget Impact:

NONE

The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Meghan Arbuckle	Phone: 360-786-7144	Date: 01/06/2023
Agency Preparation: Keith Thunstedt	Phone: 360-810-1271	Date: 01/11/2023
Agency Approval: Kathy Cody	Phone: (360) 480-7237	Date: 01/11/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/12/2023

Part II: Narrative Explanation

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

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

Sections 1 and 2 establish that WMS employees are no longer exempt from bargaining. This makes it possible for WMS employees to organize and become part of bargaining units that have rights to full scope bargaining over wages, hours, and working conditions. This change will impact some of the exempt aspects of their employment.

There are 5,030 WMS employees as of September 30, 2022, constituting 7.6% of the state workforce. Whether WMS employees organize and be recognized into bargaining units is unknown. There is an indeterminate expenditure impact at this time.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

There are 5,030 WMS employees as of September 30, 2022, constituting 7.6% of the state workforce. Whether WMS employees organize and be recognized into bargaining units is unknown. Additionally, there is an unknown potential impact on all agencies who have WMS employees and who rely on those same employees as high-level decision makers who participate in the collective bargaining process.

Depending on if this bill becomes enacted, the main workload for OFM State Human Resources (SHR) will occur when/if there are actual bargaining units developed, which could take a year or two before impacts are determined. At that time, the workload would increase dramatically and require an unknown number of additional SHR labor negotiators and analyst staff.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

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

III. B - Expenditures by Object Or Purpose

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

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals 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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1122 HB	Title: WMS bargaining	Agency: 275-Public Employment Relations Commission
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.6	0.4	0.5	0.4	0.4
Account					
Personnel Service Account-State 415-1	98,057	58,233	156,290	116,466	116,466
Total \$	98,057	58,233	156,290	116,466	116,466

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.

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Agency Preparation: Dario de la Rosa	Phone: 360-570-7328	Date: 01/11/2023
Agency Approval: Dario de la Rosa	Phone: 360-570-7328	Date: 01/11/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 01/11/2023

Part II: Narrative Explanation

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

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

The Personnel Reform Act of 2002, chapter 41.80 RCW, grants collective bargaining rights to state civil service employees. Under the provisions of RCW 41.80.005(6) employees who are eligible to exercise collective bargaining rights under the chapter include employees who are covered by the state civil service law, chapter 41.06 RCW, as well as the assistant attorney generals of the office of the attorney general and administrative law judges of the office of administrative hearings. RCW 41.80.005(6) specifically preclude members of the Washington Management Service (WMS employees) from exercising collective bargaining rights.

House Bill 1122 grants WMS employees collective bargaining rights under chapter 41.80 RCW. There are approximately 5040 WMS employees employed by the various state agencies who would be eligible for collective bargaining rights.

The Public Employment Relations Commission (PERC) is responsible for crafting appropriate bargaining for WMS employees under the standards set in RCW 41.80.070. A bargaining unit is appropriate if the employees included in the bargaining unit share a community of interest, such as common duties, skills and working conditions, lines of supervision. WMS employees work in conjunction with state civil employees to carry out the missions of their respective agencies. WMS employees could potentially be organized into stand-alone bargaining units consisting of just WMS employees. However, nothing in HB 1122 or RCW 41.80.070 would preclude WMS employees from being included in existing bargaining units of supervisory or nonsupervisory bargaining units of civil service employees. The possibility exists that WMS employees could be added to existing civil service employee bargaining units under PERC's unit determination standards.

In the event PERC determines that a petitioned-for bargaining unit configuration is appropriate, PERC will conduct an election or card check to ascertain whether the employees in the proposed bargaining unit desire union representation under the representation processes administered by the agency.

WMS employees bargain under the same processes as other state civil service employees. In the event WMS employees and their employer are unable to reach agreement on a collective bargaining agreement, then the parties may request mediation through PERC's mediation services or use a non-binding fact finding process.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

WMS employees are a new group of employees who have not previously enjoyed collective bargaining rights. PERC anticipates that WMS employees will exercise collective bargaining rights starting FY 2024. PERC anticipates that its services will be utilized by this group of employees at the same rate as other state civil service employees, including:

- representation cases to determine the appropriate bargaining units for WMS employees;
- mediation cases to assist the parties in resolving mandatory subjects of bargaining; and
- unfair labor practice cases to determine if a subject of bargaining is mandatory in nature.

A PERC Labor Relations Adjudicator Mediator 2 (Range 73) typically processes approximately 75 cases per year. PERC

anticipates that it will need a .5 Labor Relations Adjudicator Mediator 2 and a .1 one Legal Assistant 3 (range 44) to manage the additional workload generated by HB 1122 for FY24. PERC anticipates that it will need .3 Labor Relations Adjudicator Mediator 2 and a .1 Legal Assistant 3 to manage the additional workload for each subsequent year.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
415-1	Personnel Service Account	State	98,057	58,233	156,290	116,466	116,466
Total \$			98,057	58,233	156,290	116,466	116,466

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.6	0.4	0.5	0.4	0.4
A-Salaries and Wages	62,767	39,895	102,662	79,790	79,790
B-Employee Benefits	19,790	12,838	32,628	25,676	25,676
C-Professional Service Contracts					
E-Goods and Other Services	2,000	2,000	4,000	4,000	4,000
G-Travel	3,500	3,500	7,000	7,000	7,000
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 \$	98,057	58,233	156,290	116,466	116,466

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 2024	FY 2025	2023-25	2025-27	2027-29
Labor Relations Adjudicator Mediator 2	114,360	0.5	0.3	0.4	0.3	0.3
Legal Assistant 3	55,872	0.1	0.1	0.1	0.1	0.1
Total FTEs		0.6	0.4	0.5	0.4	0.4

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

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

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

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.