

Individual State Agency Fiscal Note

Bill Number: 5156 SB	Title: Farm internship program	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 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.1	1.1	1.1	1.9	2.1
Account					
Accident Account-State 608-1	116,000	100,000	216,000	342,000	388,000
Medical Aid Account-State 609-1	20,000	17,000	37,000	59,000	68,000
Total \$	136,000	117,000	253,000	401,000	456,000

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: Delika Steele	Phone: 3607867486	Date: 01/06/2023
Agency Preparation: Jenifer Colley	Phone: (360) 902-6983	Date: 01/11/2023
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 01/11/2023
OFM Review: Anna Minor	Phone: (360) 790-2951	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.

See attached

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.

See attached

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.

See Attached.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
608-1	Accident Account	State	116,000	100,000	216,000	342,000	388,000
609-1	Medical Aid Account	State	20,000	17,000	37,000	59,000	68,000
Total \$			136,000	117,000	253,000	401,000	456,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.1	1.1	1.1	1.9	2.1
A-Salaries and Wages	74,000	74,000	148,000	253,000	288,000
B-Employee Benefits	29,000	29,000	58,000	99,000	112,000
C-Professional Service Contracts					
E-Goods and Other Services	20,000	11,000	31,000	38,000	44,000
G-Travel	3,000	3,000	6,000	11,000	12,000
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 \$	136,000	117,000	253,000	401,000	456,000

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 2024	FY 2025	2023-25	2025-27	2027-29
Fiscal Analyst 5	71,520	0.1	0.1	0.1	0.1	0.1
Industrial Relations 2	66,420				0.8	1.0
Industrial Relations 3	69,756	1.0	1.0	1.0	1.0	1.0
Total FTEs		1.1	1.1	1.1	1.9	2.1

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

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.

See attached

Part II: Explanation

This bill expands the farm internship program from a pilot project to a permanent program statewide; amends RCW 49.12.471; creates a new section 3, which declares an emergency and an immediate effective date.

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

Section 2

- Subsection (1) removes language regarding the pilot project and extends the farm internship to all counties.
- Subsection (10) removes the term “pilot”
- Subsection (11) (c) (ii) reduces the IRS schedule F of form 1040 “small farm” consideration threshold from *less than \$250,000 in annual sales* to *\$65,000*. The reduction in threshold will narrow the amount of farms that are eligible for the program.
- Subsection (13) removes the pilot program expiration date of 12/31/2025.

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.

There were approximately 24,000 hours of work reported in the three Farm Internship classes (4814, 4815, & 4816) in Fiscal Year 2019, equivalent to about 12.5 FTEs”. Since then the hours in these classes have almost halved, i.e., for FYE 2022 to less than 14,000 hours (~7 FTEs).

The fiscal impact on the State Fund would remain minimal (even with expansion statewide).

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.

Staffing

2.0 FTEs are required to implement this bill. One position was provided as an Industrial Relations 2 project position for this program, as a pilot, funded through December 31, 2025. This request includes funding for this position to become permanent starting January 1, 2026. The second position needed is an Industrial Relations 3 (bilingual), permanent, to function as a lead worker. Duties for both positions include enforcing 49.12.470; certifying farms within 15 days of application and re-certifying yearly; travel statewide to monitor and evaluate farm internships; and follow up with interns and the farmers.

Workforce Assumptions

- The anticipated number of impacted farms by expanding the farm internship program to all counties statewide and reducing the threshold amount reported to the IRS as income to be considered a small farm is approximately 30,229 per year, per the 2017 United States Department of Agriculture Census of Agriculture.
- Participation rate of 1.38% of the available farms will participate (considering their annual profits of less than \$65,000). Each farm can have up to 3 interns. There is an estimated 417 eligible small farms to participate in the farm internship program. 1 FTE could handle 250 applications per year.
- $30,229 \times 1.38\% = 417$ small farms eligible to participate in the farm internship program/ 250 applications per FTE = 1.66 FTE to work on certifying eligible farms.

Printing & Mailing

\$3,286 is needed for printing and translation costs for:

- Farm Internship Flyer - \$1,117 for 2,000 copies
- Farm Internships: Tech Farming from the Group Up Form - \$1,092 for 2,000 copies
- Farm Internship Application - \$1,077 for 2,000 copies

Indirect Costs

The amount included in this fiscal note for indirect is:

Fund Name		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
608	Accident	6,000	6,000	8,000	10,000	10,000	10,000
609	Medical Aid	1,000	1,000	2,000	3,000	3,000	3,000
	Total:	\$7,000	\$7,000	\$10,000	\$13,000	\$13,000	\$13,000

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).

This bill has an emergency clause and resources may be needed prior to the beginning of the 23-25 Biennium.

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

This legislation would result in rule changes to:

- WAC 296-17-310-14