

Multiple Agency Fiscal Note Summary

Bill Number: 1307 HB	Title: Physician bargaining
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Washington State University	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	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
University of Washington	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Washington State University	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Total \$	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
University of Washington	.0	0	0	.0	0	0	.0	0	0
Washington State University	.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

Prepared by: Ramona Nabors, OFM	Phone: (360) 742-8948	Date Published: Final
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Individual State Agency Fiscal Note

Bill Number: 1307 HB	Title: Physician bargaining	Agency: 360-University of Washington
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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: Trudes Tango	Phone: 360-786-7384	Date: 01/18/2023
Agency Preparation: Charlotte Shannon	Phone: 2066858868	Date: 01/23/2023
Agency Approval: Charlotte Shannon	Phone: 2066858868	Date: 01/23/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 01/25/2023

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.

HB 1307 seeks to create an effective and adequate alternative means of settling disputes in order to promote the uninterrupted performance of medical services at medical schools operated by institutions of higher education.

Section 1 would amend RCW 41.56.513 to apply the bill to resident and fellow physicians at medical schools operated by institutions of higher education.

Section 2 establishes legislative intent for section 3.

Section 3 would grant binding interest arbitration rights to resident and fellow physicians employed by the University of Washington who have a right to collective bargaining under RCW 41.56.513. This would impact the UW by requiring binding interest arbitration for residents and fellow physicians currently represented by the Resident and Fellow Physician Union (RFPU – Northwest) to resolve labor contract negotiations in every odd-numbered year.

Section 4 would require negotiations for a collective bargaining agreement to occur on dates and at times, such as weekends and evenings, that least conflict with the working hours of the bargaining representatives who are resident and fellow physicians.

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.

SECTION 3

This section would have indeterminate costs that are estimated to be greater than \$100,000 per fiscal year. Cost estimates include both the cost of interest arbitration itself and the cost of potential impacts as a result of interest arbitration awards. As such, the estimate of expenditure is ultimately indeterminate because:

In every even-numbered fiscal year, the UWHR Compensation Office hires an outside consulting firm to collect salary information on residents and fellow physicians and assist in the preparation for collective bargaining for RFPU – Northwest. If interest arbitration led to a need to update the data in an odd-numbered fiscal year, it would incur costs in terms of UW staff time, as well as fees for the outside consulting firm to re-run the custom salary survey and prepare the data for collective bargaining.

The bill requires the UW's and the union's bargaining representative to attempt to agree on an interest arbitration panel every odd-numbered year. However, the current negotiations and contract cycle run every three years. If the intent of the bill is to modify the bargaining cycle, there will be increased staffing costs for UW's bargaining team members (e.g., UW Labor Relations and Graduate Medical Education) associated with more frequent bargaining.

There are potentially large but indeterminate costs resulting from arbitration awards, as they can escalate salaries beyond what they might be otherwise.

The details of the indeterminate costs are listed below by topic area.

ARBITRATION HEARING COSTS – Approximately \$27,300 for one ten-day arbitration hearing.

The UW assumes based on recent experience a ten-day arbitration hearing with the following costs:

Attorney fees: \$6,650

UW's share of Arbitrator's Fees/Expenses for Research & Reporting: \$1,500 per arbitrator per day. Total cost for one arbitrator for ten days: \$15,000

Room rental: \$65 per day. Total room rental cost for ten days: \$650

Court reporter: \$5,000

There could also be incremental costs for additional hearing days as necessary, at \$1,500 per arbitrator and at \$65 for room rental fees per day for UW. Additional days cannot be accurately predicted, so they are not included in our calculations.

ARBITRATION AWARDS – Highly variable but potentially significant costs

In addition to direct arbitration costs, there are potentially large but indeterminate costs resulting from arbitration awards, as they can escalate salaries beyond what they might have been otherwise. As it is not possible to estimate the costs resulting from these potential awards, we are not including these estimates in our fiscal note response. However, in the case this occurs there would be additional fiscal implications for UW. Costs associated with determining salaries, however, are outlined below.

CONSULTING FIRM FEES AND UW HR STAFF COSTS - Approximately \$230,763

As mentioned above, interest arbitration could lead to the UW needing to update its salary information on residents and fellow physicians in years when it wouldn't otherwise be necessary. As this information is currently gathered every other fiscal year, the first time this cost could occur when it hadn't been previously required would be FY 2025. It is estimated that it would take 0.3 total FTE of UWHR Compensation staff time (annual salary: \$95,000; benefits rate: 31.8%) to collect the required salary information. In addition, it would cost approximately \$100,000 for an outside consulting firm to re-run the custom salary survey and prepare the data for collective bargaining. Therefore, the breakdown of the potential costs associated with the data collection and preparation for bargaining is as follows, in FY25 and every other fiscal year thereafter:

UWHR Compensation staff salary: \$28,500

UWHR Compensation staff benefits: \$9,063

Consulting firm fees: \$100,000

Additionally, it is estimated that responding to union requests for information, preparing materials for interest arbitration hearings, and attending interest arbitration sessions would take 0.25 FTE of UWHR Labor Relation Specialist staff time (annual salary: \$75,000; benefits rate of 31.8%) and 0.25 FTE of UWHR Labor Relations Negotiator staff time (annual salary: \$125,000; benefits rate of 31.8%) in FY 25, and every other fiscal year thereafter:

UWHR Labor Relations Specialist salary and benefits: \$22,500; \$7,155

UWHR Labor Relations Negotiation salary and benefits: \$37,500; \$11,925

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: 1307 HB	Title: Physician bargaining	Agency: 365-Washington State University
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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:

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: Trudes Tango	Phone: 360-786-7384	Date: 01/18/2023
Agency Preparation: Emily Green	Phone: 5093359681	Date: 01/23/2023
Agency Approval: Chris Jones	Phone: 509-335-9682	Date: 01/23/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 01/25/2023

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.

HB 1307 – Physicians Bargaining relates to collective bargaining for resident and fellow physicians employed by institutions of higher education. The purpose of this bill is to provide uninterrupted medical services to patients of the medical school and associated facilities and conduct labor negotiations during dates/times that least conflict with working hours.

Section 1 of this bill amends RCW 41.56.513 to add applicability to postdoctoral employees and the resident and fellow physicians at medical schools operated by institutions of higher education.

Section 2 states the intent of this legislation is to find effective and adequate means other than strikes to settle labor disputes between institutions of higher education and physician collective bargaining units.

Section 3 of this bill outlines arbitration mechanisms and rules and makes these mechanism only applicable to the resident and fellow physicians employed by medical schools operated by intuitions of higher education who have the right to collective bargaining.

Section 4 of this bill amends RCW chapter 41.56 to make provisions in this bill applicable only to the resident and fellow physicians employed by institutions of higher education who have the right to collective bargaining pursuant to RCW 41.56.513.21.

This bill would have an indeterminate fiscal impact to WSU. Currently, there are no physician bargaining units at WSU. However, if this were to change WSU estimates that any staff work related to any arbitration proceedings could exceed \$50,000.

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.

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.