

Multiple Agency Fiscal Note Summary

Bill Number: 1437 HB	Title: Interstate massage compact
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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
Department of Health	0	0	4,000	0	0	20,000	0	0	37,000
Total \$	0	0	4,000	0	0	20,000	0	0	37,000

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts	No fiscal impact					
Loc School dist-SPI						
Local Gov. Other						
Local Gov. Total						

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
Administrative Office of the Courts	.0	0	0	0	.0	0	0	0	.0	0	0	0
Washington State Patrol	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Health	.2	0	0	65,000	.1	0	0	10,000	.1	0	0	18,000
Total \$	0.2	0	0	65,000	0.1	0	0	10,000	0.1	0	0	18,000

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	No fiscal impact								
Loc School dist-SPI									
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Administrative Office of the Courts	.0	0	0	.0	0	0	.0	0	0
Washington State Patrol	.0	0	0	.0	0	0	.0	0	0
Department of Health	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	No fiscal impact								
Loc School dist-SPI									
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

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Prepared by: Breann Boggs, OFM	Phone: (360) 485-5716	Date Published: Final
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Judicial Impact Fiscal Note

Bill Number: 1437 HB	Title: Interstate massage compact	Agency: 055-Administrative Office of the Courts
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

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 for 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.

Legislative Contact: Jim Morishima	Phone: 360-786-7191	Date: 01/19/2023
Agency Preparation: Jackie Bailey-Johnson	Phone: 360-704-5545	Date: 01/24/2023
Agency Approval: Chris Stanley	Phone: 360-357-2406	Date: 01/24/2023
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 01/24/2023

179,310.00

Form FN (Rev 1/00)

Request # 65-1

Bill # 1437 HB

Part II: Narrative Explanation

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

The bill adds a new chapter in Title 18 RCW to create a multistate massage therapy compact between state governments.

II. B - Cash Receipts Impact

None

II. C - Expenditures

No fiscal impact is expected to the Administrative Office of the Courts or the courts.

The bill would allow member states to establish regulatory framework for a new multistate licensing program for massage therapy services

Part III: Expenditure Detail

III. A - Expenditure By Object or Purpose (State)

NONE

III. B - Expenditure By Object or Purpose (County)

NONE

III. C - Expenditure By Object or Purpose (City)

NONE

III. D - FTE Detail

NONE

III. E - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B1 - Expenditures by Object Or Purpose (State)

NONE

IV. B2 - Expenditures by Object Or Purpose (County)

NONE

IV. B3 - Expenditures by Object Or Purpose (City)

NONE

IV. C - Capital Budget Breakout

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

NONE

179,310.00

Form FN (Rev 1/00)

Individual State Agency Fiscal Note

Bill Number: 1437 HB	Title: Interstate massage compact	Agency: 225-Washington State Patrol
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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: Jim Morishima	Phone: 360-786-7191	Date: 01/19/2023
Agency Preparation: Michael Middleton	Phone: (360) 596-4072	Date: 01/23/2023
Agency Approval: Mario Buono	Phone: (360) 596-4046	Date: 01/23/2023
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 01/23/2023

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.

There is no fiscal impact to the Washington State Patrol (WSP).

In new Section 3(1)(e), a state must implement procedures for requiring the background check of applicants for a multistate license.

In new Section 4(1)(d), to qualify for a multistate license under this compact, and to maintain eligibility for such a license, an applicant must submit to a background check.

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.

None

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.

We act as a service provider to clients requesting background checks on applicants seeking operating licenses or other determinations of employment eligibility. Based on input provided by the Department of Health, there is no anticipated increase to the annual number of background checks expected as a result of this bill.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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: 1437 HB	Title: Interstate massage compact	Agency: 303-Department of Health
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Health Professions Account-State 02G-1		4,000	4,000	20,000	37,000
Total \$		4,000	4,000	20,000	37,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	0.1	0.2	0.1	0.1
Account					
Health Professions Account-State 02G-1	32,000	33,000	65,000	10,000	18,000
Total \$	32,000	33,000	65,000	10,000	18,000

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: Jim Morishima	Phone: 360-786-7191	Date: 01/19/2023
Agency Preparation: Donna Compton	Phone: 360-236-4538	Date: 01/30/2023
Agency Approval: Kristin Bettridge	Phone: 3607911657	Date: 01/30/2023
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 01/31/2023

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.

Section 3: Adds a new section in Title 18 RCW for the massage therapist compact act to align with Washington State licensure requirements with the compact.

Section 3(1)(e): Adds that a licensed massage therapist who holds a home state license and has the privilege to work in another member state needs to complete FBI background checks.

Section 3(1)(g): Requires the department participate in the data system.

Section 3(1)(h): Requires the department to notify the interstate massage compact commission (commission) and other member states of any disciplinary action on any licensee practicing under a multistate license.

Section 6: Allows investigation and enforcement activities against non-Washington compact practitioners treating Washington residents.

Note: Each applicant who is a member of this compact will get two credentials (a home state license and a multistate license allowing practice in all other member states). No states have adopted the compact. The compact is not effective until seven states have adopted it.

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.

Section 3: Current law, RCW 43.70.250, requires that health professions be fully self-supporting and that sufficient revenue collected through fees fund expenditures in the Health Professions Account. The calculation of specific fees will happen during rulemaking and a fee proposal presented as part of the rules package. For the purpose of this fiscal note, a license fee is estimated between \$40 and \$60 to cover the regulation of licensed massage therapists from out-of-state who request a compact privilege in Washington state. During the rulemaking process, a fee study will be prepared with proposed fees and provided for stakeholder input. The department will monitor the fund balance and will adjust fees over a six (6) year period to ensure that fees are sufficient to cover all program expenditures. Revenue collection will start July 1, 2025.

In calendar year 2022, the department received 631 applications and of those 14% were from out-of-state applicants. Based on this information, the department estimates 86 compact applications each fiscal year starting in FY 2025. Additionally, the department anticipates compact licensees will renew at the program's current 93% renewal rate.

There is no fee authority in the bill for renewals, however the department assumes existing fee authority will be used to set an annual renewal fee.

Estimated revenue for massage therapists (out-of-state requesting privilege)

FY 2025 - \$4,000 (86 applications)

FY 2026 - \$8,000 (86 applications and 80 renewals)

FY 2027 - \$12,000 (86 applications and 154 renewals)

FY 2028 - \$15,000 (86 applications and 224 renewals)

FY 2029 - \$22,000 (86 applications and 288 renewals)

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.

Rulemaking

Section 3: The department will develop and adopt rules to establish the interstate massage compact program. The department anticipates utilizing a team of subject matter experts to implement this bill. This team will consist of the program manager and a community engagement specialist to identify underreached communities and engage them in the rulemaking process. This process will include two meetings with interested parties as well as one formal rules hearing, all held virtually, and will take approximately 12 months to complete. The department anticipates providing the rules hearing announcement and materials in both English and Spanish and providing ASL and Spanish interpretation services at the rules hearing.

Costs include staff, associated expenses (including goods and services, travel, intra-agency, and indirect charges), and Office of Attorney General support in the amount of \$5,000.

FY 2024 one-time costs will be 0.2 FTE and \$30,000 (02G)

Health Technology Solutions (HTS)

Section 3: HTS staff (\$8,000) will be required to develop a new application and create a new credential in the Healthcare Enforcement and Licensing Modernization Solution (HELMS) for a massage therapist compact license. HTS work will include the creation of a new credential, creation of a new application, and support. Configuration in HELMS will require 96 additional hours from the integration vendor at a rate of \$262.50 per hour for a total of \$25,000.

FY 2025, costs will 0.1 FTE and \$33,000 (02G)

Office of Customer Service (OCS)

Section 3: The department will develop a process to convert home state licenses into a privilege credential when a new home state license has been issued and convert a privilege credential into a home state license when the licensed professional counselor changes primary state. This process will increase workload in the Credentialing section. New application forms for a privilege credential will be created in both electronic and paper forms. Those forms will be developed and tested, along with use case development.

In FY24 costs will be \$2,000 (02G).

FBI Background Check

This bill requires all new massage therapist license applicants to obtain fingerprints through an FBI background check at initial licensure. Residents that apply for the Washington state license are currently not subject to the FBI background check. Per section 3, the department assumes FBI background checks will be performed on all multistate applicants. The department assumes no increase in FBI background check workload.

Office of Investigations and Legal Services (OILS)

Section 6: The department assumes 86 full-time equivalent massage therapists licensed through the compact from other

states.

Based on the current complaint rate for Washington-licensed mental health counselors of 2.0%, the department assumes it will receive 2 (86 x 2%) new complaints annually. The department estimates these complaints will result in no additional discipline cases in the first year and 1 case each year thereafter. The complaint response process includes five steps: 1) intake, 2) assessment, 3) investigation, 4) case disposition, and 5) adjudication. Staff review the complaint, identify the history of the person complained about, and help assess whether an investigation is needed. In more than half the cases, investigation is needed. The investigator obtains information about the complaint and the respondent and prepares a report detailing the findings. After investigation, the disciplining authority decides whether to pursue legal action. Staff attorneys, paralegals, assistant attorney general and other staff work to develop the legal documents and charge the violation. Most cases are settled, and the staff attorney manages that process. If the respondent asks for a hearing, staff must schedule the hearing, and the health law judge considers all legal motions, presides over the hearing, and drafts the final order. Also, the Office of the Attorney General will represent the department at hearing and may provide advice throughout the disciplinary process. Cost estimates for the complaint response process associated with this bill were calculated using the department's Disciplinary Workload Model. Estimated discipline costs include staff, associated costs (goods and services, intra-agency and indirect charges).

In FY 2027 and ongoing, costs are 0.1 FTE and \$8,000 (02G).

Data Sharing

Section 3: This bill would require the department to share licensing data with the counseling compact commission. This requires a new data export to be created, monitored, and managed.

In FY 2026 and ongoing, costs are \$1,000 (02G).

TOTAL COSTS TO IMPLEMENT THIS BILL:

FY 2024: 0.2 FTE and \$32,000 (02G)

FY 2025: 0.1 FTE and \$33,000 (02G)

FY 2026: \$1,000 (02G)

FY 2027 and ongoing: 0.1 FTE and \$9,000 (02G)

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
02G-1	Health Professions Account	State	32,000	33,000	65,000	10,000	18,000
Total \$			32,000	33,000	65,000	10,000	18,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29	
FTE Staff Years	0.2	0.1	0.2	0.1	0.1	
A-Salaries and Wages	17,000	6,000	23,000	7,000	12,000	
B-Employee Benefits	7,000	1,000	8,000	2,000	4,000	
C-Professional Service Contracts	1,000	25,000	26,000			
E-Goods and Other Services	5,000	1,000	6,000	1,000	2,000	
J-Capital Outlays	1,000		1,000			
T-Intra-Agency Reimbursements	1,000		1,000			
Total \$		32,000	33,000	65,000	10,000	18,000

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
HEALTH SERVICES CONSULTANT 4	82,896	0.1	0.1	0.1	0.1	0.1
MANAGEMENT ANALYST 4	82,896	0.1		0.1		
Total FTEs		0.2	0.1	0.2	0.1	0.1

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.

Section 3: The department will adopt rules in Title 246.830 (Massage Therapists) as necessary to implement this bill.