

Multiple Agency Fiscal Note Summary

Bill Number: 1458 HB	Title: Apprenticeship programs/UI
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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
Employment Security Department	0	0	(27,784,718)	0	0	(27,784,718)	0	0	(27,784,718)
Total \$	0	0	(27,784,718)	0	0	(27,784,718)	0	0	(27,784,718)

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 Administrative Hearings	.0	0	0	0	.0	0	0	0	.0	0	0	0
Employment Security Department	.5	0	0	191,089	.0	0	0	0	.0	0	0	0
Total \$	0.5	0	0	191,089	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
Office of Administrative Hearings	.0	0	0	.0	0	0	.0	0	0
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: Final
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Individual State Agency Fiscal Note

Bill Number: 1458 HB	Title: Apprenticeship programs/UI	Agency: 110-Office of Administrative Hearings
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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: Kelly Leonard	Phone: 360-786-7147	Date: 01/30/2023
Agency Preparation: Pete Boeckel	Phone: 360-407-2730	Date: 02/02/2023
Agency Approval: Deborah Feinstein	Phone: 360-407-2717	Date: 02/02/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/02/2023

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.

No fiscal impact.

This bill waves the waiting period for those who left work for an apprenticeship. It does not impact qualifications or eligibility for benefits and will not generate new appeals.

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.

None.

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: 1458 HB	Title: Apprenticeship programs/UI	Agency: 540-Employment Security Department
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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
Unemployment Compensation Administration Account-Federal 119-2	(13,892,359)	(13,892,359)	(27,784,718)	(27,784,718)	(27,784,718)
Total \$	(13,892,359)	(13,892,359)	(27,784,718)	(27,784,718)	(27,784,718)

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.9	0.0	0.5	0.0	0.0
Account					
Unemployment Compensation Administration Account-Federal 119-2	191,089	0	191,089	0	0
Total \$	191,089	0	191,089	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: Kelly Leonard	Phone: 360-786-7147	Date: 01/30/2023
Agency Preparation: Daniel Hare	Phone: 360 902-9422	Date: 02/02/2023
Agency Approval: Lisa Henderson	Phone: 360-902-9291	Date: 02/02/2023
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 02/03/2023

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 1458 waives the waiting week for a claimant who left work to enter an apprenticeship program or who is currently enrolled in an apprenticeship program and stopped working for a participating employer to attend a required training. This bill also requires Employment Security to convene a work group and produce a report identifying and addressing barriers faced by claimants who are eligible for benefits and are participating in an apprenticeship program.

Sec. 1 Waives the waiting week for claimants participating in apprenticeship programs.

Sec. 2 Requires Employment Security to convene a work group to identify and address legal and procedural barriers to timely receiving benefits faced by eligible claimants participating in apprenticeship programs. The work group must include representatives of apprenticeship programs, Employment Security staff, and other appropriate stakeholders. The work group must submit a report to the governor and legislature by December 1, 2023.

Sec. 3 Federal conformity clause, which effectively voids the waiver of the waiting week in Sec 1.

Sec. 4 Effective date information.

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.

The waiting week is a federal requirement for certain federal funding. By requiring that all claimants wait one week before receiving benefits, Employment Security is qualified to receive a 50% match of federal funding for claimants' first week of extended benefits. Extended benefits are paid during times of high unemployment rates. If the waiting week requirement were waived for apprentices, Employment Security would lose this 50% federal match for ALL claimants. This would be a substantial loss of funding. Extended benefits were paid during the COVID-19 pandemic, and Employment Security is using that time period to estimate the federal funding that would be lost under this bill. For the first week of extended benefits paid during the period of May 30, 2020, to September 11, 2021, 50% of the benefits equaled \$18,523,145.50. This amount represents the federal funding that would be lost if the waiting week were waived for apprenticeship claimants. Employment Security would have to pay this amount out of the trust fund if the federal funding is lost.

In the Timeframe from May 30th, 2020 through September 11th, 2021, the amount of federal funding lost for the first week of extended benefits totaled \$18,523,145.50. That amount equals \$1,157,696.60 per month (\$18,523,145.50/16 months). Using that methodology, the amount of federal funding we anticipate losing each fiscal year is \$13,892,359 (\$1,167,696.60/month * 12 months).

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.

One Time costs incurred during FY2024

Section 1: Waiving waiting week

Information Technology (IT): This section will require IT staff to update Employment Security's systems to ensure that apprentices will not have to wait a week before receiving benefits. The process will be automated, so it should not significantly impact operations workflows. The implementation of Section 1 will require the following staff and contracted

resources:

- 1 Business Analyst-Journey to gather detailed scope/requirements of the work desired by leading discussions with stakeholders and capturing their input and needs -- 240 hours = .1FTE totaling \$16,258
- 1 Management Analyst 3 to test processes and deliverables to ensure they align with business need -- 480 hours = .2 FTE totaling \$24,237
- 1 Management Analyst 3 to test processes and deliverables to ensure they align with business need -- 480 hours = .2 FTE totaling \$24,237
- Fast Contract to code and configure changes -- 160 hours * \$210/hr. = \$33,600

Total Section 1 costs = \$98,332 (\$16,258 + \$24,237 + \$24,237 + \$33,600)

Section 2: Requiring a work group and report Work Group in the Employment System Policy & Integrity Division (ESPI)
The implementation of Section 2 will require the following staff:

The work group will consist of several staff members and will meet twice per month from May to November 2023. This cost will be absorbed by ESD with existing resources.

1 TPS3 to attend meetings and write report – 80 hours/month = .4 FTE totaling \$62,757

Total section 2 costs = \$62,757

There will be Minor Rulemaking costing \$30,000 in FY24.

Total One-time costs during FY24 = \$191,089 (\$98,332 + \$62,757 + \$30,000)

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
119-2	Unemployment Compensation Administration Account	Federal	191,089	0	191,089	0	0
Total \$			191,089	0	191,089	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.9		0.5		
A-Salaries and Wages	68,065		68,065		
B-Employee Benefits	27,226		27,226		
C-Professional Service Contracts	33,600		33,600		
E-Goods and Other Services	43,635		43,635		
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	18,563		18,563		
9-					
Total \$	191,089	0	191,089	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*

Job Classification	Salary	FY 2024	FY 2025	2023-25	2025-27	2027-29
Information Technology BUSINESS ANALYST - JOURNEY	86,268	0.1		0.1		
Management Analyst 3	61,632	0.4		0.2		
Tax Policy Specialist 3	82,896	0.4		0.2		
Total FTEs		0.9		0.5		0.0

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

N/A

Part V: New Rule Making Required

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

Implementation of this bill will require minor rulemaking for in the following Sections:

- Section 1 will require Employment Security to update two rules, WAC 192-110-005 (Applying for unemployment benefits-General) and WAC 192-110-006 (Waiving the week requirement when the first week of unemployment benefits are federally funded), to include an exception from the waiting week for claimants participating in an apprenticeship program.