

Multiple Agency Fiscal Note Summary

Bill Number: 1516 HB	Title: Lunar new year
-----------------------------	------------------------------

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	.0	0	0	0	.0	0	0	0	.0	0	0	0
SWF Statewide Fiscal Note - OFM	.0	4,357,000	4,357,000	5,773,000	.0	4,358,000	4,358,000	5,774,000	.0	4,358,000	4,358,000	5,774,000
Total \$	0.0	4,357,000	4,357,000	5,773,000	0.0	4,358,000	4,358,000	5,774,000	0.0	4,358,000	4,358,000	5,774,000

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

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
SWF Statewide Fiscal Note - OFM	.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									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

NONE

Prepared by: Marcus Ehrlander, OFM	Phone: (360) 489-4327	Date Published: Final 2/9/2023
---	---------------------------------	--

Individual State Agency Fiscal Note

Bill Number: 1516 HB	Title: Lunar new year	Agency: 105-Office of Financial Management
-----------------------------	------------------------------	---

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: Devon Mann	Phone: 360-786-7290	Date: 02/01/2023
Agency Preparation: Keith Thunstedt	Phone: 360-810-1271	Date: 02/06/2023
Agency Approval: Jamie Langford	Phone: 360-902-0422	Date: 02/06/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/06/2023

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 bill adds a new state holiday on the Saturday before the beginning of the Lunar New Year. The new state legal holiday for Lunar New Year is exempt from the shift to the preceding Friday will be observed on Saturday.

The creation of the new legal holiday will create some additional workload for OFM:

- o Labor Relations staff will have to negotiate this new holiday within existing bargaining agreements.
- o HR Analytics staff will have to add the new holiday, including updating the leave/holiday generation/schedules, in the Human Resource Management System (HRMS), data connections to other State HR applications, and HRMS reporting.
- o Rules staff would be required to amend existing rules around state legal holidays.
- o Workforce Strategies staff will assist in coordinating statewide-level events in observance of this new holiday where applicable.

These tasks can be absorbed within current resources and staffing. There is no fiscal impact for OFM.

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

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.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1516 HB

Title: Lunar new year

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- Cities: Costs associated with personnel policies, employment contracts, and ordinances for jurisdictions adopting an additional state holiday
- Counties: Same as above
- Special Districts: Same as above
- Specific jurisdictions only:
- Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
- Expenditures represent one-time costs:
- Legislation provides local option:
- Key variables cannot be estimated with certainty at this time: It is unknown how many local governments would choose to adopt the addition of Lunar New Year to their holiday schedule. It is also unknown how many contracts, ordinances, and/or labor union agreements would have to be amended to include the added date as a holiday.

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

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

Part III: Preparation and Approval

Fiscal Note Analyst: Brandon Rountree	Phone: (360) 999-7103	Date: 02/03/2023
Leg. Committee Contact: Devon Mann	Phone: 360-786-7290	Date: 02/01/2023
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 02/03/2023
OFM Review: Marcus Ehrlander	Phone: (360) 489-4327	Date: 02/06/2023

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

Overview: This bill would add Lunar New Year to the list of state legal holidays.

Sec. 1: (1) (e) Adds Lunar New Year to the list of state legal holidays and outlines the conditions for observing the holiday.

(5) (b) Establishes that Lunar New Year is observed on the Saturday before Lunar New Year.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

This legislation would have an indeterminate expenditure impact on local governments.

Many local governments follow the state holiday schedule. Under RCW 1.16.050(6), local governments may choose to adopt more or fewer holidays through their ordinances or resolutions of their legislative authority. Local governments would have to re-examine personnel policies, union contracts, and other employment contracts to amend the holiday schedule as well.

The typical cost to adopt an ordinance per jurisdiction ranges from \$595 for a simple ordinance to \$5,855 for a complex ordinance. These costs include the costs for draft ordinances, advisory commission meeting and recommendation, finalized ordinance, publication of ordinance, and general public information.

Note: These cost estimates are for only one meeting or staff report, more complex ordinances would likely require more meetings and potentially more staff reports. There would be further costs associated with enforcing or executing the ordinance.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

This bill would not impact local government revenues.

Sources

Local Government Fiscal Note Program, Unit Costs Model 2023

Local Government Fiscal Note, HB 1016, (2021)

The Association of Washington Cities

The Washington State Association of Counties

The Washington State Association of County Officials

The Washington State Municipal Research and Services Center (MRSC)

Individual State Agency Fiscal Note

Bill Number: 1516 HB	Title: Lunar new year	Agency: SWF-SWF Statewide Fiscal Note - OFM
-----------------------------	------------------------------	--

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
Account					
All Other Funds-State 000-1	708,000	708,000	1,416,000	1,416,000	1,416,000
General Fund-State 001-1	2,178,000	2,179,000	4,357,000	4,358,000	4,358,000
Total \$	2,886,000	2,887,000	5,773,000	5,774,000	5,774,000

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: Devon Mann	Phone: 360-786-7290	Date: 02/01/2023
Agency Preparation: Kathy Cody	Phone: 360-480-7237	Date: 02/07/2023
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 02/07/2023
OFM Review: Marcus Ehrlander	Phone: (360) 489-4327	Date: 02/09/2023

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 bill adds a state holiday for the Lunar New Year. The holiday is added to the list of state legal holidays, to be observed on the Saturday before the Lunar New Year. The bill includes a definition for calculating the date, and places the holiday under an exception to current law under which holidays which fall on Saturday are observed on Friday. Given this language, we assume that only staff who typically work on Saturdays would receive paid leave. Among these staff, a paid holiday generally represents a loss of productivity to an agency, but some employees work in jobs that must be filled at all times. For these positions there is a cost to agencies of paying for replacement staff for the holiday.

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.

This cost estimate reflects over 13,000 state jobs that require coverage at all times. The positions are in a variety of agencies (including the Departments of Corrections, Social and Health Services, and Transportation) and job types (such as health care, custody and security, and state ferry personnel.) The estimate is approximate, based on an assumption that replacement staff will be paid at straight time, rather than with premium pay for overtime. In some cases, this may not be feasible. Note: These cost numbers include the cost of employer contributions that vary with pay, such as social security and retirement plan contributions. Our costing model does not produce separate estimates for benefit costs, but includes the cost in the total.

While the state does not have centralized data on job schedules, we assume that:

- In general, more staff work on weekdays than weekends
- Staff requiring backfill are more likely to work on weekends than other staff
- For staff requiring backfill in particular it is reasonable to assume they are as likely to work on Saturdays as on other days.

Using these assumptions, OFM calculates a 5/7 (71%) probability that any back-fill position typically works on Saturday. The cost is calculated using position level data from OFM's compensation model as the cost of backfill staff working one additional day, times 0.71.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
000-1	All Other Funds	State	708,000	708,000	1,416,000	1,416,000	1,416,000
001-1	General Fund	State	2,178,000	2,179,000	4,357,000	4,358,000	4,358,000
Total \$			2,886,000	2,887,000	5,773,000	5,774,000	5,774,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages	2,886,000	2,887,000	5,773,000	5,774,000	5,774,000
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
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					
9-					
Total \$	2,886,000	2,887,000	5,773,000	5,774,000	5,774,000

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.