

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1774 HB	<b>Title:</b> Public empl. salary surveys	<b>Agency:</b> 105-Office of Financial Management
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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
OFM Labor Relations Service Account-Non-Appropriated 436-6	1,092,000	1,032,000	2,124,000	1,164,000	2,064,000
<b>Total \$</b>	1,092,000	1,032,000	2,124,000	1,164,000	2,064,000

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	6.0	6.0	6.0	6.0	6.0
<b>Account</b>					
OFM Labor Relations Service Account-Non-Appropriated 436-6	1,092,000	1,032,000	2,124,000	2,064,000	2,064,000
<b>Total \$</b>	1,092,000	1,032,000	2,124,000	2,064,000	2,064,000

### 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.

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## 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 2 adds another factor for class adjustments to include “inequities documented in salary survey data showing specific job classifications that are significantly behind market rate.”

Section 3 creates a requirement that beginning on January 1, 2024, the Director may not adopt any classification plan unless the plan has been negotiated with the unions representing classified employees.

Section 4 adds collective bargaining at a coalition of all bargaining representatives of the benchmark descriptions and job classifications used by OFM in conducting salary surveys.

### 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.*

Expenses incurred in the OFM Labor Relations Service account are funded by quarterly billings to state agencies. Any assumed increase in the account would be matched by an increase in the rate charged by OFM, up to what is allowed per RCW 41.80.140

### 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.*

The additional labor negotiation requirements in this bill would require additional labor negotiators, labor relations assistants, and compensation policy analysts at OFM to bargain, cost, and implement the classification benchmarks. Classification bargaining would be very difficult. For example, there are numerous job classifications that are represented by multiple unions (such as clerical, trades, fiscal, and program specialists). Some unions have interest arbitration, and this would drive delays and, potentially, different language in the same job classification, or delays in waiting for an arbitrator to determine language for all impacted employees.

To complete this additional workload, OFM would need:

- o 2.0 Labor Negotiators to carry out the bargaining process described above.
- o 2.0 Compensation Policy and Planning Analysts with expertise in compensation who can cost and analyze items during bargaining, possibly testify at arbitration proceedings, and coordinate implementation of the results of bargaining.
- o 2.0 Labor Relations Assistants for administrative support for the new bargaining table and on impacted contracts, as well as scheduling for ongoing bargaining and possible arbitration proceedings.

Position cost assumptions:

- o Salaries and benefits:
  - Labor Negotiator (Exempt) at \$160,000 annually, ongoing.
  - Compensation Policy and Planning Analyst (Exempt) at \$148,000 annually, ongoing.
  - Labor Relations Assistant (Exempt) at \$94,000 annually, ongoing.
- o Goods and services: supplies, communications services, lease space, training, software licensing at \$4,000 per FTE annually, ongoing.
- o Travel: travel associated with this position at \$4,000 per FTE annually, ongoing.
- o Capital Outlays: a workstation, furniture, and computer at \$10,000 per FTE.
- o Shared Service Costs: administrative support, IT support, budget and accounting services, facilities support, and human resource assistance at \$30,000 per FTE annually, ongoing.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
436-6	OFM Labor Relations Service Account	Non-Appropriated	1,092,000	1,032,000	2,124,000	2,064,000	2,064,000
<b>Total \$</b>			1,092,000	1,032,000	2,124,000	2,064,000	2,064,000

### III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	6.0	6.0	6.0	6.0	6.0
A-Salaries and Wages	606,000	606,000	1,212,000	1,212,000	1,212,000
B-Employee Benefits	198,000	198,000	396,000	396,000	396,000
C-Professional Service Contracts					
E-Goods and Other Services	24,000	24,000	48,000	48,000	48,000
G-Travel	24,000	24,000	48,000	48,000	48,000
J-Capital Outlays	60,000		60,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	180,000	180,000	360,000	360,000	360,000
9-					
<b>Total \$</b>	1,092,000	1,032,000	2,124,000	2,064,000	2,064,000

### 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
Comp Policy & Planning Analyst	113,000	2.0	2.0	2.0	2.0	2.0
Labor Negotiator	123,000	2.0	2.0	2.0	2.0	2.0
Labor Relations Assistant	67,000	2.0	2.0	2.0	2.0	2.0
<b>Total FTEs</b>		6.0	6.0	6.0	6.0	6.0

### 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

**Part V: New Rule Making Required**

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