

Multiple Agency Fiscal Note Summary

Bill Number: 1417 HB	Title: Multistate nurse licensure
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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 Patrol	0	0	1,251,982	0	0	625,968	0	0	625,968
Department of Health	0	0	(1,545,000)	0	0	(741,000)	0	0	441,000
Total \$	0	0	(293,018)	0	0	(115,032)	0	0	1,066,968

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
Washington State Patrol	4.4	0	0	1,120,809	1.7	0	0	415,432	1.7	0	0	415,432
Department of Health	5.1	0	0	1,149,000	4.4	0	0	913,000	1.7	0	0	360,000
Total \$	9.5	0	0	2,269,809	6.1	0	0	1,328,432	3.4	0	0	775,432

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
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

Estimated Capital Budget Breakout

NONE

DOH cash receipt section is updated to reflect the annual application and renewal fees for LPNs and RNs.

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Phone:
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Date Published:
Revised 2/16/2023

Individual State Agency Fiscal Note

Bill Number: 1417 HB	Title: Multistate nurse licensure	Agency: 225-Washington State Patrol
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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
Fingerprint Identification Account-State 225-1	625,991	625,991	1,251,982	625,968	625,968
Total \$	625,991	625,991	1,251,982	625,968	625,968

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	4.4	4.4	4.4	1.7	1.7
Account					
Fingerprint Identification Account-State 225-1	584,302	536,507	1,120,809	415,432	415,432
Total \$	584,302	536,507	1,120,809	415,432	415,432

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: 01/30/2023
Agency Preparation: Michael Middleton	Phone: (360) 596-4072	Date: 02/01/2023
Agency Approval: Mario Buono	Phone: (360) 596-4046	Date: 02/01/2023
OFM Review: Tiffany West	Phone: (360) 890-2653	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.

The proposed bill has a fiscal impact for the Washington State Patrol (WSP).

The bill establishes an interstate nurse licensure compact focused on protecting public health and safety, cooperating in areas of licensure and regulations, facilitating exchanges of information regarding individual nurse practitioners, compliance with the laws governing nursing, decreasing redundancies in licensing, ensuring more uniform requirements for licensure, and increasing accountability.

New subsection 4(3)(f) requires individuals applying for license to submit fingerprints or other biometric data for the purpose of obtaining criminal history record information from the Federal Bureau of Investigation (FBI) and the WSP, as the agency responsible for retaining our state's criminal records.

New subsection 6(1)(e) grants authority to a licensing board to obtain and submit, for each nurse licensure applicant, fingerprint or other biometric-based information to the FBI for criminal background checks, receive the results of the FBI record search on criminal background checks, and use the results in making licensure decisions.

New subsection 14(1) establishes the authority for the commission to: (a) obtain fingerprints from each applicant for a multistate license, (b) submit the fingerprints through WSP to the FBI for a national criminal history background check, (c) receive the results of the FBI national criminal history background check, and (d) use the results in making multistate licensure decisions.

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.

For this fiscal note the Department of Health (DOH) estimates 27,217 background checks in FY 2024 and FY 2025, with 13,608 background checks in FY 2026 and thereafter.

Assuming electronic submissions, the WSP will charge \$34.25 for background checks, of which \$13.25 is the FBI fee (\$11.25 passed to the FBI and \$2.00 retained by the WSP). The balance of the fee (\$21.00) is the WSP's fee, leaving total revenue to the Fingerprint Identification Account of $\$2 + \$21 = \$23$ per background check.

Estimated revenue in each of FY 2024 and 2025 for the Fingerprint Identification Account is $27,217 \text{ checks} \times \$23 = \$625,991$.

Estimated revenue in FY 2026 and thereafter for the Fingerprint Identification Account is $13,608 \text{ checks} \times \$23 = \$312,984$.

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.

Based on DOH's estimate of the number of background checks in the FY 2023-25 biennium, we estimate an annual increased workload equivalent of 4.4 FTE consisting of 0.4 of a Fingerprint Lead Technician, 2.0 of a Fingerprint Technician 2, and 2.0 of a Fingerprint Technician 1. Based on DOH estimates for FY 2026 and thereafter, we estimate a need of 0.2 of a Fingerprint Lead Technician, 0.75 of a Fingerprint Technician 2, and 0.75 of a Fingerprint Technician 1.

We base estimated salary expenditures on current levels for the positions requested per published salary schedules, plus any

applicable incentive or assignment pay. We compute estimated benefits expenditures based on federal or state mandated rates plus state provided amounts for health insurance and workers' compensation insurance. We assume that any increases in these rates or amounts will be covered by legislation establishing the increase.

We compute estimated support expenditures such as supplies & materials, communications, computer costs (hardware and software), vehicle and vehicle operating costs, among others, using average costs to support agency FTEs. We adjust the estimated support costs to reflect the needs of individual divisions or positions within the agency.

We base our estimate for agency indirect costs on the approved federal indirect cost rate of 31.88 percent. We apply this indirect cost rate percentage to all categories of expenditure with only two exceptions: capital equipment and expenditures after \$25,000 of each projected contract. Indirect costs include, but are not limited to, computer and telecommunications support, payroll processing, vendor payments, general accounting, procurement administration, inventory control, and human resource management.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
225-1	Fingerprint Identification Account	State	584,302	536,507	1,120,809	415,432	415,432
Total \$			584,302	536,507	1,120,809	415,432	415,432

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	4.4	4.4	4.4	1.7	1.7
A-Salaries and Wages	260,923	260,923	521,846	202,172	202,172
B-Employee Benefits	108,940	108,940	217,880	84,282	84,282
C-Professional Service Contracts					
E-Goods and Other Services	29,269	24,306	53,575	18,782	18,782
G-Travel	5,280	5,280	10,560	4,080	4,080
J-Capital Outlays	49,280	8,030	57,310	6,206	6,206
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-Indirect Costs	130,610	129,028	259,638	99,910	99,910
Total \$	584,302	536,507	1,120,809	415,432	415,432

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
Fingerprint Lead Technician	64,788	0.4	0.4	0.4	0.2	0.2
Fingerprint Technician 1	55,872	2.0	2.0	2.0	0.8	0.8
Fingerprint Technician 2	61,632	2.0	2.0	2.0	0.8	0.8
Total FTEs		4.4	4.4	4.4	1.7	1.7

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

Revised

Bill Number: 1417 HB	Title: Multistate nurse licensure	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		(1,430,000)	(1,430,000)	(511,000)	671,000
Nursing Resource Center Account-Non-Appropriated 09L-6		(115,000)	(115,000)	(230,000)	(230,000)
Total \$		(1,545,000)	(1,545,000)	(741,000)	441,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	10.0	5.1	4.4	1.7
Account					
Health Professions Account-State 02G-1	32,000	1,117,000	1,149,000	913,000	360,000
Total \$	32,000	1,117,000	1,149,000	913,000	360,000

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: 01/30/2023
Agency Preparation: Donna Compton	Phone: 360-236-4538	Date: 02/16/2023
Agency Approval: Kristin Bettridge	Phone: 3607911657	Date: 02/16/2023
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 02/16/2023

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.

REVISION - The cash receipts section has been updated.

This bill establishes the Interstate Nurse Licensure Compact (compact) in Washington State.

Section 4: A multistate license to practice registered or licensed practical or vocational nursing issued by a participating home state to a resident in that state will be recognized by each party state as authorizing a nurse to practice as a registered nurse, or licensed practical or vocational nurse, under a multistate licensure privilege, in each party state.

Section 8: This section establishes the joint public entity known as the Interstate Commission of Nurse Licensure Compact Administrators. The interstate commission may levy on and collect an annual assessment from each party state to cover the cost of its operations, activities, and staff in its annual budget as approved each year.

Section 13: Adds a new section to Chapter 18.79 RCW (Nursing Care) allowing Nursing Care Quality Assurance Commission (commission) to adopt rules to implement this bill.

Section 14: Adds a new section to Chapter 18.79 RCW requiring the commission to obtain fingerprints from each applicant for the multistate license, submit the fingerprints through the Washington State Patrol (WSP) to the Federal Bureau of Investigation (FBI) for a national criminal history background check, and receive the results of the FBI background check for use in making multistate licensure decisions.

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 4: Current law RCW 43.70.250 (License Fees for professions, occupations, and businesses) requires that health professions administered by the Department of Health (department) be fully self-supporting with sufficient revenue collected through fees to fund expenditures in the Health Professions Account.

The commission assumes implementation starting fiscal year 2025.

As of June 30, 2022 the commission has 122,848 RNs and 10,837 LPNs for a total of 133,685 licensees and estimates:

- Per the National Council of State Boards of Nursing (NCSBN) there are 22,964 current licensees who live outside Washington and already hold an active Multistate License (MSL) therefore the commission assumes these individuals will let their Washington license expire.
- Based on the above information received from the NCSBN, the commission believes there are 110,721 individuals eligible to obtain the MSL in Washington.
- Additionally, based on information obtained from the NCSBN on state who recently implemented the MSL, the commission anticipates 50% of individuals eligible to obtain the MSL in Washington will do so in the first year, and each year thereafter.
- Based on 3,739 applications received by exam in calendar 2022, the commission assumes 95% (3,552) of the Registered Nurses (RNs) and Licensed Practical Nurses (LPNs) would apply for the MSL.
- Based on 18,917 applications received by endorsement in calendar 2022 and based on trends, the commission anticipates 66% of applicants would not need to apply for a license because they are from another state that participates in the compact. Therefore, the commission assumes of the 33% remaining, 50% will apply for the MSL.
- Lastly, based on the commission's current renewal and growth rates, the commission assumes a renewal rate of 95% and a license growth rate of 2.5%

Current application and renewal fees for RNs are \$135 and \$90 for LPNs. The department estimates an MSL application and renewal fee for RNs to be \$165 and \$120 for LPNs which is an additional \$30 per license. Actual fees will be determined during the rulemaking process.

NEW REVENUE RECEIVED FOR MSL at \$30 per application/renewal:

FY 2025 - \$1,955,000 (65,155 applications/renewals)
FY 2026 - \$2,875,000 (95,842 applications/renewals)
FY 2027 - \$3,383,000 (112,777 applications/renewals)
FY 2028 - \$3,676,000 (122,529 applications/renewals)
FY 2029 - \$3,765,000 (125,508 applications/renewals)

Under this bill, a resident of any state participating in the compact may apply for a multistate nursing license issued by that state. This multistate license will be recognized by the department as authorizing a nurse to practice in Washington state. As mentioned above in the assumptions, there are currently 22,964 LPNs and RNs who hold Washington state license who live out of state and have an active MSL in another state. The commission estimates these would let their license expire resulting in a loss of revenue for the department.

The current annual application and renewal fees are \$69 for LPNs and \$114 for RNs. Additionally, there are annual surcharges added to each renewal: \$16 for the HEAL-WA program and \$5 for the Nursing Resource Center program.

LOST REVENUE FROM MSL:

FY 2025 and ongoing – \$3,017,000 (22,964 renewals - \$2,903,000 (02G) and \$115,000 (09L))

NET CHANGE IN REVENUE FRM MSL:

FY 2025: <\$1,063,000> (loss of \$948,000 (02G) and \$115,000 (09L))
FY 2026: <\$142,000> (loss of \$27,000 (02G) and \$115,000 (09L))
FY 2027: \$366,000 (increase of \$481,000 (02G) and loss of \$115,000 (09L))
FY 2028: \$658,000 (increase of \$773,000 (02G) and loss of \$115,000 (09L))
FY 2029: \$748,000 (increase of \$863,000 (02G) and loss of \$115,000 (09L))

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.

Office of Customer Service

Sections 4 and 14: The addition of multistate licenses will require staff to update the online application. Due to the lead time necessary for the online application portal development, updates, and deployment, the department assumes a January 1, 2025, effective date. The department will be required to conduct federal background checks on each applicant for the MSL by obtaining fingerprints from each applicant, submitting the fingerprints through the WSP to the FBI for a national criminal history background check for use in making multistate licensure decisions.

FY 2025 – 10 FTE and \$995,000 (02G)
FY 2026 – 5.7 FTE and \$593,000 (02G)
FY 2027 – 2.8 FTE and \$284,000 (02G)
FY 2028 and ongoing – 1.5 FTE and \$162,000 (02G)

Health Technology Solutions (HTS)

Section 14: Configuration I the department’s Healthcare Enforcement and Licensing Modernization System will require 448 hours from the integration vendor at a rate of \$262.50 per hour. Work will include the initial vendor configuration and agency staff time for ongoing maintenance of two new credentials and two applications as well as updating reports, data exports, user defined fields, and workflows.

FY 2025 – \$175,000 (02G)
 FY 2026 and ongoing costs will be .1 FTE and \$15,000 (02G)

Rulemaking

Section 14: The commission will develop and adopt rules to establish the multistate nursing licensure compact. The commission 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 commission 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 \$4,000.

FY 2024 one-time costs will be 0.2 FTE and \$29,000.

Interstate Commission of Nurse Licensure Compact Assessment

Section 8: The Interstate Compact of Nurse Licensure Compact Administrators assesses an annual fee of \$3,000 to each state participating in the compact.

Beginning in FY 2024 the cost for this assessment will be \$3,000 each year.

Total costs to implement this bill:
 FY 2024: 0.2 FTE and \$32,000 (02G)
 FY 2025: 10.0 FTE and \$1,117,000 (02G)
 FY 2026: 5.9 FTE and \$611,000 (02G)
 FY 2027: 2.9 FTE and \$302,000 (02G)
 FY 2028 and ongoing: 1.7 FTE and \$180,000 (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	1,117,000	1,149,000	913,000	360,000
Total \$			32,000	1,117,000	1,149,000	913,000	360,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.2	10.0	5.1	4.4	1.7
A-Salaries and Wages	16,000	630,000	646,000	582,000	230,000
B-Employee Benefits	6,000	268,000	274,000	239,000	90,000
C-Professional Service Contracts	4,000	121,000	125,000	6,000	6,000
E-Goods and Other Services	5,000	40,000	45,000	35,000	14,000
T-Intra-Agency Reimbursements	1,000	58,000	59,000	51,000	20,000
Total \$	32,000	1,117,000	1,149,000	913,000	360,000

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
Fiscal Analyst 2	53,000		1.3	0.7	0.6	0.2
HEALTH SERVICES CONSULTAN 1	55,872		6.8	3.4	2.6	0.8
HEALTH SERVICES CONSULTAN 3	75,120		0.1	0.1	0.3	0.3
HEALTH SERVICES CONSULTAN 4	82,896	0.2	0.3	0.3	0.1	0.1
Health Svcs Conslt 1	53,000		0.9	0.5	0.4	0.2
WMS02	114,360		0.6	0.3	0.5	0.1
Total FTEs		0.2	10.0	5.1	4.4	1.7

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 14: The commission will adopt rules as necessary in WAC 246-840 (Practical and registered nursing) to implement this bill.