

Multiple Agency Fiscal Note Summary

Bill Number: 5716 S SB	Title: DOH validation surveys
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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
Department of Social and Health Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Health	.3	20,000	20,000	88,000	.0	0	0	0	.0	0	0	0
Total \$	0.3	20,000	20,000	88,000	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
Department of Social and Health Services	.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

Packaged as preliminary - because JLARC needs to be added to the fiscal note.

Prepared by: Breann Boggs, OFM	Phone: (360) 485-5716	Date Published: Preliminary 2/22/2023
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Individual State Agency Fiscal Note

Bill Number: 5716 S SB	Title: DOH validation surveys	Agency: 300-Department of Social and Health Services
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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: Julie Tran	Phone: 360-786-7283	Date: 02/17/2023
Agency Preparation: Mitchell Close	Phone: 3600000000	Date: 02/22/2023
Agency Approval: Dan Winkley	Phone: 360-902-8236	Date: 02/22/2023
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 02/22/2023

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.

This bill requires the Joint Legislative Audit and Review Committee (JLARC) to conduct a performance audit of onsite monitoring, state licensure, and validation surveys performed on in-home services agencies in consultation with the Department of Health, the Department of Social and Health Services (DSHS), and other appropriate stakeholders. JLARC must submit a progress report by December 1, 2024, and a final report by October 1, 2024.

Passage of this legislation will not impact DSHS workload or client benefits. Therefore, there is no fiscal impact to DSHS from this bill.

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.

Individual State Agency Fiscal Note

Bill Number: 5716 S SB	Title: DOH validation surveys	Agency: 303-Department of Health
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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
FTE Staff Years	0.6	0.0	0.3	0.0	0.0
Account					
General Fund-State 001-1	20,000	0	20,000	0	0
General Fund-Private/Local 001 -7	68,000	0	68,000	0	0
Total \$	88,000	0	88,000	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: Julie Tran	Phone: 360-786-7283	Date: 02/17/2023
Agency Preparation: Donna Compton	Phone: 360-236-4538	Date: 02/22/2023
Agency Approval: Stacy May	Phone: (360) 236-4532	Date: 02/22/2023
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 02/22/2023

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.

This fiscal note has changed from the previous fiscal note on 5716 SB. This substitute adds a new section requiring the Joint Legislative Audit and Review Committee (JLARC) to conduct a performance audit to analyze the on-site monitoring, state licensure, and validation surveys performed on in-home services agencies. The substitute no longer removes the authorization for the Department of Health (department) to perform validation services on in-home services agencies who previously received a survey through an accreditation organization, or contracts with the Department of Social and Health Services or an Area Agency on Aging.

Section 1: Requires JLARC to conduct a performance audit, in consultation with the department and the Department of Social and Health Services, to analyze the on-site monitoring, state licensure, and validation surveys performed on in-home services agencies and outlines the minimum components of that analysis.

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.

Current law RCW 43.70.250 (License fees for professions, occupations, and businesses.) requires that a licensing program administered by the department be fully self-supporting and that enough revenue be collected through fees to fund the cost of administering the program. Currently the in-home services program has a negative fund balance. The department is scheduled to implement a fee increase that will cover current operating costs. Costs associated with implementing this bill will be included in this fee study.

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.

Health Services Quality Assurance (HSQA)

Section 1: Requires JLARC to conduct a performance audit of the department's in-home services program. The analysis must include: 1) evaluation of the current process that the department uses to perform surveys, and the auditing and monitoring tools utilized during on-site monitoring, state licensure, and validation surveys; 2) a determination of whether the current monitoring and audit tools are ensuring that in-home service agencies are improving the agency's ability to meet current and future residents needs while ensuring compliance with state and federal laws; 3) a determination if the current process and compliance models are accurate and the most efficient available and; 4) recommendations regarding administrative changes. The audit must be completed and provided to the legislature by October 1, 2024.

The department will work with JLARC on the performance audit. Work will include attending entrance and exit conferences, work plan development meetings, regular check-ins, and the Joint Legislative Audit and Review Committee hearing, as well as providing data and answering questions. Once the performance audit report is written, department staff will provide a technical review and develop responses to any recommendations. Costs include staff and associated expenses (goods and services, travel, intra-agency, and indirect charges).

FY 2024 cost will be 0.5 FTE and \$68,000 (GF-L).

Center for Facilities and Risk Adjudication (CFRA)

As drafted, SSB 5716 implements an additional performance audit analyzing the on-site monitoring, state licensure, and validation surveys performed on in-home services agencies. Performance audits are highly visible audits with involvement

from the Governor’s Office and the Legislature, as well as Executive Leadership within the department. The department’s Center for Facilities, Risk and Adjudication (CFRA) anticipates it will take 200 hours for a WMS1 External Audit Manager and 10 hours for a WMS 3 to support the External Audit Manager with meeting processes and timely communications to complete the JLARC audit from start to finish.

FY 2024 cost will be 0.1 FTE and \$20,000 (GF-S).

TOTAL COSTS TO IMPLEMENT THIS BILL:

FY 2024 costs will be 0.6 FTE and \$88,000 (GF-S: \$20,000; GF-L: \$68,000).

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	20,000	0	20,000	0	0
001-7	General Fund	Private/Local	68,000	0	68,000	0	0
Total \$			88,000	0	88,000	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.6		0.3		
A-Salaries and Wages	59,000		59,000		
B-Employee Benefits	20,000		20,000		
E-Goods and Other Services	3,000		3,000		
G-Travel	2,000		2,000		
J-Capital Outlays	1,000		1,000		
T-Intra-Agency Reimbursements	3,000		3,000		
Total \$	88,000	0	88,000	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
Fiscal Analyst 2	53,000	0.1		0.1		
HEALTH SERVICES CONSULTANT 4	82,896	0.1		0.1		
Health Svcs Conslt 1	53,000	0.1		0.1		
WMS02	114,360	0.2		0.1		
WMS03	129,336	0.1		0.1		
Total FTEs		0.6		0.3		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

Part V: New Rule Making Required

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