

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1323 S HB	<b>Title:</b> Fire-resistant materials
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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
Department of Labor and Industries	Non-zero but indeterminate cost and/or savings. Please see discussion.								
<b>Total \$</b>	0	0	0	0	0	0	0	0	0

## 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
Board of Industrial Insurance Appeals	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Department of Labor and Industries	.6	0	0	124,000	2.1	0	0	376,000	2.1	0	0	376,000
Department of Labor and Industries	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
<b>Total \$</b>	0.6	0	0	124,000	2.1	0	0	376,000	2.1	0	0	376,000

## 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
Board of Industrial Insurance Appeals	.0	0	0	.0	0	0	.0	0	0
Department of Labor and Industries	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	0.0	0	0	0.0	0	0	0.0	0	0

## Estimated Capital Budget Breakout

<b>Prepared by:</b> Anna Minor, OFM	<b>Phone:</b> (360) 790-2951	<b>Date Published:</b> Final 3/ 6/2023
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1323 S HB	<b>Title:</b> Fire-resistant materials	<b>Agency:</b> 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: Trudes Tango	Phone: 360-786-7384	Date: 02/15/2023
Agency Preparation: Pete Boeckel	Phone: 360-407-2730	Date: 02/18/2023
Agency Approval: Deborah Feinstein	Phone: 360-407-2717	Date: 02/18/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/18/2023

## 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 legislation will not measurably increase the appeal workload for the Office of Administrative Hearings (OAH).

This bill creates new sections of Chapter 49.17, the Industrial Safety and Health Act. Appeals related to this act are heard by the Board of Industrial Insurance Appeals (BIIA). Without rules expressly assigning such cases to the OAH, all appeals are assumed to go to BIIA.

This bill is assumed effective on July 1, 2023.

### 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

<b>Bill Number:</b> 1323 S HB	<b>Title:</b> Fire-resistant materials	<b>Agency:</b> 190-Board of Industrial Insurance Appeals
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## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

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

**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: Trudes Tango	Phone: 360-786-7384	Date: 02/15/2023
Agency Preparation: William Chase	Phone: 360-753-2790	Date: 03/06/2023
Agency Approval: Bob Liston	Phone: 360-753-6823	Date: 03/06/2023
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 03/06/2023

## 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.*

#### Brief Summary of Bill

Requires individuals applying fire-resistant materials to undergo initial training and refresher training from a state registered apprenticeship program or a manufacturer.

- Requires contractors employing fire-resistant applicators to verify an applicator's compliance with training requirements and to ensure the applicator is certified.

- Imposes civil penalties and debarment on public works contracts for violating the requirements.

### 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 proposed bill would likely increase the number of appeals received by the BIIA as a result of citations issued each year by L&I for violations of this bill. Due to the broad definition of fire-resistant material in bill, DOSH is not able to determine an estimate of citations issued each year. Therefore the BIIA is not able to estimate the number of appeals that will be received. The impact is to BIIA is also not zero but indeterminate.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

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

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

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

**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

<b>Bill Number:</b> 1323 S HB	<b>Title:</b> Fire-resistant materials	<b>Agency:</b> 235-Department of Labor and Industries
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## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

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

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	1.1	0.6	2.1	2.1
<b>Account</b>					
Accident Account-State 608-1	0	105,000	105,000	320,000	320,000
Medical Aid Account-State 609-1	0	19,000	19,000	56,000	56,000
<b>Total \$</b>	0	124,000	124,000	376,000	376,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

### 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: Trudes Tango	Phone: 360-786-7384	Date: 02/15/2023
Agency Preparation: Bobby Kendall	Phone: 902-6980	Date: 02/20/2023
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 02/20/2023
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 02/20/2023

## 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.

See Attached.

### 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.

See Attached.

### 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.

See Attached.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
608-1	Accident Account	State	0	105,000	105,000	320,000	320,000
609-1	Medical Aid Account	State	0	19,000	19,000	56,000	56,000
<b>Total \$</b>			0	124,000	124,000	376,000	376,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		1.1	0.6	2.1	2.1
A-Salaries and Wages		57,120	57,120	228,480	228,480
B-Employee Benefits		25,470	25,470	101,882	101,882
C-Professional Service Contracts					
E-Goods and Other Services		20,853	20,853	43,412	43,412
G-Travel		557	557	2,226	2,226
J-Capital Outlays		20,000	20,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	0	124,000	124,000	376,000	376,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

### 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 5	71,520		0.1	0.1	0.1	0.1
Program Specialist 2	53,100		1.0	0.5	2.0	2.0
<b>Total FTEs</b>			1.1	0.6	2.1	2.1

**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

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.*

Rulemaking will be required. The number of hearings is indeterminate due to the level of detailed provided in the bill.

## **Part II: Explanation**

This bill establishes a training and certification program for fire-resistant material applicators. Workers applying fire-resistant material must obtain training from either an apprenticeship program registered with the Washington State Apprenticeship and Training Council (WSATC) or by Labor and Industries approved manufacturers. Individuals must then apply for formal certification through the Department of Labor and Industries.

The bill requires the Department of Labor and Industries to develop and administer a certification process for fire-resistant material applicators, including minimum standards for initial and refresher training.

Lastly, a penalty schedule for first, second, and third violations by contractors that fail to meet the documentation retention, training, and certification requirements is outlined in the bill.

SHB 1323 is different from SB 1323 in that it:

- New language was added to section 3 that requires that an individual who has completed fire-resistant material training submit an application to the Department of Labor and Industries to receive formal certification.
- New language was added to section 3 that requires the Department of Labor and Industries to develop and administer a certification process for fire-resistant material applicators, including minimum standards for initial and refresher training.

## **II. A – Brief Description of What the Measure Does that Has Fiscal Impact**

**Section 3(1)** Every fire-resistant applicator must be certified by the Department of Labor and Industries. To qualify for certification, the individual must complete initial training and refresher training once every five years.

**Section 3(2)** Workers applying fire-resistant material must obtain training from either an apprenticeship program registered with the Washington State Apprenticeship and Training Council (WSATC) or by Labor and Industries approved manufacturers.

**Section 3(3)** Requires that an individual who has completed fire-resistant material training submit an application to the Department of Labor and Industries to receive formal certification..

**Section 3(4)** Requires the Department of Labor and Industries to develop and administer a certification process for fire-resistant material applicators, including minimum standards for initial and refresher training.

**Section 4** Beginning January 1, 2026 contractors must ensure all fire-resistant material applicators are certified and retain the records for 10 years.

**Section 5** Contractors employing fire-resistant material applicators must ensure they are certified as described in sections 3 and 4. The department shall implement this section, including a procedure to appeal the penalties. The penalty schedule is as follows:

- First Violation: Penalty of \$2,500 and the violation must be publicly viewable on the department's website.
- Second Violation: Penalty of \$3,000 and an automatic debarment from bidding for public works projects for one year.
- Third Violation: Penalty of \$5,000 and a lifetime disbarment from bidding on public works projects.

## **II. B – Cash Receipt Impact**

### **Receivables – Operating**

The cash receipt impact for this bill is indeterminate. Collections received from citations would increase revenue to the supplemental pension fund. Due to the broad definition of fire-resistant materials provided in the bill, it is not possible to estimate the number of citations issued to employers by the Division of Occupational Safety and Health (DOSHS).

## **II. C – Expenditures**

### **Appropriated – Operating Costs**

This proposed bill increases expenditures to the Accident Account, 608, and the Medical Aid Account, 609. Due to the broad definition of fire-resistant material in the bill, DOSH is not able to determine an estimate of citations issued each year. Therefore the impact is indeterminate.

Costs would be expected in the following areas.

### **Staffing**

**Program Specialist 2:** 2 FTE's, permanent, starting January 1, 2025. These staff would address the creation and administration of the fire-resistant material training certification program.

Duties would include, answering calls, requesting training records from providers, keeping and maintaining training records, and issuing certifications to individuals who meet defined requirements.

**DOSH Compliance Inspectors:** There is no impact to compliance inspectors as this will become part of the normal inspection process.

**Revenue Agent 2:** Dependent upon the volume of citations issued each year, a request for FTE's in the Revenue Agent classification to collect penalties from citations issued to employers violating the provisions in the bill.

### **Information Technology (IT)**

L&I estimates minimal citations at this time, therefore, there is limited IT impact. However, if citations increase, the department may require funding to address this.

**Indirect Costs**

This is subject to change if additional FTE’s are required to address increased citation volume.

The amount included in this fiscal note for indirect is:

Fund Name		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
608	Accident	6,000	10,000	10,200	10,200	10,200	10,200
609	Medical Aid	1,000	2,000	2,000	2,000	2,000	2,000
	Total:	\$7,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000

The department assesses an indirect rate to cover agency-wide administrative costs. Labor and Industries’ indirect rate is applied on salaries, benefits, and standard costs. For fiscal note purposes, the total indirect amount is converted into salary and benefits for partial or full indirect FTEs. Salary and benefits costs are based on a Fiscal Analyst 5 (Range 59, Step G).

**Part IV: Capital Budget Impact**

None.

**Part V: New Rule Making Required**

Rulemaking will be required. The number of hearings is indeterminate due to the level of detailed provided in the bill.