

Multiple Agency Fiscal Note Summary

Bill Number: 1681 2S HB	Title: Problem gambling
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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 Health Care Authority	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	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
Washington State Health Care Authority	.7	0	0	158,000	.7	0	0	158,000	.7	0	0	158,000
State Lottery	Fiscal note not available											
Washington State Gambling Commission	Fiscal note not available											
Department of Revenue	Fiscal note not available											
Horse Racing Commission	Fiscal note not available											
Department of Health	Fiscal note not available											
Total \$	0.7	0	0	158,000	0.7	0	0	158,000	0.7	0	0	158,000

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Washington State Health Care Authority	.0	0	0	.0	0	0	.0	0	0
State Lottery	Fiscal note not available								
Washington State Gambling Commission	Fiscal note not available								
Department of Revenue	Fiscal note not available								
Horse Racing Commission	Fiscal note not available								
Department of Health	Fiscal note not available								
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

NONE

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Individual State Agency Fiscal Note

Bill Number: 1681 2S HB	Title: Problem gambling	Agency: 107-Washington State Health Care Authority
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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	0.7	0.7	0.7	0.7	0.7
Account					
Problem Gambling Account-State 08K-1	79,000	79,000	158,000	158,000	158,000
Total \$	79,000	79,000	158,000	158,000	158,000

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: Kristina King	Phone: 360-786-7190	Date: 03/17/2023
Agency Preparation: Alexa Price	Phone: 360-725-0000	Date: 03/23/2023
Agency Approval: Carl Yanagida	Phone: 360-725-5755	Date: 03/23/2023
OFM Review: Arnel Blancas	Phone: (360) 000-0000	Date: 03/23/2023

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.

Please see attached narrative.

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.

Please see attached narrative.

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.

Please see attached narrative.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
08K-1	Problem Gambling Account	State	79,000	79,000	158,000	158,000	158,000
Total \$			79,000	79,000	158,000	158,000	158,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.7	0.7	0.7	0.7	0.7
A-Salaries and Wages	42,000	42,000	84,000	84,000	84,000
B-Employee Benefits	15,000	15,000	30,000	30,000	30,000
C-Professional Service Contracts					
E-Goods and Other Services	2,000	2,000	4,000	4,000	4,000
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	20,000	20,000	40,000	40,000	40,000
9-					
Total \$	79,000	79,000	158,000	158,000	158,000

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 3	65,000	0.2	0.2	0.2	0.2	0.2
Medical Assistance Program Specialist 3	83,000	0.5	0.5	0.5	0.5	0.5
Total FTEs		0.7	0.7	0.7	0.7	0.7

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.

HCA Fiscal Note

Bill Number: 1681 2S HB

HCA Request #: 23-213

Part II: Narrative Explanation

II. A - Brief Description of What the Measure Does That Has Fiscal Impact

As compared to the substitute bill, this second substitute elaborates on “limited social gaming” to be defined as punchboards, pull-tabs, and social card games.

This change does not create a fiscal impact that differs from the fiscal note on the original bill.

AN ACT Relating to problem gambling that updates language, clarifies committee requirements, and increases business and operating (B&O) tax percentages.

Sec. 2 amends RCW 41.05.750 to include that the program is to support and certify problem gambling professionals. It also adds that the department of health may license or certify behavioral health agencies for problem gambling treatment. Washington State Health Care Authority (HCA) must also conduct a program evaluation that includes tracking participants and evaluating outcomes. This section updates that HCA is responsible for facilitating an ongoing advisory committee that will hold quarterly meetings. The committee is further clarified to be a nine-member group with specific requirements for each member in addition to updating the function of the committee to include tracking recommendation progress, providing advice and feedback, and discussing emerging problem gambling issues.

Sec. 3 requires the commission to transfer revenue derived from shared game lottery to the problem gambling account in the amount of 0.20 percent in fiscal year 2024 of the net receipts. Net receipts is defined as the difference between revenue received from the sale of lottery tickets or shares and revenue received from the sale of shared game lottery tickets or shares and the sum of payments made to winners. In fiscal year 2025 and subsequent fiscal years the percentage to be transferred will increase to 0.26 percent.

Sec. 4 states only businesses operating contests of chance with a gross income of more than \$50,000 per year will be affected by section 3 of this bill.

II. B - Cash Receipts Impact

Indeterminate. HCA assumes funds in the Problem Gambling Account will increase due to the B&O tax percentage increase however, there is no way to determine an exact amount due to how the net receipts are calculated.

II. C – Expenditures

Sec. 2: Program Evaluation: Tracking Participation and Evaluating Outcomes

- 0.5 FTE Medical Assistance Program Specialist 3 to monitor program participation and outcomes.
- Indirect administrative costs are calculated at \$39,000 per 1.0 FTE. This cost is included in Object T based on HCA's federally approved cost allocation plan and are captured and/or included as a Fiscal Analyst 3 classification.

HCA Fiscal Note

Bill Number: 1681 2S HB

HCA Request #: 23-213

Fiscal Impacts from Recommendations of the Problem Gambling Task Force

While HCA acknowledges the changes in the bill do not explicitly call for specific expansions in problem gambling services, Section 1(e) indicates the service gaps identified in the 2022 Problem Gambling Task Force Final Report (the report) played a significant role in establishing the need to generate increased Problem Gambling Account revenue as proposed in this bill to support the problem gambling service expansion recommendations throughout the state, including those provided through HCA's Problem Gambling Program.

In alignment with cost estimates highlighted in the report, HCA estimates the costs to implement the recommendations would be an additional \$2.8 million (Problem Gambling Account) in the 2023-25 biennium. This additional funding shall address the pressure of increased community demand for treatment services on HCA-contracted problem gambling treatment providers and to contract with more state-certified program gambling treatment provider agencies and sole providers.

While the report also identifies the need to replace an aging data system called the TARGET2000 data system, the above estimate does not include to replacement costs.

II. C - Operating Budget Expenditures

Account	Account Title	Type	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
08K-1	Problem Gambling Account	State	79,000	79,000	79,000	79,000	79,000	79,000	158,000	158,000	158,000
Totals			\$ 79,000	\$ 158,000	\$ 158,000	\$ 158,000					

II. C - Expenditures by Object Or Purpose

	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
FTE	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7	0.7
A Salaries and Wages	42,000	42,000	42,000	42,000	42,000	42,000	84,000	84,000	84,000
B Employee Benefits	15,000	15,000	15,000	15,000	15,000	15,000	30,000	30,000	30,000
E Goods and Other Services	2,000	2,000	2,000	2,000	2,000	2,000	4,000	4,000	4,000
T Intra-Agency Reimbursements	20,000	20,000	20,000	20,000	20,000	20,000	40,000	40,000	40,000
Totals			\$ 79,000	\$ 79,000	\$ 79,000	\$ 79,000	\$ 158,000	\$ 158,000	\$ 158,000

II. C - Operating FTE Detail: List FTEs by classification and corresponding annual compensation.

Job title	Salary	FY-2024	FY-2025	FY-2026	FY-2027	FY-2028	FY-2029	2023-25	2025-27	2027-29
FISCAL ANALYST 3	65,000	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2	0.2
MEDICAL ASSISTANCE PROGRAM SPECIALIST 3	83,000	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Totals		0.7								

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Require

None.