

Multiple Agency Fiscal Note Summary

Bill Number: 2061 HB	Title: Health employees/overtime
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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
Office of Attorney General	0	0	30,000	0	0	60,000	0	0	60,000
Total \$	0	0	30,000	0	0	60,000	0	0	60,000

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other	Fiscal note not available					
Local Gov. Total						

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 Attorney General	.2	0	0	30,000	.3	0	0	60,000	.3	0	0	60,000
Office of Administrative Hearings	Fiscal note not available											
Department of Labor and Industries	.9	0	0	257,000	1.7	0	0	474,000	1.7	0	0	474,000
Department of Social and Health Services	Fiscal note not available											
Department of Health	Fiscal note not available											
Department of Corrections	Fiscal note not available											
University of Washington	Fiscal note not available											
The Evergreen State College	.0	0	0	0	.0	0	0	0	.0	0	0	0
Total \$	1.1	0	0	287,000	2.0	0	0	534,000	2.0	0	0	534,000

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Office of Administrative Hearings	Fiscal note not available								
Department of Labor and Industries	.0	0	0	.0	0	0	.0	0	0
Department of Social and Health Services	Fiscal note not available								
Department of Health	Fiscal note not available								
Department of Corrections	Fiscal note not available								
University of Washington	Fiscal note not available								
The Evergreen State College	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Anna Minor, OFM	Phone: (360) 790-2951	Date Published: Preliminary 1/22/2024
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Individual State Agency Fiscal Note

Bill Number: 2061 HB	Title: Health employees/overtime	Agency: 100-Office of Attorney General
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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
Legal Services Revolving Account-State 405-1		30,000	30,000	60,000	60,000
Total \$		30,000	30,000	60,000	60,000

Estimated Operating Expenditures from:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.3	0.2	0.3	0.3
Legal Services Revolving Account-State 405-1	0	30,000	30,000	60,000	60,000
Total \$	0	30,000	30,000	60,000	60,000

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: Trudes Tango	Phone: 360-786-7384	Date: 01/16/2024
Agency Preparation: Chad Standifer	Phone: 3605863650	Date: 01/22/2024
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 01/22/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/22/2024

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 1 - Amending RCW 48.49.130. Defining “employee” as a person employed by a health care facility that is involved in direct patient care activities or clinical services, and who receives an hourly wage or is covered by a collective bargaining agreement.

This bill is assumed effective 90 days after the end of the 2024 legislative session.

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.

Cash receipts are assumed to equal the Legal Services Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agency is the Department of Labor and Industries (L&I). The Attorney General’s Office (AGO) will bill all clients for legal services rendered.

These cash receipts represent the AGO’s authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agency’s fiscal note. Appropriation authority is necessary in the AGO budget.

AGO AGENCY ASSUMPTIONS:

L&I will be billed for King County rates:

FY 2025 and in each FY thereafter: \$30,000 for 0.1 Assistant Attorney General FTE (AAG) and 0.1 Paralegal 1 FTE (PL1)

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.

Attorney General’s Office (AGO) Agency Assumptions:

This bill is assumed effective 90 days after the end of the 2024 legislative session.

Location of staffing is assumed to be in a King County office building.

Total workload impact in this request includes standard assumption costs for goods & services, travel, and capital outlays for all FTE identified.

Agency administration support FTE are included in the tables. The Management Analyst 5 FTE (MA), is used as a representative classification. An example ratio is for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 Paralegal 1 FTE (PL1) and 0.4 MA.

Assumptions for the AGO Labor and Industries Division (LNI) Legal Services for the Department of Labor and Industries Division (L&I):

The AGO will bill L&I for legal services based on the enactment of this bill.

There are presently approximately 108,000 workers considered “employees” under the Act. With the amendment to the definition of “employee” in RCW 49.28.130 the number of workers covered by the mandatory healthcare overtime protections would increase to approximately 316,000. The increase in covered employees would result in increased complaints and increased investigations L&I expects 92 additional complaints. In FY 2022 there were 23 mandatory overtime complaints filed and investigated. Due to pending changes in the law last year (SB 5236), it was projected that the number of complaints received will increase to 46 per year starting July 1, 2023. Using this projected figure as a basis, and considering the threefold expansion in the pool of potentially covered employees, L&I estimates that this bill will result in 138 total healthcare overtime complaints filed per year, or an additional 92 complaints. Based on historical citation rates of 14 percent and appeal rates of 20 percent, LNI anticipate two to three additional appeals per year. As indicated by the complexity of the investigations per year (60 per investigator), appeals of this complexity require 0.1 FTE per two to three appeals because these are usually large institutional employers and appeals usually involve employer policies that impact many additional workers and involve extended litigation.

LNI: Total King County workload impact:

FY 2025 and in each FY thereafter: \$30,000 for 0.1 AAG and 0.1 PL1

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
405-1	Legal Services Revolving Account	State	0	30,000	30,000	60,000	60,000
Total \$			0	30,000	30,000	60,000	60,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.3	0.2	0.3	0.3
A-Salaries and Wages		21,000	21,000	42,000	42,000
B-Employee Benefits		6,000	6,000	12,000	12,000
E-Goods and Other Services		3,000	3,000	6,000	6,000
Total \$	0	30,000	30,000	60,000	60,000

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
Assistant Attorney General-Seattle	135,555		0.1	0.1	0.1	0.1
Management Analyst 5	95,184		0.1	0.1	0.1	0.1
Paralegal 1-Seattle	72,528		0.1	0.1	0.1	0.1
Total FTEs			0.3	0.2	0.3	0.3

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Labor & Industries Division (LNI)		30,000	30,000	60,000	60,000
Total \$		30,000	30,000	60,000	60,000

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: 2061 HB	Title: Health employees/overtime	Agency: 235-Department of Labor and Industries
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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	0.0	1.7	0.9	1.7	1.7
Account					
Accident Account-State 608-1	0	219,000	219,000	404,000	404,000
Medical Aid Account-State 609-1	0	38,000	38,000	70,000	70,000
Total \$	0	257,000	257,000	474,000	474,000

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: Trudes Tango	Phone: 360-786-7384	Date: 01/16/2024
Agency Preparation: Allison Kaech	Phone: 360-902-4530	Date: 01/19/2024
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 01/19/2024
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 01/21/2024

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	219,000	219,000	404,000	404,000
609-1	Medical Aid Account	State	0	38,000	38,000	70,000	70,000
Total \$			0	257,000	257,000	474,000	474,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		1.7	0.9	1.7	1.7
A-Salaries and Wages		125,000	125,000	250,000	250,000
B-Employee Benefits		47,000	47,000	94,000	94,000
C-Professional Service Contracts					
E-Goods and Other Services		63,000	63,000	126,000	126,000
G-Travel		2,000	2,000	4,000	4,000
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-					
Total \$	0	257,000	257,000	474,000	474,000

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 5	74,376		0.1	0.1	0.1	0.1
Industrial Relations Agent 3	72,552		1.5	0.8	1.5	1.5
Revenue Agent 2	67,380		0.1	0.1	0.1	0.1
Total FTEs			1.7	0.9	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.

Part II: Explanation

The bill amends the definition of "employee" under RCW 49.28.130 (Mandatory Healthcare Overtime). The bill expands the number of workers covered by Mandatory Healthcare Overtime protection by removing the requirement that workers hold certain credentials to be eligible.

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

Section 1 amends the definition of "employee" under RCW 49.28.130 (Mandatory Healthcare Overtime). To qualify for Mandatory Healthcare Overtime protections, the section requires workers to both:

- be involved in direct patient care or clinical services; and
- receive an hourly wage or be covered by a collective bargain agreement.

This bill removes conditions that the employee must meet to qualify for Mandatory Healthcare Overtime. This section removes the requirement that the employee is either a:

- licensed practical nurse or registered nurse; or
- a surgical technologist, a diagnostic radiologic technologist, or cardiovascular invasive specialist, a respiratory care practitioner, or nursing assistant.

The section continues to exclude workers in facility owned and operated by the Department of Corrections (DOC) from the definition of "employee."

II. B – Cash Receipt Impact

This bill requires penalties received by L&I to be deposited into the Supplemental Pension Fund, fund 881.

L&I estimates that this bill will result in 50 new penalties assessed. In FY 2022, approximately 54% of mandatory overtime complaint investigations resulted in a finding of violation that could result in the assessment of penalties. Each violation has a minimum penalty of \$1,000, with repeater penalties up to \$5,000 applying to employers who have violated the law five or more times (RCW 49.12.145(3)(b)). L&I cannot estimate what proportion of complaints will result in repeater penalties with available data. Therefore, the cash receipt estimate for this bill is **indeterminate**.

II. C – Expenditures

Appropriated – Operating Costs

This proposed bill increases expenditures to the Accident account, fund 608, and the Medical Aid account, fund 609. The following assumptions were used to estimate the resources requested to implement this bill.

Staffing

1.5 FTE, Industrial Relations Agent 3 (IRA3), permanent, effective July 1, 2024. Duties include Investigate additional workplace rights complaints related to the expanded definition of “employee” under the terms of the bill. Enforce the protections of RCW 49.28.130-140 (Prohibition on Mandatory Overtime for Health Care Employees) by interviewing employees and employers, requesting and reviewing documentation, and applying the law to observed fact patterns. Testify in hearings and other judicial proceedings as necessary to support the agency’s investigative findings.

- There are presently approximately 108,000 workers considered “employees” as noted in Employment Security Department's (ESD) Occupational Employment and Wage Statistics. With the amendment to the definition of “employee” in RCW 49.28.130 the number of workers covered by the mandatory healthcare overtime protections would increase to approximately 316,000 as noted in ESD’s Establishment Size Data. The increase in covered employees would result in increased complaints and investigations. These employees are engaged and informed about their rights and more likely to file complaints for alleged violations.
- In FY 2022, there were 23 mandatory overtime complaints filed and investigated. Due to pending changes in the law last year, SB 5236 – Hospital Staffing Standards, it was projected that the number of complaints received will increase to 46 per year starting July 1, 2023. Using this projected figure as a basis, and considering the threefold expansion in the pool of potentially covered employees, L&I estimates that the passage this bill will result in 138 total healthcare overtime complaints filed per year, or an additional 92 complaints.

- An IRA3 tasked with this type of investigation can be expected to complete 60 investigations per year.
- Therefore, 1.5 additional FTEs are needed (92 additional complaints / 60 investigations per IRA3 = 1.5 FTEs)

0.1 FTE, Revenue Agent 2 (RA2), permanent, effective July 1, 2024. Duties include collecting civil penalties from Healthcare Labor Standards citations.

- L&I anticipates 92 additional complaints received per year. Thirty percent of mandatory overtime complaints are expected to result in a citation, resulting in 28 additional citations (92 additional complaints X 30% = 28 additional citations).
- An RA2 has workload of 300 citations, therefore 0.1 additional FTE is needed (28 additional citations / 300 per RA2 = 0.1 additional RA2)

Attorney General – Legal Services

L&I anticipates 92 additional complaints. Based on historical citation rates (14%) and appeal rates (20%) L&I anticipates three additional appeals per year (92 additional complaints X 14% citation rate = 12.88 X 20% appeal rate = 3 new appeals).

Handling the anticipated new appeals will require an additional 0.1 Assistant Attorney General (AAG) and an additional 0.1 Paralegal. Therefore, \$30,000 is needed each year beginning in FY 2025 for legal services.

Administrative Hearings

\$16,000 is needed starting in FY 2025 for three additional administrative hearings per year at the Office of Administrative Hearings.

Indirect Costs

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		9,000	9,000	9,000	9,000	9,000
609	Medical Aid		2,000	2,000	2,000	2,000	2,000
	Total:	\$0	\$11,000	\$11,000	\$11,000	\$11,000	\$11,000

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

None.

Individual State Agency Fiscal Note

Bill Number: 2061 HB	Title: Health employees/overtime	Agency: 376-The Evergreen State College
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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: 01/16/2024
Agency Preparation: Catherine Nicolai	Phone: (360) 664-9087	Date: 01/22/2024
Agency Approval: Lisa Dawn-Fisher	Phone: 512-658-0328	Date: 01/22/2024
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 01/22/2024

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.

HB 2061 proposes changes to some definitions pertaining to health care facilities employees. Nothing in HB 2061 pertains to the Washington State Institute for Public Policy or will impact any of its ongoing work.

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.