

Multiple Agency Fiscal Note Summary

Bill Number: 2271 HB	Title: LTSS program statements
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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 Revenue	Fiscal note not available											
Department of Social and Health Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
Employment Security Department	1.6	0	0	3,411,729	.8	0	0	6,095,600	.6	0	0	6,025,300
Employment Security Department	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Total \$	1.6	0	0	3,411,729	0.8	0	0	6,095,600	0.6	0	0	6,025,300

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Revenue	Fiscal note not available								
Department of Social and Health Services	.0	0	0	.0	0	0	.0	0	0
Employment Security Department	.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

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Individual State Agency Fiscal Note

Bill Number: 2271 HB	Title: LTSS program statements	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: Jim Morishima	Phone: 360-786-7191	Date: 01/11/2024
Agency Preparation: Mitchell Close	Phone: 3600000000	Date: 01/22/2024
Agency Approval: Dan Winkley	Phone: 360-902-8236	Date: 01/22/2024
OFM Review: Breann Boggs	Phone: (360) 485-5716	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.

This bill provides that the Employment Security Department (ESD) shall send a program summary statement to each employee that has been assessed a premium by the program. This would include the amount assessed upon the employee, the cumulative amount that has been assessed, the number of years that the employee has been recorded to have worked and include program information. The bill has no fiscal impact on the Department of Social and Health Services workload or client services.

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: 2271 HB	Title: LTSS program statements	Agency: 540-Employment Security Department
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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	0.4	2.8	1.6	0.8	0.6
Account					
Long-Term Services & Supports Trust Acct-State 567-1	46,337	3,365,392	3,411,729	6,095,600	6,025,300
Total \$	46,337	3,365,392	3,411,729	6,095,600	6,025,300

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: Jim Morishima	Phone: 360-786-7191	Date: 01/11/2024
Agency Preparation: Dan Phillips	Phone: 360 902-9448	Date: 01/23/2024
Agency Approval: Lisa Henderson	Phone: 360-902-9291	Date: 01/23/2024
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 01/23/2024

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.

This bill requires that, beginning April 1, 2025, and by April 1st each year thereafter, the Employment Security Department (ESD) must send a program summary statement to each employee assessed a premium under the long-term services and supports program (RCW 50B.04.080). The summaries would provide individualized and general program information. The department would have to share data with the Department of Revenue (DOR) and any other relevant agencies to obtain and send information. The Employment Security Department must maintain information on its website so employees could contact the department to obtain their program summary statement.

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.

See attachment.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
567-1	Long-Term Services & Supports Trust Acct	State	46,337	3,365,392	3,411,729	6,095,600	6,025,300
Total \$			46,337	3,365,392	3,411,729	6,095,600	6,025,300

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	0.4	2.8	1.6	0.8	0.6
A-Salaries and Wages	24,506	210,969	235,475	115,308	77,006
B-Employee Benefits	9,802	84,388	94,190	46,124	30,802
C-Professional Service Contracts					
E-Goods and Other Services	5,302	3,011,960	3,017,262	5,902,412	5,896,352
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	6,727	58,075	64,802	31,756	21,140
9-					
Total \$	46,337	3,365,392	3,411,729	6,095,600	6,025,300

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
COMMUNICATIONS CONSULTANT 4	67,380	0.2	0.4	0.3	0.4	0.4
MANAGEMENT ANALYST 3	64,092	0.1	0.8	0.5		
OPERATIONS RESEARCH SPECIALIST	90,624		0.5	0.3	0.2	
PROGRAM SPECIALIST 3	62,568		0.2	0.1	0.2	0.2
TECHNICAL TRAINING CONSULTANT	70,800	0.1	0.9	0.5		
Total FTEs		0.4	2.8	1.6	0.8	0.6

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.

This bill would require minor rulemaking, creating new rules to address how ESD would implement the bill and amending others clarifying the new section and possibly creating some parameters or administrative rules to amend existing rules around data collection. At this time, it is unclear what will need to be amended, but possibly Chapter 192-910 WAC, and as a result may include some of Chapter 192-540 WAC.

Part II: Narrative Explanation

II. C- Expenditures

This bill requires that, beginning April 1, 2025, and by April 1st each year thereafter, the Employment Security Department must send a program summary statement to each employee that has been assessed a premium under RCW 50B.04.080. The summaries provide individualized and general program information. The bill requires that the summary statement must provide the employee with:

- The amount assessed against the employee in the prior calendar year. This is data that does not currently exist in our system. ESD collects data on premiums owed and remitted aggregated at the employer level quarterly. Our system does not track premiums collected specifically to the individual employee. While employers do report wages and withhold premiums per employee, those employers are assessed premiums based on the aggregate total of wages across all employees and pay periods within the quarter. A calculation of the estimated amount assessed per employee could be provided but these likely would not be identical to employee withholdings due to rounding differences. The rounding differences occur due to employers rounding per employee, per pay period while ESD rounds only once on the total quarterly wages reported.
- The number of hours the employee has worked in the prior calendar year, and
- The cumulative amount assessed against the employee since the start of premium collection. Individual employee assessments do not exist in ESD's system. As stated above, ESD assesses premiums aggregated quarterly at the employer level. This can be calculated individualized numbers to support this, but it may not be identical to cumulative employee withholdings due to rounding differences.
- The number of years the employee has worked the minimum hours required under RCW 50B.04.050(3).
- The program assessment process, current benefit and assessment unit levels is data that would need to come from the Department of Social and Health Services,
- The qualifying and eligibility information - The Employment Security Department is responsible for the qualified individual determinations, associated rules and requirements. The Department of Social and Health Services is responsible for the eligible beneficiary determinations. This would require adding a level of complexity to the existing data sharing agreement between the two agencies as currently ESD does not track benefit eligibility.
- Information regarding verifying one's program information, how to correct possible errors, and any other relevant program updates.

In addition, this bill points to a data-sharing agreement with the Department of Revenue and any other relevant agency to establish a process to get and send the assessed employee the program summary statement. Currently ESD, nor the Department of Revenue have contact information or all employees in Washington state. To address this ESD would need to amend wages reporting to require employers to collect up to date contact information from individual employees to be submitted with wage records.

The bill requires that the Employment Security Department maintains information on its website so employees could contact the department to obtain their program summary statement. However, the website for the program is owned by the Department of Social and Health Services so additional partnering and data sharing with the Department of Social and Health Services would need to be undertaken in order to get this information available on ESD's website.

The overall financial impact of this bill is indeterminate. Some of the reasons for the indeterminate costs include, but are not limited to:

- ESD doesn't have registry of all workers (and addresses) in WA and DOR also doesn't have this data, the agency the bill points to for data sharing. It is not clear what state agencies have this information. To obtain up to date contact information we would need to amend wage reporting so that employers collect contact information and submit that information with their quarterly reports.
- Information regarding current benefit and assessment unit levels is managed by DSHS and would require a large and complicated inter-agency development effort. The full scope of this effort is unknown currently as the benefit portal being developed and maintained by DSHS is still in development.
- The requirements of this bill technically would require quite a large and complicated inter-agency development effort. It is undetermined how many agencies the department would need to work with to meet the requirements of the bill since the data required to report does not exist.
- Some of the necessary tech work would be relatively simple, such as producing the actual statements. However, interagency data exchanges collecting demographic data would have to be built and maintained. Identity validation and verification would have to be developed to support the ability for individuals to request statements via the Employment Security Department website, as well as significant case management capabilities to receive requests for data corrections from employees, track and manage those requests and associated fact finding, and correct records of hours worked as reported by employers. It is assumed a minimum cost of \$4-5 million to build and implement the technology required and then \$500k+ per year to support ongoing maintenance and operation. This requires amending wage reporting requirements (50B.04.080(2)(a)) to include the current address on file for each employee. ESD would use this employer-provided information to send reports to employees. However, there is not currently a viable technological alternative that can be used to make a better estimate; therefore, the overall costs are indeterminate.

This bill also would impact the following workstreams:

- Operations
 - Training regarding any technology changes would need to be created and delivered to staff. Specifics regarding changes to standard operating procedures and processes are unknown until a technological solution is delivered.
 - Increase in call volume from employers needing assistance with the submission of data files from customers calling with questions once they receive their statements.
 - The employer services team would have increased work fact finding for hours and wages that were disputed.
 - Increase customer service needs from individuals asking questions on the information provided and attempting to correct any real or perceived errors in the reporting.
 - This work would require the following temporary staff:
 - Technical Training Consultant 1.0 FTE starting June 2024 and ending May 2025.
 - Management Analyst 3 - 1 FTE starting June 2024 and ending May 2025.
 - On-going operational staffing would be indeterminate based on an unknown volume of claimant requests that would be initiated annually on receipt of this statement. Applying the same percentage of Paid Family Medical Leave claimants seeking engagement with ESD on verifying total hours worked reported by employers, the department anticipates the maximum on-going staffing need to be up to 35.75 FTEs costing \$4,245,269 annually.
 - Mailing cost for statements:

- 2023 estimated workers in employment 4,199,777. If the statement mailing cost is \$0.70 per mailer, total cost yearly to mail would be \$2,939,844.
- Privacy Records and Data Sharing
 - A subject matter expert will be necessary to negotiate and complete the DSA within our standard process.
 - Program Specialist 3 - 0.2 FTE beginning FY 25
- Data and Research
 - This is to support technology development, assess matching quality, and support continues improvement activities.
 - 0.5 FTE for an Operational Research Specialist (ORS) starting FY 25. This will then drop to 0.2 FTE in FY 26 and FY 27.
- Communications
 - Develop and implement a communications plan, execute deliverables to the public via email, web updates and physical mail.
 - Create and maintain new website content and messaging and outreach materials to prepare customers for the program summary statement they would receive about their assessed premiums. Develop messaging for those who are permanently or temporarily exempt from the program.
 - Inform customers of processes related to this change (e.g., how to request a new letter, how to update their contact information) which could require both video tutorials and written materials.
 - Website content would need to be created for and maintained on 3 websites: ESD.wa.gov (the department), WAcares.wa.gov (the program website co-managed by ESD and other agencies) and paidleave.wa.gov (the program website employers use to submit WA Cares reports and remit premiums).
 - Communications Consultant 4: 0.17 FTE in FY 24, and 0.35 FTE FY 25 every year ongoing.
- Policy and Rules
 - This bill would require minor rulemaking, creating new rules to address how we may implement the bill and amending others clarifying the new section and possibly creating some parameters or administrative rules to amend existing rules around data collection. At this time, it is unclear what will need to be amended, but possibly Chapter 192-910 WAC, and as a result may include some of Chapter 192-540 WAC.
 - One Time Cost: \$30,000

Total One Time Costs:

- **FY 24: \$23,893**
- **FY 25: \$352,742**
- **FY 26: \$35,150**
- **FY 27: \$35,150**

Total Ongoing Costs:

- **FY 24: \$ 22,444**
- **FY 25 and ongoing: \$3,012,650**