

Multiple Agency Fiscal Note Summary

Bill Number: 2087 HB	Title: Apprenticeship objections
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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
Office of Administrative Hearings	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Labor and Industries	6.4	0	0	1,630,000	9.6	0	0	2,316,000	9.6	0	0	2,316,000
Total \$	6.4	0	0	1,630,000	9.6	0	0	2,316,000	9.6	0	0	2,316,000

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
Department of Labor and Industries	.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

Prepared by: Anna Minor, OFM	Phone: (360) 790-2951	Date Published: Final 1/24/2024
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Individual State Agency Fiscal Note

Bill Number: 2087 HB	Title: Apprenticeship objections	Agency: 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: Kelly Leonard	Phone: 360-786-7147	Date: 01/10/2024
Agency Preparation: Pete Boeckel	Phone: 360-407-2730	Date: 01/13/2024
Agency Approval: Rob Cotton	Phone: 360-407-2708	Date: 01/13/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/16/2024

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.

No fiscal impact. This legislation will not measurably decrease the appeal workload for the Office of Administrative Hearings (OAH). The impact of this bill will likely be to withdraw the Apprenticeship and Training Council Program workload from OAH. OAH has had four referrals over the last 18 months. Loss of this work in assumed nominal and const are not included in this request.

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: 2087 HB	Title: Apprenticeship objections	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	3.2	9.6	6.4	9.6	9.6
Account					
Accident Account-State 608-1	400,000	986,000	1,386,000	1,968,000	1,968,000
Medical Aid Account-State 609-1	69,000	175,000	244,000	348,000	348,000
Total \$	469,000	1,161,000	1,630,000	2,316,000	2,316,000

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: Kelly Leonard	Phone: 360-786-7147	Date: 01/10/2024
Agency Preparation: Allison Kaech	Phone: 360-902-4530	Date: 01/18/2024
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 01/18/2024
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 01/24/2024

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	400,000	986,000	1,386,000	1,968,000	1,968,000
609-1	Medical Aid Account	State	69,000	175,000	244,000	348,000	348,000
Total \$			469,000	1,161,000	1,630,000	2,316,000	2,316,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	3.2	9.6	6.4	9.6	9.6
A-Salaries and Wages	253,000	782,000	1,035,000	1,564,000	1,564,000
B-Employee Benefits	92,000	279,000	371,000	558,000	558,000
C-Professional Service Contracts					
E-Goods and Other Services	33,000	95,000	128,000	184,000	184,000
G-Travel	1,000	5,000	6,000	10,000	10,000
J-Capital Outlays	90,000		90,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	469,000	1,161,000	1,630,000	2,316,000	2,316,000

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
Administrative Regulations Analyst 4	88,416	0.3	1.0	0.7	1.0	1.0
Apprenticeship Consultant 3	78,120	1.7	5.0	3.3	5.0	5.0
Fiscal Analyst 5	74,376	0.2	0.6	0.4	0.6	0.6
Management Analyst 4	86,208	0.7	2.0	1.3	2.0	2.0
Program Specialist 3	72,552	0.3	1.0	0.7	1.0	1.0
Total FTEs		3.2	9.6	6.4	9.6	9.6

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.

See attached

Part II: Explanation

This bill establishes procedures for submitting and reviewing objections regarding the formation and revision of apprenticeship programs and standards, adding a new section to chapter 49.04 RCW and creating a new section

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

Section 2 adds a new section to chapter 49.04 RCW.

- Allows a competitor to object to the approval of new "apprenticeship committee" or proposed standards if the new/proposed standards are out of compliance with WAC/rules.
- To file an objection, a competitor must have standing based on standards established by L&I. Written objections must be filed at least 20 calendar days prior to a scheduled Washington State Apprenticeship Training Council (WSATC) meeting. The objection must specifically identify which program standards the objector contends are out of compliance with WAC. L&I must inform the program sponsor and WSATC within 2 business days of receiving objection.
- During a regular WSATC meeting, the council will determine if competitor has standing to object. If standing is identified, the objection process will proceed with the applicant, competitor, and L&I staff each explaining their views on the objection and application. WSATC may rule on the application and objection at that point or allow the applicant 30 calendar days to submit a written objection rebuttal. If a written rebuttal is submitted, the WSATC will hold a special meeting to further consider the objection and rebuttal.
- If WSATC defers action to allow the applicant's rebuttal, L&I must investigate and evaluate the objection and rebuttal. L&I must submit a report to the WSATC offering recommendations on how the WSATC should rule on the objection. During the special meeting, the WSATC will allow the applicant, competitor, and L&I to each explain their views on the objection and application. The WSATC will rule on the objection during the special meeting. The special meeting may be held virtually. The applicant may request additional time to file a rebuttal and the WSATC may delay the special meeting date if requested.

- At the next regular WSATC meeting, after the special meeting was held, the WSATC will take action on the application and provide written explanation of its decision.
- If the WSATC decides the objection was not justified, the council may require a competitor to pay the applicant's attorneys' fees and costs for the rebuttal and special meeting.
- The objection process will not be subject to the Administrative Procedures Act (under chapter 34.05 RCW).

II. B – Cash Receipt Impact

None.

II. C – Expenditures

Appropriated – Operating Costs

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

Staffing

5.0 FTE, Apprenticeship Consultant 3 (AC3), permanent, effective March 1, 2024. Duties include consultation and guidance for apprenticeship programs (existing and proposed). Review all aspects of apprenticeship program operations per the program's application based on standards. Review curriculum, training related supplemental instruction (RSI) facilities, conduct site visits and inspections, assess program's ability to deliver apprenticeship program standards. Provide guidance on program approval. Conduct these duties concerning objections and rebuttal reviews and staff recommendations to the WSATC.

- Caseload for objections and rebuttals – In 2023, approximately 18 programs received objections, for an average of approximately five objections per quarter. This bill requires that WSATC will hear all objections, rather than some being referred to OAH. This assigns L&I staff with additional responsibilities for investigations, review, recommendations and adds a rebuttal process which will increase workload for staff.

- Each AC3 could manage the objection and rebuttal process filed against one program per quarter. Typically, one program receives multiple objections.
- Therefore, 5.0 additional AC3s are needed: an AC3 manages 4 objection and rebuttal processes against a program per year. $18 \text{ objections received per year} / 4 \text{ per AC3} = 5$ additional AC3s.

1.0 FTE, Program Specialist 3 (PS3), permanent, effective March 1, 2024. Duties include leading the coordination on WSATC special meetings and providing support for regular meetings, including logistics, scheduling, notices, materials, physical venue, travel requirements, reimbursements. Coordinate document production and distribution related to WSATC meetings and objection cases. Coordination and communication with WSATC members, subcommittees, and L&I staff.

- WSATC special meetings are currently, held occasionally on as needed basis. This bill will increase meeting occurrences to at least four special meetings per year (half-day to full-day), virtual or in-person. This bill will also increase the length of meetings based on increased cases and workload.
- WSATC regular quarterly meetings are currently four full-day in-person meetings per year. This bill will increase the length of meetings based on increased cases and workload.
- Regular and special meetings (administering and supporting) preparation of documents, scheduling, notices, materials, venue, travel, court reporter, AAGs time and workload.
- Currently, the L&I has one full-time program specialist 3 devoted to the coordination of quarterly WSATC meetings. Adding multiple special WSATC meetings per year requires an additional program specialist 3 to coordinate special meetings.

2.0 FTE, Management Analyst 4s (MA4), permanent, effective March 1, 2024. Duties: prepare and analyze documentation for determination of objector's standing, rebuttals, and objections. Prepare materials for council consideration. Provide staff support and participate in WSATC meetings (special and regular). Prepare briefing materials. Review and confirm accuracy of documents. Analyze if program standards meet laws and rules. Meet tight timelines established in RCW/WAC for objections, rebuttals and meetings.

- This bill requires WSATC will hear all objections, rather than some being referred to OAH, It also assigns L&I staff with additional responsibilities for investigations, review, and recommendations. This bill adds a rebuttal process which will increase workload for staff.
- Caseload for objections and rebuttals – In 2023, approximately 18 programs received objections, for an average of approximately five objections per quarter. The MA4s can manage up to three objections per quarter (drafting recommendations based on findings and information from the Apprenticeship Consultant 3) and presenting recommendations to WSATC.
- Therefore, 2.0 additional MA4s are needed: $18 \text{ objections} / 4 \text{ quarters} = 5 \text{ objections per quarter}$. An MA4 handles 3 objections per quarter / average of 5 objections per quarter = 2.0 additional FTEs.

1.0 FTE, Administrative Regulations Analyst 4 (ARA4), permanent, effective March 1, 2024.

Duties: Rulemaking, drafting policies, review, and guidance. Engaging with stakeholders, bill implementation and subject matter expert.

- This bill would require one ARA 4 to conduct rulemaking, provide technical guidance, and policy interpretation. Draft policy and other materials, as needed and serve as advisor on new objections and the rebuttal process.

Rule making

\$2,500 is needed for one rule making hearings to occur during fiscal year 2025. The average cost of one rule making hearing is \$2,500

Office of Administrative Hearings

This bill withdraws the Apprenticeship and Training Council Program referral workload from OAH. There have been four referrals over the last 18 months. Loss of this work is assumed minimal and cost savings are not included.

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	16,000	48,000	48,000	48,000	48,000	48,000
609	Medical Aid	3,000	9,000	9,000	9,000	9,000	9,000
	Total:	\$19,000	\$57,000	\$57,000	\$57,000	\$57,000	\$57,000

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

This legislation would result in rule changes to:

- Chapter 296-05 WAC – Apprenticeship Rules