

Multiple Agency Fiscal Note Summary

Bill Number: 2397 HB	Title: Assisted living/housing prov
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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 Social and Health Services	0	0	469,000	0	0	296,000	0	0	296,000
Total \$	0	0	469,000	0	0	296,000	0	0	296,000

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 Commerce	.2	71,775	71,775	71,775	.4	131,950	131,950	131,950	.4	131,950	131,950	131,950
Department of Social and Health Services	1.7	468,000	468,000	937,000	2.5	296,000	296,000	592,000	2.5	296,000	296,000	592,000
Total \$	1.9	539,775	539,775	1,008,775	2.9	427,950	427,950	723,950	2.9	427,950	427,950	723,950

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Department of Commerce	.0	0	0	.0	0	0	.0	0	0
Department of Social and Health Services	.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: Breann Boggs, OFM	Phone: (360) 485-5716	Date Published: Final 1/25/2024
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Individual State Agency Fiscal Note

Bill Number: 2397 HB	Title: Assisted living/housing prov	Agency: 103-Department of Commerce
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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	0.4	0.2	0.4	0.4
Account					
General Fund-State 001-1	0	71,775	71,775	131,950	131,950
Total \$	0	71,775	71,775	131,950	131,950

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: Chris Blake	Phone: 360-786-7392	Date: 01/17/2024
Agency Preparation: Hayley Tresenriter	Phone: 360-725-3042	Date: 01/22/2024
Agency Approval: Hayley Tresenriter	Phone: 360-725-3042	Date: 01/22/2024
OFM Review: Cheri Keller	Phone: (360) 584-2207	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.

Section 1: A new section outlines the need for affordable housing for adults needing long-term care. The legislature intends to allow licensed assisted living facilities (ALFs) to access tax credits and rental subsidies. This could significantly impact existing state resources and Commerce staff regarding coordination with ALTSA to ensure resources are not supplementing or duplicating the comprehensive rate paid through the state's current ALTSA contract. There are approximately 500 licensed ALFs in the WA state that will presumably want access to rental assistance funds to complement their rates.

Section 2(2): Removes the Department of Housing and Urban Development subsidiaries from the definition of 'Assisted Living Facility', which clarifies that rent Assistance is not intended to supplement federal Medicaid funds and eliminates the previous exclusion of federally funded housing programs. Commerce assumes the largest impact of this section will be on DSHS-ALTSA; therefore, there is no fiscal impact on the Department of Commerce.

Section 3(4): Add criteria that remove rental subsidy amounts and require that shelter costs be excluded from the Medicaid payment system.

Unknown Impacts:

ALFs are currently eligible project types in the Housing Trust Fund, but it is unknown if they are eligible for Low-Income Housing Tax Credits at this time without being grandfathered into the program.

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.

Section 3(4): To anticipate the impacts of SB 6255, Commerce estimates that each year, one WMS Band 2 FTE will spend 80 hours working with ALTSA to develop and update supplanting criteria and related review processes in FY25. Additionally, Commerce will assume this WMS2 FTE will be part of the application process moving forward; each application would take, on average, one hour to review in coordination with the ALTSA team at DSHS, and approximately 300 of the 500 ALFs would apply for rent assistance.

A total of 380 hours of WMS Band 2 time will cost commerce \$51,262 in FY25 and \$45,462 in years FY26-29. These costs will be ongoing.

If Commerce is required to hold and use data on rental subsidies, 0.1 FTE IT Data Management – Journey (208 hours) in FY25 and in FY26 and 0.1 FTE (208 hours) in FY 27 – FY29 for overall program and data coordination and management. This will cost Commerce an additional \$20,513. These costs will be ongoing.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	71,775	71,775	131,950	131,950
Total \$			0	71,775	71,775	131,950	131,950

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.4	0.2	0.4	0.4
A-Salaries and Wages		36,560	36,560	73,120	73,120
B-Employee Benefits		11,466	11,466	22,932	22,932
C-Professional Service Contracts					
E-Goods and Other Services		2,148	2,148	4,296	4,296
G-Travel					
J-Capital Outlays		5,800	5,800		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		15,801	15,801	31,602	31,602
9-					
Total \$	0	71,775	71,775	131,950	131,950

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 Services	11,168		0.1	0.1	0.1	0.1
IT Data Management - Journy	112,538		0.1	0.1	0.1	0.1
WMS Band 2	126,539		0.2	0.1	0.2	0.2
Total FTEs			0.4	0.2	0.4	0.4

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: 2397 HB	Title: Assisted living/housing prov	Agency: 300-Department of Social and Health Services
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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
General Fund-Federal 001-2		469,000	469,000	296,000	296,000
Total \$		469,000	469,000	296,000	296,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	3.3	1.7	2.5	2.5
Account					
General Fund-State 001-1	0	468,000	468,000	296,000	296,000
General Fund-Federal 001-2	0	469,000	469,000	296,000	296,000
Total \$	0	937,000	937,000	592,000	592,000

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: Chris Blake	Phone: 360-786-7392	Date: 01/17/2024
Agency Preparation: Mitchell Close	Phone: 3600000000	Date: 01/24/2024
Agency Approval: Dan Winkley	Phone: 360-902-8236	Date: 01/24/2024
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 01/25/2024

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 2(2) strikes language that prohibits assisted living facilities from using subsidies from the Department of Housing and Urban Development.

Section 3(4) requires that shelter costs must be excluded from the Medicaid payment system for contracted assisted living if the assisted living facility receives rental subsidies limiting a client's financial responsibility.

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.

A portion of the costs incurred to implement this legislation will be funded with federal Title XIX - Medicaid funds.

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.

The Aging and Long-Term Support Administration (AL TSA) eligibility system is hardcoded to a standardized room and board amount that must be approved by the Centers for Medicare and Medicaid Services (CMS) in both HCBS waivers and the state plan. The following IT positions are needed to provide changes to the Comprehensive Assessment Reporting and Evaluation (CARE) system.

- 0.5 IT Business Analyst - Journey FTE to develop gathering and system flow design and complete system and user acceptance testing (UAT). This position would last from July 1, 2024, to December 31, 2024.
- 0.3 IT Application Development - Journey FTE for coding and debugging system changes. This position would last from September 1, 2024, to December 31, 2024.

Other staff on an ongoing basis are also necessary for this legislation.

- 1.0 WMS 2 Program Manager FTE for the development, research, and submission of Washington Code amendments for institutional program eligibility. This position will provide policy and implementation expertise needed for technical changes across multiple systems. This position will also serve as a subject matter expert and be responsible for providing policy clarification and ongoing support to frontline staff, agency partners, and outside stakeholders. This staff will work with the Health Care Authority (HCA) and CMS for any state plan amendments or waivers that will be needed.
- 1.5 Public Benefits Specialist 4 FTEs to provide financial eligibility work, enter data into ACES using a workaround, request verification of vouchers, and follow-up and work with eligible clients.

The cost for these staff by year is below.

- FY25: \$437,000
- FY26 and beyond: \$296,000

Additionally, AL TSA will require a contract with CNSI for necessary programming work in ACES and ProviderOne for this legislation. The cost for this contract will be \$500,000 in FY25.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	0	468,000	468,000	296,000	296,000
001-2	General Fund	Federal	0	469,000	469,000	296,000	296,000
Total \$			0	937,000	937,000	592,000	592,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		3.3	1.7	2.5	2.5
A-Salaries and Wages		282,000	282,000	392,000	392,000
B-Employee Benefits		99,000	99,000	144,000	144,000
C-Professional Service Contracts		500,000	500,000		
E-Goods and Other Services		20,000	20,000	30,000	30,000
G-Travel		1,000	1,000	2,000	2,000
J-Capital Outlays		20,000	20,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service		1,000	1,000	2,000	2,000
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements		14,000	14,000	22,000	22,000
9-					
Total \$		0	937,000	937,000	592,000

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
IT App Development - Journey	107,159		0.3	0.2		
IT Business Analyst - Journey	107,159		0.5	0.3		
Public Benefits Specialist 4	71,152		1.5	0.8	1.5	1.5
WMS 2 (Program Manager)	89,425		1.0	0.5	1.0	1.0
Total FTEs			3.3	1.7	2.5	2.5

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Aging and Long-Term Support Administration (050)		937,000	937,000	592,000	592,000
Total \$			937,000	937,000	592,000

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.

New or amended rules will be needed to implement this legislation.