

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 2357 S HB	<b>Title:</b> State patrol longevity bonus
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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
Joint Legislative Audit and Review Committee	.0	0	0	4,800	.0	0	0	4,800	1.7	0	0	620,500
Office of Financial Management	.0	0	0	0	.0	0	0	0	.0	0	0	0
Washington State Patrol	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Actuarial Fiscal Note - State Actuary	Fiscal note not available											
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>4,800</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>4,800</b>	<b>1.7</b>	<b>0</b>	<b>0</b>	<b>620,500</b>

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Joint Legislative Audit and Review Committee	.0	0	0	.0	0	0	.0	0	0
Office of Financial Management	.0	0	0	.0	0	0	.0	0	0
Washington State Patrol	.0	0	0	.0	0	0	.0	0	0
Actuarial Fiscal Note - State Actuary	Fiscal note not available								
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Breakout

NONE

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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2357 S HB	<b>Title:</b> State patrol longevity bonus	<b>Agency:</b> 014-Joint Legislative Audit and Review Committee
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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	0.0	0.0	0.0	1.7
<b>Account</b>					
Performance Audits of Government Account-State 553-1	0	4,800	4,800	4,800	620,500
<b>Total \$</b>	0	4,800	4,800	4,800	620,500

### 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: Beth Redfield	Phone: 360-786-7140	Date: 02/12/2024
Agency Preparation: Zack Freeman	Phone: 360-786-5179	Date: 02/13/2024
Agency Approval: Eric Thomas	Phone: 360 786-5182	Date: 02/13/2024
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 02/13/2024

## 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.*

Substitute House Bill 2357 establishes the State Patrol longevity bonus pilot program to strengthen the agency's "ability to retain senior, experienced commissioned staff."

#### Section 1 – Legislative Intent

Through this bill, the Legislature intends to strengthen WSP's ability to retain senior, experienced commissioned staff by establishing a longevity bonus pilot program.

#### Section 2 – WSP Longevity Bonus Pilot Program

Beginning July 1, 2024, an eligible commissioned employee completing 26 or more years of commissioned service shall receive an annual longevity bonus of \$15,000 on their anniversary date of commissioned state employment. This section expires June 30, 2029.

#### Section 4 – JLARC Study

By November 1, 2028, JLARC must conduct a performance review of the State Patrol longevity bonus pilot program. The review must evaluate, at minimum:

- a) The program's impact on retention of senior commissioned staff of the State Patrol;
- b) The change in vacancies in each of the commissioned staff categories over time;
- c) An evaluation of optimal commissioned staffing levels at the State Patrol, including a comparison to other states' field force staffing levels;
- d) A description of other factors that may be impacting retention and vacancy rates; and
- e) Recommendations for addressing State Patrol staffing levels, which must include whether to continue the state patrol longevity bonus 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.*

JLARC staff would work with the State Patrol immediately after passage of the bill to ensure project contacts are established and the data necessary for the review are identified and collected. JLARC staff will meet with the State Patrol annual to receive updates on the pilot program and ensure the proper data is being collected and stored.

JLARC staff anticipate beginning the study in July 2027. JLARC staff will review personnel data to evaluate the impact of the bonus program on the retention of senior commissioned staff and on vacancies across each category of commissioned staff. This evaluation will include an assessment of the factors impacting senior staff retention and recommendations for how to best address staffing levels and whether to continue the longevity bonus pilot program.

In addition, the review will include an evaluation of the optimal level of WSP commissioned staff and a comparison to practices at other state police agencies.

This audit will require an estimated 26 audit months.

The numbers in the table include staff costs and any applicable consultant costs. JLARC expects that the staff costs can be absorbed in its base budget.

If the workload requirements from all assignments passed during the current legislative session exceed our staff capacity, JLARC may need additional staff resources. The staff costs are an estimate of those resources.

JLARC Audit Months: JLARC calculates its staff resources in "Audit Months" to estimate the time and effort to undertake and complete its studies. An "Audit Month" reflects a JLARC analyst's time for a month, together with related administrative, support, and goods/services costs. JLARC's anticipated 2023-25 costs are calculated at approximately \$23,900 per audit month.

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
553-1	Performance Audits of Government Account	State	0	4,800	4,800	4,800	620,500
<b>Total \$</b>			0	4,800	4,800	4,800	620,500

**III. B - Expenditures by Object Or Purpose**

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					1.7
A-Salaries and Wages		3,100	3,100	3,200	403,000
B-Employee Benefits		1,000	1,000	1,000	127,400
C-Professional Service Contracts					
E-Goods and Other Services		600	600	600	81,900
G-Travel		100	100		8,200
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	0	4,800	4,800	4,800	620,500

**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
Research Analyst	131,064					1.1
Support staff	110,856					0.6
<b>Total FTEs</b>						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.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 2357 S HB	<b>Title:</b> State patrol longevity bonus	<b>Agency:</b> 105-Office of Financial Management
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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: Beth Redfield	Phone: 360-786-7140	Date: 02/12/2024
Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 02/14/2024
Agency Approval: Jamie Langford	Phone: 360-902-0422	Date: 02/14/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 02/15/2024

## 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 substitute version adjusted the eligibility requirements of the Washington State Patrol (WSP) longevity bonus pilot program from the previous version. This change had no impact on OFM's fiscal impact assumption.

SHB 2357:

The bill creates a pilot program for longevity bonuses for commissioned officers of WSP. Bonuses are not salary and not part of Average Final Salary pension calculations. Beginning 7/1/24, all commissioned officers with 26+ years of service will receive an annual \$15,000 longevity bonus on their anniversary date of state employment.

All WSP commissioned officers are covered under a collective bargaining agreement, and the legislation explicitly says this is subject to collective bargaining, so the implementation of this program will need to be bargained. That work will be done by OFM Labor Relations in conjunction with WSP leadership. Bargaining will need to be completed with the two unions that represent these employees.

The bargaining over implementation of this pilot program can be incorporated into routine business, as implementation bargaining is a core function of OFM Labor Relations work. An OFM staff member is already assigned to bargain any changes with these two unions. There is no fiscal impact to OFM.

### 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

Revised

<b>Bill Number:</b> 2357 S HB	<b>Title:</b> State patrol longevity bonus	<b>Agency:</b> 225-Washington State Patrol
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## Part I: Estimates

No Fiscal Impact

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

Non-zero but indeterminate cost 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: Beth Redfield	Phone: 360-786-7140	Date: 02/12/2024
Agency Preparation: Shawn Eckhart	Phone: 360-596-4083	Date: 02/16/2024
Agency Approval: Mario Buono	Phone: (360) 596-4046	Date: 02/16/2024
OFM Review: Tiffany West	Phone: (360) 890-2653	Date: 02/16/2024

## 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.*

The substitute version of this bill will continue to have a fiscal impact to the Washington State Patrol (WSP).

Section 2 establishes longevity bonus payment eligibility, amounts and timing for commissioned staff. Beginning July 1, 2024, commissioned staff with 26 or more years of service will receive a \$15,000 longevity bonus on their anniversary date of state employment. This longevity bonus continues through June 30, 2029. The bonus is subject to a change to the applicable collective bargaining agreements, and the payment is not included in salary or average final salary for calculation of pension benefits. This latter intent is also represented in Section 3 on the definitions of "Salary". Changes from the original bill were the removal of a payment on July 1, 2024, for anyone with 25 or more years of service on June 30, 2024; the removal of \$7,500 longevity bonuses for eligible employees reaching 25 years of service; and the change in the wording from "years of commissioned service" to "years of service".

### 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.*

There are no cash receipts to the WSP from this legislation.

### 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.*

We have an indeterminate fiscal impact. We can estimate a maximum number of eligible employees, but we don't know the likelihood of the employees taking advantage of the longevity bonuses by maintaining employment with the agency.

During FY25, we estimate 93 employees would be eligible for the \$15,000 longevity payment during FY25. The total is \$1,395,000, plus \$23,297 for the corresponding state share of Medicare (1.45%) and Family and Medical Leave (0.22%) benefits. Grand total is \$1,418,297.

During FY26, we estimate 36 new employees will become eligible for the \$15,000 longevity payment and, with the 93 eligible employees from the prior year, the total with benefits is \$1,967,315.

During FY27, we estimate 35 new employees will become eligible for the \$15,000 longevity payment and, with the 129 eligible employees from prior years, the total with benefits is \$2,501,082.

During FY28, we estimate 32 new employees will become eligible for the \$15,000 longevity payment and, with the 164 eligible employees from prior years, the total with benefits is \$2,989,098.

During FY29, we estimate 28 new employees will become eligible for the \$15,000 longevity payment and, with the 196 eligible employees from prior years, the total with benefits is \$3,416,112.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

**III. B - Expenditures by Object Or Purpose**

Non-zero but indeterminate cost and/or savings. Please see discussion.

**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.*