

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5070 SB	<b>Title:</b> Nonfatal strangulation	<b>Agency:</b> 235-Department of Labor and Industries
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## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

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

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
<b>Account</b>					
General Fund-State 001-1	226,000	240,000	466,000	525,000	591,000
<b>Total \$</b>	226,000	240,000	466,000	525,000	591,000

### 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: Alison Mendiola	Phone: 360-786-7488	Date: 01/10/2023
Agency Preparation: Bobby Kendall	Phone: 902-6980	Date: 01/16/2023
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 01/16/2023
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 01/16/2023

## 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
001-1	General Fund	State	226,000	240,000	466,000	525,000	591,000
<b>Total \$</b>			226,000	240,000	466,000	525,000	591,000

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services	226,000	240,000	466,000	525,000	591,000
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	226,000	240,000	466,000	525,000	591,000

**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

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**

This bill amends RCW 7.68.803 and states that no costs incurred by hospital or medical facility related to domestic violence assaults involving nonfatal strangulation should be directly or indirectly billed to the victim. The Department of Labor and Industries must notify the Office of Financial Management and relevant fiscal committees if costs of services provided under this section exceeds the amount of funding provided.

The bill removes reporting requirements by the program to the legislature and removes the expiration date of June 30<sup>th</sup> 2023 for section 1.

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

**Section 1(1)** No costs incurred by hospital or medical facility related to domestic violence assaults involving nonfatal strangulation should be directly or indirectly billed to the victim.

**Section 1(2)** The Department of Labor and Industries must notify the Office of Financial Management and relevant fiscal committees if costs of services provided under this section exceeds the amount of funding provided.

**Section 1(3)** Removes the requirement to provide reporting updates to the legislature.

**Section 1(4)** Section 1 no longer expires on 6/30/2023

### **II. B – Cash Receipt Impact**

This bill will have an impact to federal revenue received in the General Fund. However, due to the following, L&I cannot estimate the amount at this time:

- The federal funding formula provides funding at 60 percent for state spending from the fiscal year three years prior.
  - This can also be adjusted if federal funding is reduced at the federal level.
- As federal funding increases, federal expenditures also increase which in turn reduces the amount of state spending, which reduces the amount of federal funding.

- The formula is based on a Federal Fiscal Year.
- The federal formula also requires recovery costs, actual salary and benefit costs for staff who work in collections, and restitution and the amount that is actually collected for restitution and collections.

## **II. C – Expenditures**

### **Appropriated -Operating Costs**

This bill will be implemented by L&I's Crime Victims Compensation Program (CVC), which increases expenditures to the General Fund-State, fund 001. The following assumptions were used to estimate the resources requested to implement this bill:

### **Examination costs**

For the 2023-2025 biennium, L&I estimates this bill will cost an estimated \$466,000 for the examination costs defined in the bill. The following assumptions were made in developing this estimate:

- Assume a four percent medical inflation rate each year. This rate was determined by L&I's Actuarial Services program and BLS.GOV.
- Assume a two percent increase in claims each year.
- FY23 Base Estimate: 76 domestic violence nonfatal strangulation claims received with a total cost of \$106,464 during first six months of FY23.
  - $(76 \times 2 = 152)$  estimated claims for FY23
  - $(\$106,464 \times 2 = \$212,928)$  estimated cost of FY23
  - $(\$212,928 / 152 = \$1400.84)$  average estimated claim cost for FY23

<b>FY</b>	<b>Claims increase of 2% each year</b>	<b>Avg. Cost Increase of 4% each year</b>	<b>Total Cost</b>
2023 Base Year Estimate	152	\$1,401	\$212,928
2024	155	\$1,457	\$225,835
2025	158	\$1,515	\$239,370
2026	161	\$1,576	\$253,736
2027	165	\$1,639	\$270,435
2028	168	\$1,704	\$286,272
2029	171	\$1,773	\$303,183

**Part IV: Capital Budget Impact**

None.

**Part V: New Rule Making Required**

None.