

Multiple Agency Fiscal Note Summary

Bill Number: 5716 E S SB	Title: In-home services surveys
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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	1.1	0	0	498,600	.0	0	0	0	.0	0	0	0
Department of Social and Health Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Health	.3	20,000	20,000	88,000	.0	0	0	0	.0	0	0	0
Total \$	1.4	20,000	20,000	586,600	0.0	0	0	0	0.0	0	0	0

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
Department of Social and Health Services	.0	0	0	.0	0	0	.0	0	0
Department of Health	.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: Gaius Horton, OFM	Phone: (360) 819-3112	Date Published: Final 4/ 3/2023
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Individual State Agency Fiscal Note

Bill Number: 5716 E S SB	Title: In-home services surveys	Agency: 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	1.6	0.6	1.1	0.0	0.0
Account					
Performance Audits of Government Account-State 553-1	371,300	127,300	498,600	0	0
Total \$	371,300	127,300	498,600	0	0

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: Emily Stephens	Phone: 360-786-7157	Date: 03/28/2023
Agency Preparation: Casey Radostitz	Phone: 360-786-5176	Date: 03/28/2023
Agency Approval: Eric Thomas	Phone: 360 786-5182	Date: 03/28/2023
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 04/03/2023

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.

The engrossed substitute bill directs the Joint Legislative Audit and Review Committee (JLARC) to conduct a performance audit of the on-site monitoring, state licensure, and validation surveys performed on in-home service agencies. A progress report is required by December 1, 2023 and the audit must be complete by October 1, 2024.

Section 1(a) includes an evaluation of:

- i. The process the Department of Health (DOH), the Department of Social and Health Services (DSHS), and area agencies on aging use to perform surveys on in-home services agencies.
- ii. The auditing and monitoring assessment tools utilized during on-site monitoring, state licensure, and validation surveys.

Section 1(b) directs JLARC to determine whether current auditing and monitoring tools ensure in-home service agencies comply with state and federal laws. Section 1(c) asks JLARC to determine if the current process and compliance models are the most efficient and accurate, non-duplicative, and ensure in-home agencies comply with laws and regulations.

Section 1(d) directs JLARC to review any duplication of surveys while ensuring in-home service agencies are meeting the standards in state and federal law.

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.

The engrossed substitute bill directs JLARC to review the on-site monitoring, state licensure, and validation surveys performed on in-home services agencies. A progress report is due in December 2023, and the completed report is due to the Legislature by October 1, 2024.

During 2023, JLARC staff would work with DOH, DSHS, and area agencies to identify available information for the progress report due in December 2023. This will include determining whether the existing monitoring, licensing, and survey information collected for in-home service agencies is sufficient for the performance audit.

JLARC staff plan to continue work in 2024. To address the questions in Section 1(a), we anticipate using a combination of interviews, observation, and document reviews.

Additionally, JLARC staff anticipate using an expert consultant to assist with reviewing the current auditing and monitoring assessment tools (Section 1(a)(ii)). The consultant will also help assess whether the current process and compliance models are the most efficient available (Section 1(c)). We anticipate hiring a consultant for this portion of the review will cost \$100,000.

JLARC staff anticipate it will take 18 audit months to complete this review.

JLARC estimates its costs to be divided between a) JLARC staff costs, and b) the costs associated with engaging external experts to assist JLARC staff in completing its assignment.

a) JLARC estimates its costs based on audit months (approximately \$22,100 per audit month). JLARC estimates it will take 18 audit months to complete the assignment required by this bill.

b) Consultant Costs: JLARC anticipates engaging consultant(s) to review the current monitoring and assessment tools used for in-home service agencies, and to review the efficiency of current compliance models. We estimate consultant costs of \$100,000.

JLARC assumes comparable consultant efforts and costs made available for previous studies, and estimated costs reflect JLARC's recent experience in contracting with external entities for similar work.

JLARC ASSUMES THAT THE ASSIGNMENT IN THIS PROPOSED BILL MAY REQUIRE ADDITIONAL RESOURCES. JLARC WILL ASSESS ALL OF THE ASSIGNMENTS MANDATED IN THE 2023 LEGISLATIVE SESSION. BASED ON ALL LEGISLATION THAT IS PASSED, JLARC MAY SUBSEQUENTLY DETERMINE THAT IT CAN ABSORB THE COSTS FOR THIS PROPOSED BILL IN ITS BASE BUDGET, IF THE WORKLOAD OF OTHER ENACTED LEGISLATION DOES NOT EXCEED CURRENT STAFFING LEVELS. HOWEVER, ADDITIONAL RESOURCES TO COVER CONSULTANT COSTS OF \$100,000 WOULD NEED TO BE PROVIDED.

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 \$22,100 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	371,300	127,300	498,600	0	0
Total \$			371,300	127,300	498,600	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.6	0.6	1.1		
A-Salaries and Wages	185,900	71,500	257,400		
B-Employee Benefits	58,500	22,500	81,000		
C-Professional Service Contracts	84,000	16,800	100,800		
E-Goods and Other Services	39,000	15,000	54,000		
G-Travel	3,900	1,500	5,400		
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	371,300	127,300	498,600	0	0

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	126,694	1.1	0.4	0.8		
Support staff	89,671	0.5	0.2	0.4		
Total FTEs		1.6	0.6	1.1		0.0

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: 5716 E S SB	Title: In-home services surveys	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: Emily Stephens	Phone: 360-786-7157	Date: 03/28/2023
Agency Preparation: Mitchell Close	Phone: 3600000000	Date: 03/30/2023
Agency Approval: Dan Winkley	Phone: 360-902-8236	Date: 03/30/2023
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 03/31/2023

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.

This bill requires the Joint Legislative Audit and Review Committee (JLARC) to conduct a performance audit of on-site monitoring, state licensure, and validation surveys performed on in-home services agencies in consultation with the Department of Health, the Department of Social and Health Services (DSHS), and other appropriate stakeholders. JLARC must submit a progress report by December 1, 2023, and a final report by October 1, 2024.

Passage of this legislation will not impact DSHS workload or client benefits. Therefore, there is no fiscal impact to DSHS from this bill.

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: 5716 E S SB	Title: In-home services surveys	Agency: 303-Department of Health
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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	0.6	0.0	0.3	0.0	0.0
Account					
General Fund-State 001-1	20,000	0	20,000	0	0
General Fund-Private/Local 001 -7	68,000	0	68,000	0	0
Total \$	88,000	0	88,000	0	0

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: Emily Stephens	Phone: 360-786-7157	Date: 03/28/2023
Agency Preparation: Donna Compton	Phone: 360-236-4538	Date: 03/31/2023
Agency Approval: Kristin Bettridge	Phone: 3607911657	Date: 03/31/2023
OFM Review: Breann Boggs	Phone: (360) 485-5716	Date: 03/31/2023

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.

This fiscal note has not changed from the previous fiscal note on 5716 SSB. This engrossed substitute adjusts the components of the Joint Legislative Audit and Review Committee's (JLARC) performance audit to analyze the on-site monitoring, state licensure, and validation surveys performed on in-home services agencies. The engrossed substitute directs JLARC to focus on analyzing how surveys are performed, the length of the surveys, the differences between the survey tools, and reducing duplicated efforts. It removes the direction for JLARC to make a determination on if assessment tools are ensuring that agencies are improving their ability to meet the needs of current and future residents and the requirement for JLARC to provide recommendations regarding administrative changes to improve efficiency. The changes in the bill are specific to JLARC and do not impact the department therefore there are no changes in fiscal impact as a result of these changes.

Section 1: Requires JLARC to conduct a performance audit, in consultation with the department and the Department of Social and Health Services, to analyze the on-site monitoring, state licensure, and validation surveys performed on in-home services agencies and outlines the minimum components of that analysis.

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.

Current law RCW 43.70.250 (License fees for professions, occupations, and businesses.) requires that a licensing program administered by the department be fully self-supporting and that enough revenue be collected through fees to fund the cost of administering the program. Currently the in-home services program has a negative fund balance. The department is scheduled to implement a fee increase that will cover current operating costs. Costs associated with implementing this bill will be included in this fee study.

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 1: Requires JLARC to conduct a performance audit of the department's in-home services program. The analysis must include: 1) evaluation of the current process that the department uses to perform surveys, and the auditing and monitoring tools utilized during on-site monitoring, state licensure, and validation surveys; 2) a determination of whether the current monitoring and audit tools are ensuring that in-home service agencies are ensuring compliance with state and federal laws; 3) a determination if the current process and compliance models are accurate, the most efficient available, and do not duplicate survey efforts and; 4) a review of any duplication of surveys conducted while ensuring compliance with standards outlined in state and federal law. The audit must be completed and provided to the legislature by October 1, 2024.

The department will work with JLARC on the performance audit. Work will include attending entrance and exit conferences, work plan development meetings, regular check-ins, and the Joint Legislative Audit and Review Committee hearing, as well as providing data and answering questions. Once the performance audit report is written, department staff will provide a technical review and develop responses to any recommendations. Costs include staff and associated expenses (goods and services, travel, intra-agency, and indirect charges).

FY 2024 cost will be 0.5 FTE and \$68,000 (GF-L).

Center for Facilities and Risk Adjudication (CFRA)

As drafted, SSB 5716 implements an additional performance audit analyzing the on-site monitoring, state licensure, and

validation surveys performed on in-home services agencies. Performance audits are highly visible audits with involvement from the Governor’s Office and the Legislature, as well as Executive Leadership within the department. The department’s Center for Facilities, Risk and Adjudication (CFRA) anticipates it will take 200 hours for a WMS1 External Audit Manager and 10 hours for a WMS 3 to support the External Audit Manager with meeting processes and timely communications to complete the JLARC audit from start to finish.

FY 2024 cost will be 0.1 FTE and \$20,000 (GF-S).

TOTAL COSTS TO IMPLEMENT THIS BILL:

FY 2024 costs will be 0.6 FTE and \$88,000 (GF-S: \$20,000; GF-L: \$68,000).

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	20,000	0	20,000	0	0
001-7	General Fund	Private/Local	68,000	0	68,000	0	0
Total \$			88,000	0	88,000	0	0

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.6		0.3		
A-Salaries and Wages	59,000		59,000		
B-Employee Benefits	20,000		20,000		
E-Goods and Other Services	3,000		3,000		
G-Travel	2,000		2,000		
J-Capital Outlays	1,000		1,000		
T-Intra-Agency Reimbursements	3,000		3,000		
Total \$	88,000	0	88,000	0	0

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
Fiscal Analyst 2	53,000	0.1		0.1		
HEALTH SERVICES CONSULTANT 4	82,896	0.1		0.1		
Health Svcs Conslt 1	53,000	0.1		0.1		
WMS02	114,360	0.2		0.1		
WMS03	129,336	0.1		0.1		
Total FTEs		0.6		0.3		0.0

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.