

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5327 SB	<b>Title:</b> Intern wages
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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
Office of Attorney General	0	0	65,000	0	0	32,000	0	0	22,000
Office of Administrative Hearings	0	0	52,000	0	0	52,000	0	0	52,000
Department of Social and Health Services	0	0	54,000	0	0	54,000	0	0	54,000
Total \$	0	0	171,000	0	0	138,000	0	0	128,000

## 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
Office of Attorney General	.2	0	0	65,000	.1	0	0	32,000	.1	0	0	22,000
Office of Administrative Hearings	.1	0	0	52,000	.1	0	0	52,000	.1	0	0	52,000
Department of Labor and Industries	1.6	0	0	393,000	1.6	0	0	334,000	1.6	0	0	334,000
Department of Social and Health Services	.0	440,000	440,000	494,000	.0	440,000	440,000	494,000	.0	440,000	440,000	494,000
Superintendent of Public Instruction	Fiscal note not available											
State School For The Blind	.0	66,184	66,184	66,184	.0	66,184	66,184	66,184	.0	66,184	66,184	66,184
Washington State Center for Childhood Deafness and Hearing Loss	.0	96,500	96,500	96,500	.0	102,500	102,500	102,500	.0	108,500	108,500	108,500
University of Washington	199.2	19,078,186	19,078,186	19,078,186	199.2	19,078,186	19,078,186	19,078,186	199.2	19,078,186	19,078,186	19,078,186
University of Washington	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Washington State University	.0	47,598,000	47,598,000	47,598,000	.0	47,598,000	47,598,000	47,598,000	.0	47,598,000	47,598,000	47,598,000
Washington State University	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Eastern Washington University	1.0	364,400	364,400	364,400	1.0	364,400	364,400	364,400	1.0	364,400	364,400	364,400
Central Washington University	.0	2,289,074	2,289,074	2,289,074	.0	2,289,074	2,289,074	2,289,074	.0	2,289,074	2,289,074	2,289,074
The Evergreen State College	.0	0	0	0	.0	0	0	0	.0	0	0	0
Western Washington University	.0	10,000,000	10,000,000	10,000,000	.0	10,000,000	10,000,000	10,000,000	.0	10,000,000	10,000,000	10,000,000
Western Washington University	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Community and Technical College System	.0	0	0	0	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>202.1</b>	<b>79,932,344</b>	<b>79,932,344</b>	<b>80,496,344</b>	<b>202.0</b>	<b>79,938,344</b>	<b>79,938,344</b>	<b>80,410,344</b>	<b>202.0</b>	<b>79,944,344</b>	<b>79,944,344</b>	<b>80,406,344</b>

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
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
Department of Social and Health Services	.0	0	0	.0	0	0	.0	0	0
Superintendent of Public Instruction	Fiscal note not available								
State School For The Blind	.0	0	0	.0	0	0	.0	0	0
Washington State Center for Childhood Deafness and Hearing Loss	.0	0	0	.0	0	0	.0	0	0
University of Washington	.0	0	0	.0	0	0	.0	0	0
Washington State University	.0	0	0	.0	0	0	.0	0	0
Eastern Washington University	.0	0	0	.0	0	0	.0	0	0
Central Washington University	.0	0	0	.0	0	0	.0	0	0
The Evergreen State College	.0	0	0	.0	0	0	.0	0	0
Western Washington University	.0	0	0	.0	0	0	.0	0	0
Community and Technical College System	.0	0	0	.0	0	0	.0	0	0
<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>

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

## Estimated Capital Budget Breakout

<b>Prepared by:</b> Anna Minor, OFM	<b>Phone:</b> (360) 790-2951	<b>Date Published:</b> Preliminary 3/15/2023
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5327 SB	<b>Title:</b> Intern wages	<b>Agency:</b> 100-Office of Attorney General
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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
Legal Services Revolving Account-State 405-1	41,000	24,000	65,000	32,000	22,000
<b>Total \$</b>	41,000	24,000	65,000	32,000	22,000

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.3	0.2	0.2	0.1	0.1
<b>Account</b>					
Legal Services Revolving Account-State 405-1	41,000	24,000	65,000	32,000	22,000
<b>Total \$</b>	41,000	24,000	65,000	32,000	22,000

### 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: Susan Jones	Phone: 360-786-7404	Date: 01/13/2023
Agency Preparation: Allyson Bazan	Phone: 360-586-3589	Date: 02/01/2023
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 02/01/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/02/2023

## 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.*

Section 1 – Amends RCW 49.46.010, adds compensation paid to an intern as part of the definition of wage.

Section 2 – New Section to chapter 49.46 RCW, requires government entities to pay interns wages. Includes rules and enforcement provisions.

Section 3 – New Section to chapter 49.46 RCW, the Department of Labor and Industries may adopt rules to implement this act.

### 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.*

Cash receipts are assumed to equal the Legal Services Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agencies are the Department of Labor and Industries (L&I), Washington State University (WSU), University of Washington (UW), Central Washington University (CWU), Eastern Washington University (EWU), Western Washington University (WWU), The Evergreen State College (TESC), and the State Board for Community and Technical Colleges (SBCTC). The Attorney General’s Office (AGO) will bill all clients for legal services rendered.

These cash receipts represent the AGO’s authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agencies’ fiscal note. Appropriation authority is necessary in the AGO budget.

#### AGO AGENCY ASSUMPTIONS:

L&I will be billed for non-Seattle rates:

FY 2024: \$8,000 for 0.03 FTE Assistant Attorney General (AAG), and 0.02 FTE Legal Assistant 3 (LA), and in each FY thereafter.

WSU will be billed for non-Seattle rates:

FY 2024 and FY 2025: \$3,000 for 0.01 FTE AAG, and 0.01 FTE LA.

CWU will be billed for non-Seattle rates:

FY 2024: \$7,000 for 0.03 FTE AAG, and 0.02 FTE LA.

FY 2025 and FY 2026: \$2,000 for 0.01 FTE AAG, and 0.01 FTE LA.

EWU will be billed for non-Seattle rates:

FY 2024: \$5,000 for 0.02 FTE AAG, and 0.01 FTE LA.

FY 2025 and FY 2026: \$2,000 for 0.01 FTE AAG, and 0.01 FTE LA.

WWU will be billed for non-Seattle rates:

FY 2024: \$5,000 for 0.02 FTE AAG, and 0.01 FTE LA.  
FY 2025 and FY 2026: \$2,000 for 0.01 FTE AAG, and 0.01 FTE LA.

TESC will be billed for non-Seattle rates:

FY 2024: \$5,000 for 0.04 FTE AAG, and 0.02 FTE LA.  
FY 2025 and FY 2026: \$2,000 for 0.01 FTE AAG, and 0.01 FTE LA.

SBCTC will be billed for non-Seattle rates:

FY 2024: \$5,000 for 0.02 FTE AAG, and 0.01 FTE LA.  
FY 2025 and FY 2026: \$2,000 for 0.01 FTE AAG, and 0.01 FTE LA.

UW will be billed for Seattle rates:

FY 2024: \$3,000 for 0.01 FTE AAG, and 0.01 FTE LA, and in each FY thereafter.

## 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.*

Attorney General's Office (AGO) Agency Assumptions:

This bill is assumed effective 90 days after the end of the 2023 legislative session.

Location of staffing is assumed to be in statewide office buildings.

Total workload impact in this request includes standard assumption costs for goods & services, travel, and capital outlays for all FTE identified.

Agency administration support FTE are included in the tables, for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 FTE for a Legal Assistant 3 (LA) and 0.25 FTE of a Management Analyst 5 (MA). The MA is used as a representative classification.

The AGO Labor and Industries Division (LNI) has reviewed this bill and determined the following impact related to the enactment of this bill:

The enactment of this bill will marginally impact the provision of legal services to the Department of Labor and Industries (L&I). Based on the best available data and projections of how the regulated community will act in response to this bill, L&I and the AGO jointly estimate it will result in an increase of no more than 6 appeals per year. We further believe that most appeals will present relatively straightforward issues so that hours per case will not be very high in terms of legal services.

LNI total FTE workload impact for non-Seattle rates:

FY 2024: \$8,000 for 0.03 FTE AAG, and 0.02 FTE LA, and in each FY thereafter.

The AGO Washington State University Division (AGO-WSU) has reviewed this bill and determined the following impact related to the enactment of this bill:

AGO-WSU assumes the Washington State University (WSU) will seek advice on implementing this bill's provisions for its

own interns. In addition, the various programs with practicum work will be affected and legal review of their accreditation requirements and affiliation agreements will be required.

WSU total FTE workload impact for non-Seattle rates:

FY 2024 and FY 2025: \$3,000 for 0.01 FTE AAG, and 0.01 FTE LA.

The AGO Education Division (EDU) has reviewed this bill and determined the following impact related to the enactment of this bill:

Section 2 of this bill is likely to have broad and significant impact on the operations of institutions of higher education and associated programs, thus driving the need for legal services. Some institutions of higher education are required to provide for unpaid internships as part of the accreditation process; this is expected to be particularly challenging to navigate in the context of Allied Health and Nursing Programs; Teaching, para-education, early childhood programs with student teaching and practical requirements will also be implicated and will result in the need to revise program agreements and enter into agreement with more school districts due to the financial impact; Work-based learning programs and other internship programs will need advice about restructuring as well as updating affiliation agreements.

It is assumed that institutions of higher education will need to implement the bill internally (pay their own interns); it is assumed that third parties will be responsible for paying interns from the institutions of higher education. The bulk of legal services will be incurred in the first full year of implementation, with need decreasing over subsequent years. This assumes that the complications that the law creates with accreditation can largely be resolved in the first two full years of implementation.

EDU total FTE workload impact for non-Seattle rates:

FY 2024: \$27,000 for 0.11 FTE AAG, and 0.06 FTE LA.

FY 2025 and FY 2026: \$10,000 for 0.04 FTE AAG, and 0.02 FTE LA.

The AGO University of Washington Division (UOW) has reviewed this bill and determined the following impact related to the enactment of this bill:

The enactment of this bill will marginally impact the provision of legal services to University of Washington because we estimate 20 hours of legal work the first year as they transition from unpaid to paid, and then 10 hours a year thereafter for wage and hour related legal issues that come up for the client.

UOW total FTE workload impact for Seattle rates:

FY 2024: \$3,000 for 0.01 FTE AAG, and 0.01 FTE LA, and in each FY thereafter.

The AGO Labor and Personnel Division has reviewed this bill and determined it will not significantly increase or decrease the division's workload. The enactment of this bill will not impact the provision of legal services to our clients regarding these statutory changes and they will have little to no impact on legal advice. Therefore, new legal services are nominal and costs are not included in this request.

The AGO Revenue and Finance Division has reviewed this bill and determined it will not significantly increase or decrease the division's workload. The enactment of this bill will not impact the provision of legal services to the Office of Administrative Hearings because it is unlikely to result in any requests for legal advice. New legal services are nominal and costs are not included in this request.

The AGO Agriculture and Health Division (AHD) has reviewed this bill and determined it will not significantly increase or

decrease the division’s workload in representing the Department of Commerce (Commerce). Commerce was assigned this fiscal note request for its role in estimating the impact of bills on local governments. Commerce itself would not be given any new authorities or responsibilities under this bill. This won’t generate any legal work for AHD. New legal services are nominal and costs are not included in this request.

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
405-1	Legal Services Revolving Account	State	41,000	24,000	65,000	32,000	22,000
<b>Total \$</b>			41,000	24,000	65,000	32,000	22,000

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.3	0.2	0.2	0.1	0.1
A-Salaries and Wages	27,000	16,000	43,000	21,000	14,000
B-Employee Benefits	10,000	6,000	16,000	8,000	6,000
C-Professional Service Contracts					
E-Goods and Other Services	4,000	2,000	6,000	3,000	2,000
G-Travel					
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>	41,000	24,000	65,000	32,000	22,000

**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
Assistant Attorney General	118,700	0.2	0.1	0.1	0.1	0.0
Assistant Attorney General-Seattle	124,635	0.0	0.0	0.0	0.0	0.0
Legal Assistant 3	55,872	0.1	0.1	0.1	0.0	0.0
Legal Assistant 3-Seattle	67,044	0.0	0.0	0.0	0.0	0.0
Management Analyst 5	91,524	0.0	0.0	0.0	0.0	0.0
<b>Total FTEs</b>		0.3	0.2	0.2	0.1	0.1

**III. D - Expenditures By Program (optional)**

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Education Division (EDU)	27,000	10,000	37,000	10,000	
Labor & Industries Division (LNI)	8,000	8,000	16,000	16,000	16,000
University of Washington Division (UOW)	3,000	3,000	6,000	6,000	6,000
Washington State University Division (WSU)	3,000	3,000	6,000		
<b>Total \$</b>	41,000	24,000	65,000	32,000	22,000

**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.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5327 SB	<b>Title:</b> Intern wages	<b>Agency:</b> 110-Office of Administrative Hearings
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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
Administrative Hearings Revolving Account-State 484-1	26,000	26,000	52,000	52,000	52,000
<b>Total \$</b>	26,000	26,000	52,000	52,000	52,000

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.1	0.1	0.1	0.1	0.1
<b>Account</b>					
Administrative Hearings Revolving Account-State 484-1	26,000	26,000	52,000	52,000	52,000
<b>Total \$</b>	26,000	26,000	52,000	52,000	52,000

### 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: Susan Jones	Phone: 360-786-7404	Date: 01/13/2023
Agency Preparation: Pete Boeckel	Phone: 360-407-2730	Date: 02/01/2023
Agency Approval: Deborah Feinstein	Phone: 360-407-2717	Date: 02/01/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 02/01/2023

## 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 modifies the Minimum Wage Act to include student state or local government interns, or student interns at educational, charitable, or nonprofit organizations receiving public funds.

Section 2 provides that these college student interns, who currently work on a generally volunteer basis, must receive at least minimum wage, even if they are also receiving academic credit. Section 2 ensures interns the job protections against retaliation for filing wage complaints with the Department of Labor and Industries. Section 2 also gives interns access to the enforcement provisions of Chapter 49.48 RCW, which includes administrative appeal rights.

Work activities associated with the enactment of this bill will begin on July 1, 2023.

### 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.*

As a central service agency, the Office of Administrative Hearings (OAH) bills referring agencies for its costs and collects the revenue into the Administrative Hearings Revolving Account. Cash receipts are assumed to equal costs. OAH will bill the Department of Labor and Industries for the costs related to this proposed legislation.

These cash receipts represent the OAH's authority to bill and are not a direct appropriation to OAH. Appropriation authority is necessary in OAH's budget.

### 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 Department of Labor and Industries (L&I) estimates that the proposed legislation will result in six new appeals being referred to the Office of Administrative Hearings (OAH) per fiscal year beginning in FY 2024. On average, each appeal is expected to take approximately 20 hours of line Administrative Law Judge (ALJ) time including prehearing conferences, hearings, order writings, etc.

OAH Agency Workforce Assumptions:

- (1) The Governors proposed COLA increases in FY2024 and FY2025, and Collective Bargaining Agreement increases are not included in agency cost projections. Additional funding is required if these proposals are enacted.
- (2) Ratio of 1.0 FTE line ALJ to 0.15 Senior ALJ (SALJ), to 0.6 Legal Assistant 2 (LA2) (Range 40 step L), to 0.25 administrative support Management Analyst 5 (MA5) (Range 64 Step L).
- (3) ALJ salary is based on the ALJ collective bargaining agreement and assumed to be at step L. (Line ALJ-range 70. Senior ALJ-range 74.)
- (4) Benefit rates were analyzed by job class and projected using the latest benefit information available.
- (5) Goods and services, travel and on-going capital outlays were projected based on historical data for each of the job classifications.

Total workload impact beginning in FY 2024: 0.09 ALJ at a cost of \$20,713, and 0.05 LA2 at a cost of \$5,395. Total cost rounded to: \$26,000 per FY.

Legal services associated with the enactment of this bill will begin on July 1, 2023.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
484-1	Administrative Hearings Revolving Account	State	26,000	26,000	52,000	52,000	52,000
<b>Total \$</b>			26,000	26,000	52,000	52,000	52,000

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.1	0.1	0.1	0.1	0.1
A-Salaries and Wages	16,000	16,000	32,000	32,000	32,000
B-Employee Benefits	5,000	5,000	10,000	10,000	10,000
C-Professional Service Contracts					
E-Goods and Other Services	5,000	5,000	10,000	10,000	10,000
G-Travel					
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>	26,000	26,000	52,000	52,000	52,000

### 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 Law Judge	106,152	0.1	0.1	0.1	0.1	0.1
Legal Assistant 2	50,592	0.1	0.1	0.1	0.1	0.1
<b>Total FTEs</b>		0.1	0.1	0.1	0.1	0.1

### III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Regulatory & Education (REG)	26,000	26,000	52,000	52,000	52,000
<b>Total \$</b>	26,000	26,000	52,000	52,000	52,000

## 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.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5327 SB	<b>Title:</b> Intern wages	<b>Agency:</b> 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	1.6	1.6	1.6	1.6	1.6
<b>Account</b>					
Accident Account-State 608-1	192,000	142,000	334,000	284,000	284,000
Medical Aid Account-State 609-1	34,000	25,000	59,000	50,000	50,000
<b>Total \$</b>	<b>226,000</b>	<b>167,000</b>	<b>393,000</b>	<b>334,000</b>	<b>334,000</b>

### 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: Susan Jones	Phone: 360-786-7404	Date: 01/13/2023
Agency Preparation: Rachel Reed	Phone: 360-902-4552	Date: 01/26/2023
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 01/26/2023
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 01/27/2023

## 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
608-1	Accident Account	State	192,000	142,000	334,000	284,000	284,000
609-1	Medical Aid Account	State	34,000	25,000	59,000	50,000	50,000
<b>Total \$</b>			226,000	167,000	393,000	334,000	334,000

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.6	1.6	1.6	1.6	1.6
A-Salaries and Wages	102,000	105,000	207,000	210,000	210,000
B-Employee Benefits	40,000	42,000	82,000	84,000	84,000
C-Professional Service Contracts					
E-Goods and Other Services	61,000	17,000	78,000	34,000	34,000
G-Travel	3,000	3,000	6,000	6,000	6,000
J-Capital Outlays	20,000		20,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	226,000	167,000	393,000	334,000	334,000

### 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
Fiscal Analyst 5	71,520	0.1	0.1	0.1	0.1	0.1
Industrial Relations Agent 2	66,420	1.0	1.0	1.0	1.0	1.0
Revenue Agent 2	64,788	0.5	0.5	0.5	0.5	0.5
<b>Total FTEs</b>		1.6	1.6	1.6	1.6	1.6

**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

See attached.

**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 amends RCW 49.46.010 and adds new sections to RCW 49.46. These changes extend wage payment protections to qualifying interns. The Department of Labor and Industries (L&I) has rulemaking authority.

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

**Section 2(1)** states that “notwithstanding RCW 49.46.010(3)(d), any state or local governmental body or agency, or educational, charitable, or nonprofit organization receiving public funds who provides an internship must pay to the intern wages at a rate of not less than the amount established in RCW 49.46.020(1) for the hours of the internship.”

**Section 2(2)** states that all enforcement provisions under RCW 49.48 that apply to employees also apply to interns.

**Section 2(3)** states that protections under RCW 49.46.090 through 49.46.110 apply to the payment of intern wages.

**Section 3** is a new section that gives L&I rulemaking authority to implement the bill.

### **II. B – Cash Receipt Impact**

#### **Receivables – Operating**

The penalties received by L&I related to enforcing this bill would be deposited in the Supplemental Pension Fund, fund 881. L&I has the authority to issue these penalties. Because the dollar amounts of the penalties can vary, L&I has no way to predict the amounts of each citation under this bill. Therefore, the cash receipt impact is indeterminate.

#### **Receivables – Non-appropriated**

The non-appropriated cash receipts for this bill are indeterminate. It could increase the number of covered workers, increasing claim costs and premiums. Some interns are currently covered as volunteers and only eligible for Medical Aid Fund benefits, and this bill could make them eligible for Accident Fund benefits as covered workers. L&I does not have data to determine the increases in claim costs and premiums from this bill. We anticipate that the increase in claim costs will be approximately equal to the increase in premiums collected for a minimal net impact.

## **II. C – Expenditures**

### **Non-appropriated Costs**

The non-appropriated costs for this bill are indeterminate. It could increase the number of covered workers, increasing claim costs and premiums. Some interns are currently covered as volunteers and only eligible for Medical Aid Fund benefits, and this bill could make them eligible for Accident Fund benefits as covered workers. L&I does not have data to determine the increases in claim costs and premiums from this bill. We anticipate that the increase in claim costs will be approximately equal to the increase in premiums collected for a minimal net impact.

### **Appropriated – Operating Costs**

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

### **Staffing**

1 FTE, Industrial Relations Agent 2, permanent, beginning July 1, 2023. Duties include investigating wage disputes and cases resulting from filed workers' rights complaints under this bill and developing outreach materials and resources for parties impacted by this bill. This is based on the following assumptions:

- According to the U.S. Department of Education, there were 337,122 students at Washington colleges in academic year 2021-2022, including students from both private and public colleges and both community colleges and 4-year institutions.
- According to UNIVSTATS, 60% of college students participate in an internship during college.
- The number of college students participating in internships per year is approximately 202,273 (.6 college students in internships X 337,122 total college students = 202,273 college students participating in internships per year).
- There is no reliable data source to verify what percentage of college student interns are placed at public or nonprofit entities. For fiscal note purposes, the department assumes that the percentage of college interns at nonprofit and public entities in Washington is 50%.

- The department assumes that 101,136 interns will be covered by this bill (202,273 college students participating in internships x .5 = 101,136 interns at public and nonprofit entities).
- The complaint rate for wage complaints is .002.
- There will be 202.27 additional Wage Payment Act (WPA) cases to investigate (.2% X 101,136 student interns = 202.27 WPA cases).
- The average IRA2 handles 240 wage complaints per year.
- Therefore, 1 IRA2 is needed to respond to the additional annual wage complaints (202.27 complaints / 240 per IRA2 = .84 FTEs).

.5 FTE, Revenue Agent 2, permanent starting August 1, 2023. Duties include the collection of WPA penalties and workers' compensation audit assessments. This is based on the following assumptions:

- Employment Standards anticipates 202.27 new complaints annually (see IRA2 assumptions).
- Approximately 14% of these complaints will result in a citation.
- There will be 28.32 new citations for WPA violations annually (202.27 complaints per year X .14 = 28.32).
- The caseload that a WPA RA2 can effectively handle is 300.
- WPA RAs only collect WPA debts.
- Therefore, .19 WPA RA2 FTEs are needed to handle the new citations (28.32 new citations / 300 citation caseload per FTE = .1 FTE).
- We also expect to receive 38 new audits annually for misreported intern worker hours.
- The average caseload that can be effectively worked by a Field RA2 is 200 assignments.
- Field RAs have other debt streams to collect that are not included in the Worker's Comp assignments.
- Therefore, .38 Field RA2s are needed to handle the new audits (38 new audits / 200 audit caseload = .2 FTEs).
- The RA2 position will also perform additional duties including evaluations of assets in connection to financial applications, business records, financial statements for long term payment plans, and monitoring all bankruptcy suspensions.

- These additional duties are anticipated to bring the total FTE needs for RA2s to 1 FTE (.1 FTE for new citations + .2 FTE for new audits + .2 FTE for additional duties = .5 FTEs).

**Education and Outreach**

\$20,000 for statewide outreach will be necessary during fiscal year 2024 to effectively implement this bill to educate employers, which creates new requirements for employers and new rights for qualifying interns. This includes \$10,000 for a targeted social media campaign and \$10,000 for advertising and outreach to affected organizations.

**Printing & Mailing**

\$1,175 is needed during fiscal year 2024 to print an updated Employers’ Guide to Workers’ Compensation Insurance and to develop a fact sheet to educate employers about the new requirements for hiring interns (\$675 for updated Employers’ Guide + \$500 for new fact sheet = \$1,175).

**Rule making**

\$12,500 is needed for five rulemaking hearings to occur during fiscal year 2024. The average cost of one rule making hearing is \$2,500. (5 hearings x \$2,500 each = \$12,500).

**Attorney General – Legal Services**

Although the bill would require additional legal support for implementation and appeals, the work is anticipated to be able to be done within existing resources given the limited rulemaking and number of employer appeals anticipated.

**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	8,000	9,000	9,000	9,000	9,000	9,000
609	Medical Aid	1,000	1,000	1,000	1,000	1,000	1,000
	Total:	\$9,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000

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:

- WAC 296-128, Minimum wages
- WAC 296-17-925, Recordkeeping requirements for student volunteers and/or unpaid students
- WAC 296-17-935, Options for reporting qualifying volunteers, including student volunteers and unpaid students
- WAC 296-17-35203, Special reporting instruction

# Individual State Agency Fiscal Note

Revised

<b>Bill Number:</b> 5327 SB	<b>Title:</b> Intern wages	<b>Agency:</b> 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	27,000	27,000	54,000	54,000	54,000
<b>Total \$</b>	27,000	27,000	54,000	54,000	54,000

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
<b>Account</b>					
General Fund-State 001-1	220,000	220,000	440,000	440,000	440,000
General Fund-Federal 001-2	27,000	27,000	54,000	54,000	54,000
<b>Total \$</b>	247,000	247,000	494,000	494,000	494,000

### 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: Susan Jones	Phone: 360-786-7404	Date: 01/13/2023
Agency Preparation: Teresa Elliott	Phone: 360-902-8177	Date: 02/21/2023
Agency Approval: Dan Winkley	Phone: 360-902-8236	Date: 02/21/2023
OFM Review: Robyn Williams	Phone: (360) 704-0525	Date: 02/21/2023

## 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.*

Sec. 2. A new section is added to chapter 49.46 RCW to read as follows: (1) Notwithstanding RCW 49.46.010(3)(d), any state or local governmental body or agency, or educational, charitable, or nonprofit organization receiving public funds who provides an internship must pay to the intern wages at a rate of not less than the amount established in RCW 49.46.020(1) for the hours of the internship.

### 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.*

It is assumed that the provisions of this bill would be eligible for federal funding based on each administrations ability to earn eligible dollars. Federal funding type is estimated to be 001-C Title XIX - Medicaid.

### 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 Department of Social and Health Services (DSHS), Behavioral Health Administration (BHA), Special Commitment Center (SCC), and Aging and Long-Term Services Administration (AL TSA) hold multiple interns who are on board for several months.

This cost estimate is based on the actual hours reported to the Department of Labor and Industries for interns and volunteers in calendar year 2022 and assumes that 80 percent of the total hours were for interns. Salaries are calculated at \$15.74 per hour plus benefits of 7.65 percent annually.

14,627 hours X \$15.74 per hour plus benefits of 7.65 percent = \$247,000.

## 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	220,000	220,000	440,000	440,000	440,000
001-2	General Fund	Federal	27,000	27,000	54,000	54,000	54,000
Total \$			247,000	247,000	494,000	494,000	494,000

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages	230,000	230,000	460,000	460,000	460,000
B-Employee Benefits	17,000	17,000	34,000	34,000	34,000
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
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>	247,000	247,000	494,000	494,000	494,000

**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
Intern						
<b>Total FTEs</b>						0.0

**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)**

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Behavioral Health Administration (030)	241,000	241,000	482,000	482,000	482,000
Adult Long Term Care Services (050)	2,000	2,000	4,000	4,000	4,000
Special Commitment Center (135)	4,000	4,000	8,000	8,000	8,000
<b>Total \$</b>	247,000	247,000	494,000	494,000	494,000

**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.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5327 SB	<b>Title:</b> Intern wages	<b>Agency:</b> 351-State School For The Blind
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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
<b>Account</b>					
General Fund-State 001-1	33,092	33,092	66,184	66,184	66,184
<b>Total \$</b>	33,092	33,092	66,184	66,184	66,184

### 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: Susan Jones	Phone: 360-786-7404	Date: 01/13/2023
Agency Preparation: Mary Sarate	Phone: (360) 696-6321	Date: 01/17/2023
Agency Approval: Mary Sarate	Phone: (360) 696-6321	Date: 01/17/2023
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 01/25/2023

## 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.

Senate Bill 5327 provides for paying interns according to RCW 49.46.020 (1) for the hours of the internship. Historically, WSSB has the equivalent of one intern a year. This equates to \$33,091.78 annually.

Salary: 1440 hours x \$15.74 = \$22,665.60

Benefits: x 46% = \$10,426.18

### 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.

Senate Bill 5327 provides for paying interns according to RCW 49.46.020 (1) for the hours of the internship. Historically, WSSB has the equivalent of one intern a year. This equates to \$33,091.78 annually.

Salary: 1440 hours x \$15.74 = \$22,665.60

Benefits: x 46% = \$10,426.18

## 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	33,092	33,092	66,184	66,184	66,184
<b>Total \$</b>			33,092	33,092	66,184	66,184	66,184

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages	22,666	22,666	45,332	45,332	45,332
B-Employee Benefits	10,426	10,426	20,852	20,852	20,852
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
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>	33,092	33,092	66,184	66,184	66,184

**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

<b>Bill Number:</b> 5327 SB	<b>Title:</b> Intern wages	<b>Agency:</b> 353-Washington State Center for Childhood Deafness and Hearing Loss
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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
<b>Account</b>					
General Fund-State 001-1	47,500	49,000	96,500	102,500	108,500
<b>Total \$</b>	47,500	49,000	96,500	102,500	108,500

### 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: Susan Jones	Phone: 360-786-7404	Date: 01/13/2023
Agency Preparation: April Burns	Phone: 360-418-4326	Date: 01/17/2023
Agency Approval: April Burns	Phone: 360-418-4326	Date: 01/17/2023
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 01/25/2023

## 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.

CDHY currently has an average of 5 interns per year both in education and interpreting. Each intern has the ability to be on campus up to 18 weeks per year and the cost per intern for the full 18 weeks is \$9,500. The total for 5 interns per year is \$47,500.

### 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

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	47,500	49,000	96,500	102,500	108,500
<b>Total \$</b>			47,500	49,000	96,500	102,500	108,500

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages	47,500	49,000	96,500	102,500	108,500
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					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	47,500	49,000	96,500	102,500	108,500

**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

<b>Bill Number:</b> 5327 SB	<b>Title:</b> Intern wages	<b>Agency:</b> 360-University of Washington
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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	199.2	199.2	199.2	199.2	199.2
<b>Account</b>					
General Fund-State 001-1	9,539,093	9,539,093	19,078,186	19,078,186	19,078,186
<b>Total \$</b>	<b>9,539,093</b>	<b>9,539,093</b>	<b>19,078,186</b>	<b>19,078,186</b>	<b>19,078,186</b>

In addition to the estimates above, there are additional indeterminate costs 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: Susan Jones	Phone: 360-786-7404	Date: 01/13/2023
Agency Preparation: Lauren Hatchett	Phone: 2066167203	Date: 01/18/2023
Agency Approval: Charlotte Shannon	Phone: 2066858868	Date: 01/18/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/08/2023



## 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.*

SB 5327 would require the University of Washington (UW) to pay the minimum hourly wage as defined by RCW 49.46.020(1) to all individuals participating in an internship. The bill also defines “an internship” based on the job experience an intern receives from the internship offered and managed by a public or private entity.

The University of Washington (UW) currently offers both paid and unpaid internships. Given that the number of internships and interns in any given year is variable, the overall fiscal impact is indeterminate. We have identified determinate costs that the UW would incur, including new staff hires necessary to centrally track internships, as well as the known number of internships that are currently unpaid.

### 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.*

There are two major costs associated with this bill: (1) converting unpaid internships to paid internships, and (2) ensuring compliance by hiring new staff to track internships across the UW. These costs are outlined below.

#### INTERNSHIPS

The bill defines an internship as a planned, structured engagement of limited duration for the intern to gain job experience, for academic purposes or otherwise, which many internship programs at UW satisfy except for internships managed by an outside entity, public or private. Following the definition, the legislation prescribes hourly wage payments for the duration of the internship for interns in any internship program, including those at UW.

We assume that UW interns are students (enrolled at UW or elsewhere) that are undertaking an internship directly managed by UW or indirectly through its affiliated organizations based on a formalized agreement, where UW provides the intern and organizes the employment. As such, because different internship programs are offered across different units and campuses within the university, there are both paid and unpaid internships currently offered at UW.

UW students in clinical placements, which often operate in professional programs (nursing, medicine, social work, etc.) have specialized internship programs. These internships are integral to students’ education and are typically accounted for by student tuition dollars. It is unclear to us if these kinds of internships would be subject to this legislation. The majority of these internships are unpaid, as students pay tuition to support these programs, but if they were subject, the cost would be significant. We have provided estimates for Social Work and Nursing programs on the UW Seattle campus. Overall estimates for other professional programs with unpaid internships are indeterminate but expected to exceed \$50,000 beginning in FY24 and each year thereafter.

Although payments vary across different units and campuses across the UW, for paid internship programs, interns are generally paid based on the \$22.71 per hour (\$18.69 Seattle City minimum wage plus 21.5% in benefits). This is higher than what the legislation stipulates in RCW 49.46.020(1), and if the legislation passed, we would continue to pay this rate.

Based on the number of known internships across the UW, there are approximately 703 students across the UW who are

completing an internship that may be subject to this legislation. These internships are housed in the College of Education (108), College of the Environment (102), School of Social Work (170), and School of Nursing (323). It is also possible that there are other internships across the UW that are not included in this list but would be subject to this legislation. On average, 200 students obtain an internship outside of these units, and we estimate that only 10 percent (20 students) are unpaid.

Together, if these students were converted to paid interns it would cost the UW \$9.3 million and create 196.24 new FTE beginning in FY24 and each year thereafter. This estimate does not include many professional programs with student positions that may or may not be subject to this legislation. For example, if medical school clerkships are considered “internships”, total costs would significantly increase.

**NEW STAFF HIRES**

Finally, in addition to intern costs mentioned above, we assume that the implementation of the bill will require hiring a minimum of three Program Managers in the Career & Internship Center on the Seattle campus to manage campus internships across UW. One of these managers would be responsible for tracking internships on the Bothell and Tacoma campuses. The total cost of hiring three Program Managers is \$270,000 (Annual Salary: \$68,285; Benefits Rate: 31.8%) beginning in FY24 and each year thereafter.

This estimate does not include additional staff to support UW Medical School as we assume that student involvement in clerkships would not be subject to this legislation. However, if student positions like clerkships were subject, UW Medicine would need to hire additional staff to track and manage this effort. Total costs would exceed \$50,000 in each fiscal year.

**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	9,539,093	9,539,093	19,078,186	19,078,186	19,078,186
<b>Total \$</b>			9,539,093	9,539,093	19,078,186	19,078,186	19,078,186

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	199.2	199.2	199.2	199.2	199.2
A-Salaries and Wages	7,833,739	7,833,739	15,667,478	15,667,478	15,667,478
B-Employee Benefits	1,705,354	1,705,354	3,410,708	3,410,708	3,410,708
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
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>	9,539,093	9,539,093	19,078,186	19,078,186	19,078,186

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

**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
Program Manager	68,285	3.0	3.0	3.0	3.0	3.0
Student Interns	38,875	196.2	196.2	196.2	196.2	196.2
<b>Total FTEs</b>		199.2	199.2	199.2	199.2	199.2

**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> 5327 SB	<b>Title:</b> Intern wages	<b>Agency:</b> 365-Washington State University
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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
<b>Account</b>					
General Fund-State 001-1	23,799,000	23,799,000	47,598,000	47,598,000	47,598,000
<b>Total \$</b>	23,799,000	23,799,000	47,598,000	47,598,000	47,598,000

In addition to the estimates above, there are additional indeterminate costs 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: Susan Jones	Phone: 360-786-7404	Date: 01/13/2023
Agency Preparation: Brittney Gamez	Phone: 509-335-5406	Date: 01/20/2023
Agency Approval: Chris Jones	Phone: 509-335-9682	Date: 01/20/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/08/2023

## 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.

SB 5327 requires educational organizations and other entities receiving public funds to pay intern wages at a rate of not less than the amount established in RCW 49.46.020(1) for the hours of the internship.

### 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.

For purposes of the fiscal note, WSU assumes its students in clinical rotations who are not currently paid may fall under the requirements of the bill. The affected population would be:

- 160 3rd and 4th year medical students in 4-week unpaid clinical rotations
- 480 BSN (Bachelor of Science in Nursing) students
- 100 RN (Registered Nurse) to BSN students
- 60 students pursuing a Masters in Nursing degree
- 200 or more DNP (Doctor of Nursing Practice) students
- 200 students in their 2nd, 3rd or 4th year of the Doctor of Pharmacy program
- 130 Veterinary Medicine students in clinical rotations

There are approximately 1,400,000 annual hours worked among the 1,330 students listed above. Assuming the current 2023 minimum wage rate would be paid at \$15.74 per hour, the estimated annual fiscal impact is \$22,036,000 in additional wages paid. For purposes of the fiscal note, WSU also assumes a minimum benefit rate of at least 8%, which would cover OASI, Medicare, unemployment insurance, and Paid Family Medical leave contributions; however, actual benefit rates will vary based on the intern's employment type classification and could be higher. Total estimated annual benefit costs are \$1,763,000.

In addition, there may be other internships that are considered unpaid among the university colleges. Since these are managed at the college or departmental level and there is no central office that manages such internships, it is difficult to quantify the potential number at this time.

## 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	23,799,000	23,799,000	47,598,000	47,598,000	47,598,000
<b>Total \$</b>			23,799,000	23,799,000	47,598,000	47,598,000	47,598,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages	22,036,000	22,036,000	44,072,000	44,072,000	44,072,000
B-Employee Benefits	1,763,000	1,763,000	3,526,000	3,526,000	3,526,000
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
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>	23,799,000	23,799,000	47,598,000	47,598,000	47,598,000

In addition to the estimates above, there are additional indeterminate costs 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.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5327 SB	<b>Title:</b> Intern wages	<b>Agency:</b> 370-Eastern Washington University
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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	1.0	1.0	1.0	1.0	1.0
<b>Account</b>					
General Fund-State 001-1	182,200	182,200	364,400	364,400	364,400
<b>Total \$</b>	182,200	182,200	364,400	364,400	364,400

### 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: Susan Jones	Phone: 360-786-7404	Date: 01/13/2023
Agency Preparation: Keith Tyler	Phone: 509 359-2480	Date: 01/18/2023
Agency Approval: Alexandra Rosebrook	Phone: (509) 359-7364	Date: 01/18/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/08/2023

## 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.*

SB 5327 amends 49.46.010 and adds sections to chapter 49.46 RCW to require payment of wages to interns of educational institutions receiving public funds at a rate no less than the minimum wage rate established in 49.46.020(1) RCW.

EWU anticipates that host entity would bear the cost of the internship.

### 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.*

New section 2 of RCW 49.46 as proposed provides for the payment of wages to interns of educational institutions receiving public funds, referencing a rate of minimum wage specified in RCW 49.46.020(1). Subsection 1 as referenced prescribes annual minimum wage rates for calendar years 2017 through 2020. Subsection 2 (not referenced in this bill) provides the mechanism for calculating the minimum wage rate beyond 2020. As the minimum wage rate for calendar year 2023 is \$15.74, EWU used this rate in calculation of fiscal impact.

Unpaid internships, practicums, and field trainings on-campus at EWU comprise approximately 44 positions. We estimate that these students would work 11 weeks at 10 hours per week and \$15.74 per hour with approximately 10% benefit rate totaling \$85,000 per year. We anticipate that the off-campus and host organizations would be responsible to pay any "interns" for the duration of work performed.

In addition to direct costs of internship wages, EWU considered indirect costs such as the creation and maintenance of new Cost of Attendance tables (necessary if practicums, field experience, and clinicals currently a part of programs are converted to cooperative education programs) as well as labor to amend approximately 5,000 affiliation contracts. Eastern estimates it would take 1 FTE to update and maintain these contracts at \$71,600 salary and \$26,000 benefits.

## 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	182,200	182,200	364,400	364,400	364,400
<b>Total \$</b>			182,200	182,200	364,400	364,400	364,400



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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.0	1.0	1.0	1.0	1.0
A-Salaries and Wages	147,700	147,700	295,400	295,400	295,400
B-Employee Benefits	34,500	34,500	69,000	69,000	69,000
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
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>	182,200	182,200	364,400	364,400	364,400

**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
Contract Specailist	71,700	1.0	1.0	1.0	1.0	1.0
<b>Total FTEs</b>		1.0	1.0	1.0	1.0	1.0

**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

<b>Bill Number:</b> 5327 SB	<b>Title:</b> Intern wages	<b>Agency:</b> 375-Central Washington University
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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
<b>Account</b>					
General Fund-State 001-1	1,144,537	1,144,537	2,289,074	2,289,074	2,289,074
<b>Total \$</b>	1,144,537	1,144,537	2,289,074	2,289,074	2,289,074

### 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: Susan Jones	Phone: 360-786-7404	Date: 01/13/2023
Agency Preparation: Erin Sargent	Phone: 509-963-2395	Date: 01/18/2023
Agency Approval: Lisa Plesha	Phone: (509) 963-1233	Date: 01/18/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/08/2023

## 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.*

Section 1: Amended Section – (1), (7) modifies language to include interns in the definition of “wages”.

Section 2: New Section – Establishes the requirement that “any state or local governmental body or agency, or educational, charitable, or nonprofit organization receiving public funds who provides an internship must pay to the intern wages at a rate of not less than the amount established in RCW 49.46.020(1) for the hours of the internship” and applies whether or not the intern earns credit.

“Intern” is defined as a person who is enrolled at an IHE, participating in an internship and does not include farm internships.

### 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.*

Based on the understanding that RCW 49.46.020 establishes the state minimum wage, it is understood that interns would be entitled to the current minimum wage for all hours worked in addition to any credit they may receive in their program. Currently CWU has 166 unpaid interns, and we estimate that each of them will work approximately 400 hours this year, for a total of \$1,144,537 per year (166\*400\*\$15.67 plus 10% benefits). This analysis assumes that CWU would only be responsible for paying student interns we employ and that external entities that employed our students as interns would be regulated by L&I or OSPI in the case of student teachers.

In addition to the increased salary expense, this bill will require multiple areas to make system changes, training of supervisors to approve time in the payroll system, increase workload for both HR and Payroll, and other possible IT updates, and we feel that these efforts will be allocated among existing resources.

Finally, it is important to note that while our students would receive a benefit of receiving their salary for the internship, it is also possible that the financial burden may result in less intern opportunities, as the bill could create budget restraints.

## 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	1,144,537	1,144,537	2,289,074	2,289,074	2,289,074
<b>Total \$</b>			1,144,537	1,144,537	2,289,074	2,289,074	2,289,074

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages	1,040,488	1,040,488	2,080,976	2,080,976	2,080,976
B-Employee Benefits	104,049	104,049	208,098	208,098	208,098
C-Professional Service Contracts					
E-Goods and Other Services					
G-Travel					
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>	1,144,537	1,144,537	2,289,074	2,289,074	2,289,074

**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

<b>Bill Number:</b> 5327 SB	<b>Title:</b> Intern wages	<b>Agency:</b> 376-The Evergreen State College
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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: Susan Jones	Phone: 360-786-7404	Date: 01/13/2023
Agency Preparation: Daniel Ralph	Phone: 360-867-6500	Date: 01/17/2023
Agency Approval: Dane Apalategui	Phone: 360-867-6517	Date: 01/17/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/08/2023

## 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.*

SB 5327 relates to paying interns.

Section 1 (3) identifies exclusions to the term “employee” as used in this act.

Section 2 (1) specifies that any educational or nonprofit organization (as well as others) who provides an internship must pay the intern at a rate not less than that established in RCW 49.46.020 (1) for the hours of the internship.

Section 2 (3) states that RCW 49.46.090 through 49.46.110 also apply to the payment of intern wages.

Section 2 (4) states that this section applies whether or not the intern may earn academic credit for the internship.

Section 2 (5) (a) defines an intern as a person who is enrolled in an institution of higher education, is participating in an internship to gain job experience or other hands-on training, that is, for the intern’s primary benefit, and is not displacing employees.

Section 2 (5) (c) defines an internship as a planned, structured engagement of limited duration for the intern to gain job experience or clinical or other hands-on training with a state or local governmental body or agency, or an educational, charitable, or nonprofit organization receiving public funds.

### 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

<b>Bill Number:</b> 5327 SB	<b>Title:</b> Intern wages	<b>Agency:</b> 380-Western Washington University
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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
<b>Account</b>					
General Fund-State 001-1	5,000,000	5,000,000	10,000,000	10,000,000	10,000,000
<b>Total \$</b>	<b>5,000,000</b>	<b>5,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>	<b>10,000,000</b>

In addition to the estimates above, there are additional indeterminate costs 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: Susan Jones	Phone: 360-786-7404	Date: 01/13/2023
Agency Preparation: Gena Mikkelsen	Phone: 3606507412	Date: 01/19/2023
Agency Approval: Faye Gallant	Phone: 3606504762	Date: 01/19/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/08/2023



## 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.*

Section 1(d) ((Any)) Except as provided in section 2 of this act, any individual engaged in the activities of an educational, charitable, religious, state or local governmental body or agency, or nonprofit organization where the employer-employee relationship does not in fact exist or where the services are rendered to such organizations gratuitously. If the individual receives reimbursement in lieu of compensation for normally incurred out-of-pocket expenses or receives a nominal amount of compensation per unit of voluntary service rendered, an employer-employee relationship is deemed not to exist for the purpose of this section or for purposes of membership or qualification in any state, local government, or publicly supported retirement system other than that provided under chapter 41.24 RCW;

Section 2(1) Notwithstanding RCW 49.46.010(3)(d), any state or local governmental body or agency, or educational, charitable, or nonprofit organization receiving public funds who provides an internship must pay to the intern wages at a rate of not less than the amount established in RCW 49.46.020(1) for the hours of the internship.

(The rate we must follow is \$13.50/hour for 2020, most recent rate)

Section 2(4) This section applies whether the intern may earn academic credit for the internships.

### 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.*

On the student teaching side, WAC 181-78A-236 (e) requires each student teacher to train for a minimum of 450 hours.

Last academic year, WWU graduated 313 of these students.

Under the proposal, this alone would cost  $(450 * 313 * 13.50 = )$  \$1.9 million.

Last academic year WWU had 2,265 students sign up for an academic course that had the word "Intern" in its title.

We have no university-level requirement on what an internship consists of—they likely consist of some type of work-experience had by students off-campus.

Since these are quarterly classes, WWU estimates 10 weeks of internship perhaps at 10 hours a quarter for 100 hours per internship. Under the proposal, this alone would could  $(2265 * 100 * 13.50 = )$  \$3 million.

Total estimated cost to the university for paying internships would be approximately \$5,000,000.

This does not include good & services, benefits that could apply to this, or potential future minimum wage increases.

## 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	5,000,000	5,000,000	10,000,000	10,000,000	10,000,000
<b>Total \$</b>			5,000,000	5,000,000	10,000,000	10,000,000	10,000,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years					
A-Salaries and Wages	5,000,000	5,000,000	10,000,000	10,000,000	10,000,000
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					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	5,000,000	5,000,000	10,000,000	10,000,000	10,000,000

In addition to the estimates above, there are additional indeterminate costs 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.*

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5327 SB	<b>Title:</b> Intern wages	<b>Agency:</b> 699-Community and Technica College System
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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: Susan Jones	Phone: 360-786-7404	Date: 01/13/2023
Agency Preparation: Brian Myhre	Phone: 360-704-4413	Date: 01/23/2023
Agency Approval: Cherie Berthon	Phone: 360-704-1023	Date: 01/23/2023
OFM Review: Ramona Nabors	Phone: (360) 742-8948	Date: 02/09/2023

## 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.*

For any education organization receiving public funds and provides internships, this bill would require the organization to pay intern wages at an hourly rate of not less than that specified in RCW 49.46.020(1).

### 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.*

No cash receipts impact.

### 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.*

No expenditure impact.

Section 2 of the bill requires internships provided by education organizations receiving public funds to pay intern wages at an hourly rate of not less than that specified in RCW 49.46.020(1). RCW 49.46.020(1) lists four different hourly wages including: \$11 per hour in 2017, \$11.50 per hour in 2018, \$12 per hour in 2019, \$13.50 per hour in 2020. Since none of the years listed are now in effect, it is unclear which hourly wage is to be used.

For the purposes of this fiscal note, it is assumed that the minimum rate required is that specified in RCW 49.46.020(1)(d), \$13.50 per hour. Based on a sample of colleges, the majority pay interns at or above this rate and the requirements of the bill would have no fiscal impact for the community and technical college system.

## 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.*

# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5327 SB

Title: Intern wages

## Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

### Legislation Impacts:

Cities: Cities would be required to compensate interns for their work at an hourly rate of at least the state's minimum wage.

Counties: Same as above.

Special Districts: Same as above.

Specific jurisdictions only:

Variance occurs due to:

## Part II: Estimates

No fiscal impacts.

Expenditures represent one-time costs:

Legislation provides local option:

Key variables cannot be estimated with certainty at this time: Number of interns employed with local governments; number of interns that perform work unpaid or below the state's minimum wage.

### Estimated revenue impacts to:

None

### Estimated expenditure impacts to:

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

## Part III: Preparation and Approval

Fiscal Note Analyst: Jordan Laramie	Phone: 360-725-5044	Date: 01/19/2023
Leg. Committee Contact: Susan Jones	Phone: 360-786-7404	Date: 01/13/2023
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 01/19/2023
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 01/19/2023

## **Part IV: Analysis**

### **A. SUMMARY OF BILL**

*Description of the bill with an emphasis on how it impacts local government.*

This bill requires cities, counties, and special purpose districts to compensate interns at a rate not less than minimum wage established by the department of labor, for work performed in an internship.

Sec. 2 adds a new section to RCW 49.46.010 which clarifies that compensation must be paid regardless if academic credit(s) are being provided. This section also applies the provisions of RCW 49.46.090 through 49.46.110 which include the employer's liability for under payment, penalties, and collective bargaining provisions.

A definition of "intern" is provided in Sec. 2(5) (a) as an individual who is:

- (i) Enrolled in an in-state or out-of-state institution of higher education;
- (ii) Participating in an internship to gain job experience or clinical or other hands-on training, that is for the intern's primary benefit; and
- (iii) Not displacing employees.

with this exception under Sec. 2(5) (b):

"intern" does not include a farm intern under a farm internship program as established in RCW 49.12.471.

A definition of "internship" is provided in Sec. 2(c) as follows:

An internship is a planned, structured engagement of limited duration for the intern to gain job experience or clinical or other hands-on training with a state or local governmental body or agency, or an educational, charitable, or nonprofit organization receiving public funds.

Sec. 3 adds a new section to RCW 49.46 which provides authorization to the department of labor and industries to adopt rules for implementation.

### **B. SUMMARY OF EXPENDITURE IMPACTS**

*Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.*

There would be an indeterminate increase on local government expenditures, dependent upon the number of interns and their current hourly rate of pay, if any.

According to the Department of Labor and Industries (L&I), the minimum wage in Washington State is currently \$15.74 per hour. The number of local government interns is not known as L&I does not keep this level of employment data.

Local governments would also incur costs associated with development of new policies and procedures as well as the preparation and authorization of budget authorizations. These expenditure impacts cannot be predicted in advance.

### **C. SUMMARY OF REVENUE IMPACTS**

*Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.*

This legislation would not result in local government revenue impacts.

#### **SOURCES:**

Association of Washington Cities  
Department of Labor and Industries