

Multiple Agency Fiscal Note Summary

Bill Number: 5831 S SB	Title: Certification of mechanics
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Estimated Cash Receipts

Agency Name	2007-09		2009-11		2011-13	
	GF- State	Total	GF- State	Total	GF- State	Total
Office of State Treasurer	(8,000)	0	(16,000)	0	(16,000)	0
Department of Labor and Industries	0	0	0	3,322,700	0	2,065,400
Total \$	(8,000)	0	(16,000)	3,322,700	(16,000)	2,065,400

Local Gov. Courts *						
Local Gov. Other **						
Local Gov. Total						

Estimated Expenditures

Agency Name	2007-09			2009-11			2011-13		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Department of Labor and Industries	1.1	0	367,779	9.1	0	2,160,067	10.4	0	2,254,580
Total	1.1	\$0	\$367,779	9.1	\$0	\$2,160,067	10.4	\$0	\$2,254,580

Local Gov. Courts *									
Local Gov. Other **									
Local Gov. Total									

Because this bill was identified as a proposal governed by the requirements of Initiative 960, this fiscal note has an attachment showing the ten-year cost to taxpayers of the proposed taxes or fees.

Prepared by: John Shepherd, OFM	Phone: 360-902-0538	Date Published: Final 2/14/2008
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

Individual State Agency Fiscal Note

Bill Number: 5831 S SB	Title: Certification of mechanics	Agency: 090-Office of State Treasurer
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2008	FY 2009	2007-09	2009-11	2011-13
General Fund-State 001-1		(8,000)	(8,000)	(16,000)	(16,000)
Plumbing Certificate Account-State 885-1		8,000	8,000	16,000	16,000
Total \$					

Estimated Expenditures from:

Fund	FY 2008	FY 2009	2007-09	2009-11	2011-13
Total \$					

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: Joli Sandoz	Phone: 360-902-0672	Date: 02/08/2008
Agency Preparation: Dan Mason	Phone: 360-902-9090	Date: 02/11/2008
Agency Approval: Dan Mason	Phone: 360-902-9090	Date: 02/11/2008
OFM Review: Mike Woods	Phone: 360-902-9819	Date: 02/11/2008

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

SSB 5831 changes the name of the plumbing certificate fund to the plumbing and HVAC/R certificate fund. This bill allows the plumbing and HVAC/R certificate fund to retain its earnings from investments.

Assumption: The earnings from investments for the plumbing and HVAC/R certificate fund will remain constant and be similar to the earnings over the past few years for the plumbing certificate fund.

History for the plumbing certificate fund earnings from investments credited to the general fund:

FY 06	\$ 8,497
FY 07	\$ 7,070
FY 08 through December 2007	\$ 4,799

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

SSB 5831 changes the name of the plumbing certificate fund to the plumbing and HVAC/R certificate fund. This bill allows the plumbing and HVAC/R certificate fund to retain its earnings from investments.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years					
Total:					

Part IV: Capital Budget Impact

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5831 S SB	Title: Certification of mechanics	Agency: 235-Department of Labor and Industries
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

FUND	FY 2008	FY 2009	2007-09	2009-11	2011-13
Plumbing Certificate Account-State 885-1				3,322,700	2,065,400
Total \$				3,322,700	2,065,400

Estimated Expenditures from:

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years	0.0	2.1	1.1	9.1	10.4
Fund					
Plumbing Certificate Account-State 885-1	0	367,779	367,779	2,160,067	2,254,580
Total \$	0	367,779	367,779	2,160,067	2,254,580

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: Joli Sandoz	Phone: 360-902-0672	Date: 02/08/2008
Agency Preparation: Jeri Deuel	Phone: 360-902-6982	Date: 02/14/2008
Agency Approval: Chris P Freed	Phone: 360-902-6698	Date: 02/14/2008
OFM Review: John Shepherd	Phone: 360-902-0538	Date: 02/14/2008

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Briefly describe, by section number, the significant provisions of the bill, and any related workload or policy assumptions, that have revenue or expenditure impact on the responding agency.

See Attachment

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

See Attachments

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

See Attachment

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2008	FY 2009	2007-09	2009-11	2011-13
FTE Staff Years		2.1	1.1	9.1	10.4
A-Salaries and Wages		101,737	101,737	864,483	1,010,830
B-Employee Benefits		34,266	34,266	290,755	340,118
C-Personal Service Contracts					
E-Goods and Services		174,152	174,152	715,657	657,380
G-Travel		40,214	40,214	215,387	246,252
J-Capital Outlays		17,410	17,410	73,785	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
Total:	\$0	\$367,779	\$367,779	\$2,160,067	\$2,254,580

III. B - 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 2008	FY 2009	2007-09	2009-11	2011-13
Construction Compliance Inspector 2	58,656				2.5	4.0
Customer Service Specialist 2	32,688				2.0	2.0
Financial Analyst 2	47,016		0.1	0.1	0.4	0.4
Information Tech Specialist 5	69,756				0.3	
Office Assistant 2	28,784				1.0	1.0
Safety Compliance Technical Specialist	61,632		1.0	0.5	2.0	2.0
Secretary Supervisor	36,756		1.0	0.5	1.0	1.0
Total FTE's			2.1	1.1	9.1	10.4

Part IV: Capital Budget Impact

None

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

See Attachment

OFM Notes:

Because this bill was identified as a proposal governed by the requirements of Initiative 960, this fiscal note has an attachment showing the ten-year cost to taxpayers of the proposed taxes or fees.

Part II: Explanation

This bill creates a heating, ventilation, air conditioning and refrigeration (HVAC/R) contractor registration and certification program. A stand-alone HVAC/R board will govern the program and will be administered jointly with the state Plumbers Certification Program.

The bill is effective on July 1, 2008. However, contractors have until July 1, 2009 to register under the act and Mechanics have until July 1, 2010 to obtain their certificates. After July 1, 2009 it will be unlawful for companies to do or advertise to do HVAC/R work unless they are registered HVAC/R contractors, and after July 1, 2010 it will be unlawful for HVAC/R mechanics to do HVAC/R work without a certificate.

Difference from previous version of the bill:

Section 40 – Changes the effective date from July 1, 2009 to July 1, 2008.

Section 4 – This version of the bill exempts individuals performing HVAC work for a gas company when the work is incidental to the business of delivering fuel or performed pursuant to any tariff on file with the State Utilities and Transportation Commission.

Section 15 – Requires the department by 2011 to develop a single document for a person who holds multiple certificates.

Cost estimates changed to reflect new assumption on printing the documents with multiple certificates. This changed the number of FTEs required to one Office Assistant instead of two. Information Services cost increased as the changes to accounts receivable system was not taken into account on the last version.

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

Section 2 - Makes it illegal for any person to engage in business as an HVAC/R contractor without a valid HVAC/R contractor registration. It also states that no one can employ a person to do or offer to do HVAC/R work who does not have a valid certificate or permit. The bill requires the department to create a single document for individuals or businesses holding one or more licenses.

Section 3 - Makes it illegal to do HVAC/R work without a valid certificate. Localities in the state may not require any additional certification to do HVAC/R work.

Section 5 & 6 - Defines the scope of work allowed under the bill's certification and registration requirements. The specialties are Gas Piping Mechanic I/II & III, Refrigeration Specialty Mechanic I, II & III, and HVAC Specialty Mechanic I, II & III.

Section 7 - Allows the agency to issue a temporary license to any individual who has worked at least 2,000 hours in the HVAC/R industry. The individual must still take an examination.

Section 8 - Allows the agency to issue an HVAC/R Trainee Certificate and requires the department to develop a document that will contain all trainee certificates under this act.

Section 9 - Creates an HVAC/R Operator Certification for building engineers and stationary engineers. Certification requires an examination. All individuals holding a City of Seattle Refrigeration Mechanic License will be issued an HVAC/R operator certificate without meeting any additional requirements.

Sections 10 & 11 - Sets up minimum requirements for applicants to be granted specialty certification based on OJT (on the job training). These requirements only apply from July 1, 2009 to June 30, 2010.

Section 12 - Gives the department the authority to develop an examination and adopt the rules necessary to administer the examination. Also allows the department to contract with a professional testing agency to administer the examination.

Section 13 - Provides a process to apply for certification by examination.

Section 15 – Sets the terms for renewal of certificates. Also requires the department to create a single document and establish a single expiration date for a person who holds two or more certificates by July 1, 2011.

Section 17 - Requires employers to report trainee information.

Section 18 – Describes HVAC/R continuing education requirements.

Section 20 – Allows the department to revoke any certificate issued.

Section 21 - Allows the department to issue civil penalties for violations under this act.

Section 23 – Allows the department to charge fees for all certificates and examinations. Fees should be set in rule and cover the full administrative cost of the program.

Section 24 –Money received from fees shall be paid to the state treasurer and placed in the Plumbing and HVAC/R Certificate Fund.

Section 26 - Creates a 13 member HVAC/R Board with representatives from business, labor and the HVAC/R industry.

Section 27 – Allows the department to adopt rules to administer this chapter.

Section 29 - Allows the hiring of compliance agents for enforcement.

Section 30 - Allows the department to issue a notice of infraction.

Section 32&33 - Infraction violation will be heard and determined by an Administrative Law Judge of the Office of Administrative Hearings.

Section 34 – Gives the department the authority to charge fees for issuance, renewal, and reinstatement of all certificates, permits, and examinations. Provides rulemaking authority to set the fees. Requires that the fees cover the full cost of administering and enforcing this chapter.

Section 35 – States that all fees shall be deposited into the Plumbing and HVAC/R Certificate Fund.

Section 36 – Allows the Plumbing and HVAC/R Certificate Fund maintain the interest earned in the account.

Section 40 - This act takes effect July 1, 2008.

II. B – Cash Receipt Impact

The department anticipates receipts from HVAC/R registrations, certifications, and penalties. All cash receipts will be received into the Plumber and HVAC/R Certificate Fund.

Labor and Industries (L&I) is required to set the fees at a level that will cover the administrative cost of the program. Therefore the following fees are assumed:

- New HVAC/R contractor registrations will be \$200 and HVAC/R contractor registration renewals will be \$200. Registrations and renewals will be good for two years.
- Individual certifications will be \$200 initially and \$200 at renewal. Both new and renewal certifications will have a term of three years.
- Testing fees will be \$100.
- Training certificates will be \$80 and will have a term of two years.
- The initial application fee for certified workers will be \$122.
- Fines for working without proper certification will be \$100 for each infraction.
- Unregistered contractor citations will be \$500 for each infraction.

The bill requires the department to create a single document and establish a single expiration date for a contractor or mechanic who holds two or more certificates or endorsements.

To ensure the proper administration of these sections, all new registrations and certifications will be set to renew at the same time as any existing registrations and certifications. All associated fees will be prorated to reflect the actual time between initial application and first renewal. All contractor registrations will be aligned with the expiration of the general contractor's license.

The fees are estimates. Final fees will be established in rule and will be set to ensure the financial solvency of the program.

The revenue projections use agency assumptions regarding the potential number of contractors (assumed to be approximately 1,100) and certified workers (assumed to be approximately 7,500) in the state. They are estimates only and are generally based on the following:

For contractors:

- The number of employers reporting hours under HVAC/R risk classes for workers' compensation.

- The number of Electrical HVAC/R Contractors.

For certified workers:

- The number of employees reported to workers' compensation by HVAC/R contractors.
- The number of registered HVAC/R electricians (assuming they take the opportunity to grandfather under this bill).

Contractor Registration Revenue

- Approximately 1,100 firms will register under this act. This is based on the 900 contractors who employ HVAC/R electrical technicians (those that hold the 06A certificate), and 200 plumbing contractors will also register as HVAC/R contractors to perform the full scope of their work.
- Of the contractors registering under this act in Fiscal Year 2010, one half (550) will have other registrations that will expire before Fiscal Year 2012. For these contractors, the initial registration fee will be prorated to approximately \$100. The other one half (550) will purchase registrations in 2008 that will be good for two years. The cost for these initial registrations, because they are good for two years, will be \$200. We expect 200 new contractor registrations and 500 renewals each year beginning in Fiscal Year 2011.
- Expected contractor registration revenue in Fiscal Year 2010 will be:
 $(\$100 \times 550) + (\$200 \times 550) = \$55,000 + \$110,000 = \$165,000$. Expected new contractor registration revenue for each year thereafter (starting in Fiscal Year 2011) will be $(\$200 \times 200) = \$40,000$.
Expected contractor registration renewals for each year (starting in Fiscal Year 2011) will be $\$200 \times 500 = \$100,000$.

Application Fee Revenue

- Each mechanic will have to pay a one time application processing fee of \$122. During the grandfather period of July 1, 2009 to July 1, 2010, we expect 7,500 applications and in each year thereafter we expect approximately 350 new applications (based on experience in the Plumbing Program).

- Expected revenue from application fees in Fiscal Year 2010 will be $\$122 \times 7,500 = \$915,000$, expected revenue each year thereafter is $\$122 \times 350 = \$42,700$.

Certification Revenue

- Of the workers applying for certification under this act in 2008, one third (2,500) will have other certificates that will expire before Fiscal Year 2010. For these mechanics, the initial certification fee will be prorated to \$67 ($200 \times 1/3$). One third will purchase registrations in 2008 that will be good for two years. The cost for these initial certifications, because they are good for two years, will be \$133 ($200 \times 2/3$). The remaining one third will purchase certifications good for three years. The costs for these certifications will be \$200. We expect 350 (based on experience in the Plumbing Program) new certifications and 2,500 certification renewals each year thereafter.
- Expected revenue from certifications for Fiscal Year 2010 will be: $(\$67 \times 2500 \text{ certificates}) + (\$133 \times 2500 \text{ certificates}) + (\$200 \times 2500 \text{ certificates}) = \$167,500 + \$332,500 + \$500,000 = \$1,000,000$.
For each year thereafter expected revenue from certificates will be: $\$350 \times 200 = \$70,000$ for new certificates, and $\$200 \times 2,500 = \$500,000$ for renewals.

Infraction Revenue

- Estimated cost for infractions are based on similar experience with Plumbers Program. We estimate 200 certification infractions at \$100 each ($200 \times \$100 = 20,000$) and 100 registration infractions at \$500 each ($100 \times \$500 = 50,000$)
- Expected infraction revenue is: $(\$200 \times 150) = \$15,000$ for uncertified workers, and $(\$500 \times 100) = \$50,000$ for unregistered contractors

Trainee Certificate Revenue

- The department will receive 3,500 applications for trainee certificates in the first year and 1,750 each year thereafter. This is based on the approximate number of trainees in the plumbing and electrical certification programs. Each trainee certificate will cost \$80.

Beginning in Fiscal Year 2010 expected annual revenue, from trainee certificates will be:
 $(\$3500 \times \frac{1}{2} \times \$40) + (3,500 \times \frac{1}{2} \times \$80) = \$210,000$ in the first year and
 $(\$1,750 \times 80) = \$140,000$ each year thereafter

Test Fee Revenue

- The department will administer 700 tests per year based on experience with the Plumber Certification Program. Expected test fee revenue will be $\$100 \times 700 = \$70,000$.

REVENUE PROJECTIONS

	FY 2010		FY 2011	
	Number	Revenue	Number	Revenue
Registration	1100	\$ 165,000	200	\$ 40,000
Registration Renewals		\$ -	500	\$ 100,000
Training Certificate	3,500	\$ 210,000	1,750	\$ 140,000
Application	7500	\$ 915,000	350	\$ 42,700
Testing Fees			700	\$ 70,000
Certifications	7500	\$1,000,000	350	\$ 70,000
Certification Renewals		\$ -	2,500	\$ 500,000
Certification Infractions		\$ -	200	\$ 20,000
Registration Infractions		\$ -	100	\$ 50,000
Totals	19,600	\$2,290,000	6,800	\$1,032,700

	FY 2012		FY 2013	
	Number	Revenue	Number	Revenue
Registration	200	\$ 40,000	200	\$ 40,000
Registration renewals	500	\$ 100,000	500	\$ 100,000
Training Certificate	1,750	\$ 140,000	1,750	\$ 140,000
Application	350	\$ 42,700	350	\$ 42,700
Testing Fees	700	\$ 70,000	700	\$ 70,000
Certifications	350	\$ 70,000	350	\$ 70,000
Certification Renewals	2,500	\$ 500,000	2,500	\$ 500,000
Certification Infractions	200	\$ 20,000	200	\$ 20,000
Registration Infractions	100	\$ 50,000	100	\$ 50,000
Totals	6,800	\$1,032,700	6,800	\$1,032,700

Assumptions for the first year reflect the number of expected applications for grandfathering and the expectation is that they will bring in approximately \$2.2 million. Revenue from this period allows the department to build a reasonable fund balance and provide all required infrastructure in the first year.

If the number of actual registrations and licenses differ from assumptions, the department may alter fees in future fiscal years.

II. C – Expenditures

A total of ten new FTEs will be needed to administer this program:

- Two (2) Specialty Compliance Technical Specialist – One starting July 1, 2008 and one July 1, 2009.
- One (1) Secretary Supervisor- Starting July 1, 2008.
- Two (2) Customer Service Specialists 2 – Starting July 1, 2009.
- One (1) Office Assistant 3 - Starting July 1, 2009.
- Four (4) Compliance Inspectors – One starting July 1, 2009 and three July 1, 2010.

FTE Standard Costs

Permanent FTE costs include salary and benefits, and the standard costs associated with a new FTE. These standard costs include:

- Leased office space.
- Work unit (desk, file cabinet, etc.) and furniture (if needed).
- Telephone and communication expenses.
- Training.
- Travel.
- Leased PC equipment.

We assume new FTEs require new leased office space. Costs are included, prorated on a per FTE basis, to cover tenant improvements necessary to lease more office space. Tenant improvements include:

- One-time expenditures for GA real estate and architectural fees.
- Phone and data wiring.
- Copy room and conference room equipment and furniture.
- Lunch and break room equipment.
- Staff moving costs.

- Security system.
- Other miscellaneous supplies.

Phase 1 – Program Start-up

To conduct outreach, rulemaking, manage contractor registration application processing and to facilitate the start up of the HVAC/R Board the department will require one Specialty Compliance Technical Specialist (SCTS) and one Secretary Supervisor beginning July 1, 2008.

The Secretary Supervisor will:

- Act as administrative assistant to the new HVC/R Board.
- Coordinate the rule-making process on an ongoing basis.
- Work in conjunction with the Technical Specialist to help process the expected 1,000 HVAC/R contractor registrations before they are required by law in 1/1/09.
- Supervise the processing staff hired in Phase 2.

The Technical Specialists beginning July 1, 2008 will:

- Develop an outreach plan.
- Oversee the rule-making process.
- Help process the expected 1,000 HVAC/R contractor registrations.

Phase 2 – Full Implementation

Beginning July 1, 2009 the department will need two Customer Service Specialists 2 (CSS2) to:

- Process the expected 10,000 grandfathering applications.
- Handle all phone inquires from HVAC/R contractors and mechanics.

These positions will be permanent as the program will have an ongoing workload consisting of application processing and customer service.

The workload will be:

- The Secretary Supervisor will process 2,000 certification and registration accounts during this year.
- Each CSS 2 will process 4,000 certification and registration accounts.
- Workload will include handling all phone inquiries from contractors and certified HVAC/R mechanics and gas piping mechanics.

The program will require one additional Specialty Compliance Technical Specialist (SCTS) beginning July 1, 2009 to:

- Assist in the ongoing rule-making effort.
- Ensure the proper interpretation of the statute.
- Audit approximately 1,750 affidavits of work experience per year to ensure that technicians are appropriately credited for hours of work experience (based on the number of affidavits reviewed annually by the Plumbing Certification Program).

The program will require one Office Assistant 3 FTE beginning July 1, 2009 to:

- Process incoming and outgoing mail.
- Coordinate the printing and mailing the 10,000 licenses required during this period.

Four Compliance Inspectors will each perform approximately 67 inspections per month for a total of 800 per year each, which is equivalent to the workload of existing inspectors. The expected workload of approximately 3,200 inspections per year equates to four new inspectors. One of these inspectors will start in July 1, 2009 and will conduct outreach and compliance. The remaining three will start in July 1, 2010 and will be dedicated to compliance.

HVAC/R Board Cost

The board will meet at least six times with 13 members eligible for reimbursement of their travel expenses.

We assume that an average of one-half of the meetings would occur in Eastern Washington and one-half in Western Washington. We also assumed that the average per diem and travel would equal \$750/board member ($\$750 \times 13 \times 6 = \$58,500$)

Meetings will begin January 1, 2009.

Attorney General Cost

We assumed 0.17 Assistant Attorney's General based on similar expenses (\$38,792) for the plumber certification program.

Rulemaking cost:

Ruling making cost for two hearings in Fiscal Year 2009, eight in each of the following locations were added based on the following table.

Hearing Costs per Location

Line item	Tumwater	Spokane	Yakima	Tukwila
Travel	0	Air fare: \$220 RT/person x 2 persons= \$440 ; mileage to SeaTac=50.5 cents/mile x 120 miles (RT)= \$60.60	Air Fare: \$212 RT per person x 2 persons= \$424 ; mileage to SeaTac=50.5 cents/mile x 120 miles (RT)= \$60.60	50.5 cents/mile x 102 miles=\$51.50
Per diem	0	D, B, L=\$49	0	0
Court reporter	\$300	\$300	\$300	\$300
Transcript Costs	\$230	\$230	\$230	\$230
Hearings Room	0	0	0	0
Total	\$530.00	\$1,079.60	\$1,014.60	\$581.50

Administrative Hearing Cost:

We estimate three hearings in Fiscal Year 2010 and 11 hearings (\$7,678) in each year thereafter. This estimated is based on experience in the Plumber's Certification Program.

Purchase Services Cost:

The actual printing of the new ID cards will be contracted out to a third party. Estimated operating expenses is \$50,000 annually (10,000 cards time five dollars per card = \$50,000).

Item	Cost per Year	One time/On-going
Printing and mailing ID cards	\$ 50,000	On-going
Setup Offsite printing	\$ 50,000	One time

Information Services Cost:

Staffing Needs – FTE

FTE	Classification	Start Date/End Date
0.25	ITS5 – Project management & administration	7/1/09 to 6/1/11
	(This position will manage and administer the project)	

Contractor Costs (\$165,200)

# of Hours	Hourly Rate	Total	Task
360	\$80	\$28,800	Create eight new specialty codes, including continuing education unit, experience and testing requirements.
40	\$80	\$3,200	90-day temporary license with three specialty codes.
125	\$80	\$10,000	Grandfather existing HVAC/R technicians.
440	\$80	\$35,200	Synchronize expire dates for multiple licenses on combined document.
300	\$80	\$24,000	Redesign license/registration document printing service
800	\$80	\$64,000	Make changes to Infraction Citation Writer, Front Counter and the Receivable System.

Equipment Costs:

1	Agency Standard PC	\$1600
1	WADS development PC	\$1895

Indirect Allocation Included In Cost Estimates

Our methodology was updated and approved in the 2007-2009 Budget. The annual indirect rates for Specialty Compliance Services (SCS) include:

- 2.3% in Fiscal Year 2008
- 2.3% in Fiscal Year 2009

The annual indirect cost is calculated on:

- Requested FTE salary and benefit costs.
- Standard costs associated with new FTEs.
- IT equipment is not included.

We convert the total indirect amount into salary and benefits for partial or full indirect FTEs. Salary and benefits costs are based on a Financial Analyst 3 (Range 50, Step G). The amount remaining after the salary and benefits are calculated is allocated in object E to provide goods and services for the indirect FTE(s).

The amount received for the indirect FTE(s) may not be enough to actually hire a new staff person. But, this indirect funding may be used instead to pay current staff for overtime or increasing the use of temporary and seasonal employees. .

Depending on the agency's needs, examples of activities provided in Administrative Services and Information Services include:

- Vendor payment and payroll processing.
- Equipment purchase, delivery, inventory, storage and set-up.
- Technical support to employees.
- Desk-top and network support.
- Internal IT systems support.
- Contract and purchasing services.
- Legislative and Public Affairs.
- Library services and public disclosure.
- Personnel and employee services.
- Budget and Accounting.
- Facilities management.

The amount included in this fiscal note for indirect is:

Fund Name, Fund #	FY2008	FY2009	FY2010	FY2011	FY2012	FY2013
Plumbers Account		\$5,009	\$15,664	\$23,170	\$23,348	\$23,348

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

Rule making is required to change the following WACs;

296-900 Administrative Rules

296-400A, Plumber Certification

And new rule making will be required under section 12 of the bill regarding the department's administration of the qualifying HVAC/R examination.

Ten-Year Analysis

Bill Number: SSB 5831	Title: HVAC/R Mechanics Registration and Certification
Agency: 235	Department of Labor and Industries

NOTE: This ten-year analysis is limited to the estimated cash receipts associated with the tax or fee increases proposed in this bill and the associated administrative costs of those increased taxes or fees.

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Account and Title of Fee or Tax	Fiscal Year 08	Fiscal Year 09	2007-09 Total	Fiscal Year 10	Fiscal Year 11
885 HVAC/R Registration			0	165,000	40,000
885 HVAC/R Registration Renewals			0		100,000
885 HVAC/R Training Certificate			0	210,000	140,000
885 HVAC/R Applications			0	915,000	42,700
885 HVAC/R Testing			0	0	70,000
885 HVAC/R Certifications			0	1,000,000	70,000
885 HVAC/R Certification Renewals			0		500,000
			0		
			0		
			0		
Total	0	0	0	2,290,000	962,700

Estimated Expenditures from:

	Fiscal Year 08	Fiscal Year 09	2007-09 Total	Fiscal Year 10	Fiscal Year 11
FTE Staff Years			0.0		
Fund					
GF-State			0		
GF-Federal			0		
Other Accident Fund			0		
Other Acc Medical Aid Fund			0		
			0		
Total	0	0	0	0	0

Ten-Year Analysis

Bill Number: SSB 5831
Agency: 235

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Account and Title of Fee or Tax	2009-11 Total	Fiscal Year 12	Fiscal Year 13	2011-13 Total	Fiscal Year 14
885 HVAC/R Registration	205,000	40,000	40,000	80,000	40,000
885 HVAC/R Registration Renewals	100,000	100,000	100,000	200,000	100,000
885 HVAC/R Training Certificate	350,000	140,000	140,000	280,000	140,000
885 HVAC/R Applications	957,700	42,700	42,700	85,400	42,700
885 HVAC/R Testing	70,000	70,000	70,000	140,000	70,000
885 HVAC/R Certifications	1,070,000	70,000	70,000	140,000	70,000
885 HVAC/R Certification Renewals	500,000	500,000	500,000	1,000,000	500,000
	0			0	
	0			0	
	0			0	
Total	3,252,700	962,700	962,700	1,925,400	962,700

Estimated Expenditures from:

	2009-11 Total	Fiscal Year 12	Fiscal Year 13	2011-13 Total	Fiscal Year 14
FTE Staff Years	0.0			0.0	
Fund					
GF-State	0			0	
GF-Federal	0			0	
Other Accident Fund	0			0	
Other Acc Medical Aid Fund	0			0	
	0			0	
Total	0	0	0	0	0

Ten-Year Analysis

Bill Number: <div style="text-align: center; margin-top: 5px;">SSB 5831</div>
Agency: 235

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Account and Title of Fee or Tax	Fiscal Year 15	2013-15 Total	Fiscal Year 16	Fiscal Year 17	2015-17 Total
885 HVAC/R Registration	40,000	80,000	40,000	40,000	80,000
885 HVAC/R Registration Renewals	100,000	200,000	100,000	100,000	200,000
885 HVAC/R Training Certificate	140,000	280,000	140,000	140,000	280,000
885 HVAC/R Applications	42,700	85,400	42,700	42,700	85,400
885 HVAC/R Testing	70,000	140,000	70,000	70,000	140,000
885 HVAC/R Certifications	70,000	140,000	70,000	70,000	140,000
885 HVAC/R Certification Renewals	500,000	1,000,000	500,000	500,000	1,000,000
		0	0	0	0
		0	0	0	0
		0	0	0	0
Total	962,700	1,925,400	962,700	962,700	1,925,400

Estimated Expenditures from:

	Fiscal Year 15	2013-15 Total	Fiscal Year 16	Fiscal Year 17	2015-17 Total
FTE Staff Years		0.0			0.0
Fund					
GF-State		0			0
GF-Federal		0			0
Other Accident Fund		0			0
Other Acc Medical Aid Fund		0			0
		0			0
Total	0	0	0	0	0

Ten-Year Analysis

Bill Number: <div style="text-align: center; margin-top: 5px;">SSB 5831</div>
Agency: 235

Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

Account and Title of Fee or Tax	2008-17 TOTAL
885 HVAC/R Registration	445,000
885 HVAC/R Registration Renewals	700,000
885 HVAC/R Training Certificate	1,190,000
885 HVAC/R Applications	1,213,900
885 HVAC/R Testing	490,000
885 HVAC/R Certifications	1,490,000
885 HVAC/R Certification Renewals	3,500,000
	0
	0
	0
Total	9,028,900

Estimated Expenditures from:

	2008-17 TOTAL
FTE Staff Years	
Fund	
GF-State	0
GF-Federal	0
Other Accident Fund	0
Other Acc Medical Aid Fund	0
	0
Total	0