

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1762	<b>Title:</b> Protecting warehouse employees.
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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	106,000	0	0	106,000	0	0	106,000
Office of Administrative Hearings	0	0	44,000	0	0	88,000	0	0	88,000
Department of Labor and Industries	Non-zero but indeterminate cost and/or savings. Please see discussion.								
<b>Total \$</b>	<b>0</b>	<b>0</b>	<b>150,000</b>	<b>0</b>	<b>0</b>	<b>194,000</b>	<b>0</b>	<b>0</b>	<b>194,000</b>

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts	No fiscal impact					
Loc School dist-SPI						
Local Gov. Other						
Local Gov. Total						

## 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
Administrative Office of the Courts	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Attorney General	.4	0	0	106,000	.4	0	0	106,000	.4	0	0	106,000
Office of Administrative Hearings	.2	0	0	44,000	.3	0	0	88,000	.3	0	0	88,000
Department of Labor and Industries	2.2	0	0	1,382,000	2.1	0	0	842,000	2.1	0	0	842,000
<b>Total \$</b>	<b>2.8</b>	<b>0</b>	<b>0</b>	<b>1,532,000</b>	<b>2.8</b>	<b>0</b>	<b>0</b>	<b>1,036,000</b>	<b>2.8</b>	<b>0</b>	<b>0</b>	<b>1,036,000</b>

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	No fiscal impact								
Loc School dist-SPI									
Local Gov. Other									
Local Gov. Total									

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Administrative Office of the Courts	.0	0	0	.0	0	0	.0	0	0
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
<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	No fiscal impact								
Loc School dist-SPI									
Local Gov. Other									
Local Gov. Total									

### Estimated Capital Budget Breakout

<b>Prepared by:</b> Anna Minor, OFM	<b>Phone:</b> (360) 790-2951	<b>Date Published:</b> Final 2/15/2023
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# Judicial Impact Fiscal Note

<b>Bill Number:</b> 1762	<b>Title:</b> Protecting warehouse employees.	<b>Agency:</b> 055-Administrative Office of the Courts
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## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Expenditures from:**

NONE

**Estimated Capital Budget Impact:**

NONE

*The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.*

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 for 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.

Legislative Contact: Trudes Tango	Phone: 360-786-7384	Date: 02/03/2023
Agency Preparation: Jackie Bailey-Johnson	Phone: 360-704-5545	Date: 02/06/2023
Agency Approval: Chris Stanley	Phone: 360-357-2406	Date: 02/06/2023
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 02/07/2023

182,215.00

Request # 150-1

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact on the Courts

This bill would add a new chapter to Title 49 RCW, protect employees of warehouses, prescribe penalties and provide an effective date.

### II. B - Cash Receipts Impact

None

### II. C - Expenditures

No fiscal impact expected to the Administrative Office of the Courts.

## Part III: Expenditure Detail

### III. A - Expenditure By Object or Purpose (State)

NONE

### III. B - Expenditure By Object or Purpose (County)

NONE

### III. C - Expenditure By Object or Purpose (City)

NONE

### III. D - FTE Detail

NONE

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

NONE

## Part IV: Capital Budget Impact

### IV. A - Capital Budget Expenditures

NONE

### IV. B1 - Expenditures by Object Or Purpose (State)

NONE

### IV. B2 - Expenditures by Object Or Purpose (County)

NONE

### IV. B3 - Expenditures by Object Or Purpose (City)

NONE

### IV. C - Capital Budget Breakout

*Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.*

NONE

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1762	<b>Title:</b> Protecting warehouse employees.	<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	53,000	53,000	106,000	106,000	106,000
<b>Total \$</b>	53,000	53,000	106,000	106,000	106,000

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.4	0.4	0.4	0.4	0.4
<b>Account</b>					
Legal Services Revolving Account-State 405-1	53,000	53,000	106,000	106,000	106,000
<b>Total \$</b>	53,000	53,000	106,000	106,000	106,000

### 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: Trudes Tango	Phone: 360-786-7384	Date: 02/03/2023
Agency Preparation: Cam Comfort	Phone: (360) 664-9429	Date: 02/08/2023
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 02/08/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	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.*

Section 1: New Section – Definitions

Section 2: New Section – Requires employers to provide specified information to employees regarding quotas.

Section 3: New Section – Sets out time period requirements that must be considered in quotas.

Section 4: New Section – Except as set forth in section 5 of this act, sets out when a quota violates this act.

Section 5: New Section – When a quota violates chapter 49.17 RCW.

Section 6: New Section – What records an employer must establish, maintain and preserve.

Section 7: New Section – What employees have the right to request from employer regarding quotas.

Section 8: New Section – Prohibits retaliation, discrimination or adverse actions against employees or former employees for exercising rights under this chapter.

Section 9: New Section – Sets out procedure for employee to file a complaint.

Section 10: New Section – Sets out appeal procedures.

Section 11: New Section – Allows for injunctive relief and attorney's fees and costs.

Section 12: New Section – Allows attorney general or any person acting on their own behalf to bring a civil or criminal action for violations of this act.

Section 13: New Section – Allows rulemaking.

Section 14: New Section – severability clause.

Section 15: New Section – sections 1-14 are a new chapter in Title 49 RCW.

Section 16: New section – This bill will become effective on July 1, 2024.

### 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 agency is the Department of Labor and Industries (L&I). 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 agency's fiscal note. Appropriation authority is necessary in the AGO budget.

AGO AGENCY ASSUMPTIONS:

L&I will be billed for Seattle rates:

FY 2024: \$53,000 for 0.20 Assistant Attorney General FTE (AAG) and 0.10 Legal Assistant 3 FTE (LA) and continuing 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 will become effective on July 1, 2024.

Location of staffing is assumed to be in a Seattle office building.

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.

Assumptions for the AGO Labor and Industries Division’s (LNI) legal services for the Department of Labor and Industries (L&I).

The AGO will bill L&I for legal services based on the enactment of this bill.

Employment Standards within L&I will be charged with developing rules and investigating complaints around wages, rest breaks, administrative issues, and retaliation.

FY 2024, LNI anticipates that the bulk of legal services will be advice surrounding implementation, rulemaking, and advising on the development of policy.

FY 2025 and continuing in each FY thereafter LNI estimates about 16 appeals per year of L&I’s Employment Standards enforcement actions under this bill. Based on similar programs that already exist at L&I, the complexity of each appeal means that 16 cases equate to roughly 0.20 FTE of AAG work. Those cases are estimated to continue at that pace for the foreseeable future.

This bill will also create work for the Worker Safety and Health program at LNI, also referred to as DOSH. DOSH will have similar duties to inspect and enforce the worker safety provisions of the bill. That work is anticipated to be nominal, and costs are not included in this request.

L&I will be billed for Seattle rates:

FY 2024: \$53,000 for 0.20 AAG and 0.10 LA and continuing in each FY thereafter.

## 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	53,000	53,000	106,000	106,000	106,000
<b>Total \$</b>			53,000	53,000	106,000	106,000	106,000

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.4	0.4	0.4	0.4	0.4
A-Salaries and Wages	36,000	36,000	72,000	72,000	72,000
B-Employee Benefits	11,000	11,000	22,000	22,000	22,000
E-Goods and Other Services	6,000	6,000	12,000	12,000	12,000
<b>Total \$</b>	53,000	53,000	106,000	106,000	106,000

### 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-Seattle	124,635	0.2	0.2	0.2	0.2	0.2
Legal Assistant 3-Seattle	67,044	0.1	0.1	0.1	0.1	0.1
Management Analyst 5	91,524	0.1	0.1	0.1	0.1	0.1
<b>Total FTEs</b>		0.4	0.4	0.4	0.4	0.4

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

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Labor & Industries Division (LNI)	53,000	53,000	106,000	106,000	106,000
<b>Total \$</b>	53,000	53,000	106,000	106,000	106,000

## 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> 1762	<b>Title:</b> Protecting warehouse employees.	<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		44,000	44,000	88,000	88,000
<b>Total \$</b>		44,000	44,000	88,000	88,000

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.3	0.2	0.3	0.3
<b>Account</b>					
Administrative Hearings Revolving Account-State 484-1	0	44,000	44,000	88,000	88,000
<b>Total \$</b>	0	44,000	44,000	88,000	88,000

### 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: Trudes Tango	Phone: 360-786-7384	Date: 02/03/2023
Agency Preparation: Pete Boeckel	Phone: 360-407-2730	Date: 02/08/2023
Agency Approval: Deborah Feinstein	Phone: 360-407-2717	Date: 02/08/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	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 applies to employers employing 100 or more employees at a single warehouse distribution center in Washington or 500 or more employees across multiple warehouse distribution centers in Washington.

Section 2 requires each employer to provide each employee with a written, detailed description of each quota that applies to him/her, any potential adverse employment action for failing to meet the quota, and any incentives or bonuses for meeting or exceeding the quota. This written description must be given at the time of hire, or within 30 days of this legislation's effective date, as well as within two working days prior to the effective date of any modification to the existing quota(s).

Section 3 prohibits adverse action against employees for failing to meet an improperly disclosed quota or a quota that interfered with their meal or rest periods.

Under Section 4, quotas are in violation if they do not sufficiently account for rest breaks and travel time to designated locations for rest and meal breaks, as well as time to do the work subject to the quota.

Section 8 further prohibits discrimination, retaliation, or adverse action against employees for asking for information about applicable quotas, or filing a complaint regarding quotas in violation of this legislation. Section 8 also identifies when a rebuttable presumption of unlawful retaliation applies, and how it may be rebutted.

Section 9 calls for the Department of Labor and Industries (L&I) to investigate complaints, and impose civil penalties for violations.

Section 10 provides that appeals of this L&I action will be assigned to the Office of Administrative Hearings to conduct hearings and issue initial orders.

Pursuant to Sections 15 and 16, this new chapter in Title 49 RCW, if enacted, takes effect July 1, 2024.

### 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 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.*

## 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	0	44,000	44,000	88,000	88,000
<b>Total \$</b>			0	44,000	44,000	88,000	88,000

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.3	0.2	0.3	0.3
A-Salaries and Wages		27,000	27,000	54,000	54,000
B-Employee Benefits		9,000	9,000	18,000	18,000
C-Professional Service Contracts					
E-Goods and Other Services		8,000	8,000	16,000	16,000
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>	0	44,000	44,000	88,000	88,000

### 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		0.2	0.1	0.2	0.2
Legal Assistant 2	50,592		0.1	0.1	0.1	0.1
Management Analyst 5	91,524		0.0	0.0	0.0	0.0
Senior Administrative Law Judge	117,168		0.0	0.0	0.0	0.0
<b>Total FTEs</b>			0.3	0.2	0.3	0.3

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

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Regulatory & Education (REG)		44,000	44,000	88,000	88,000
<b>Total \$</b>		44,000	44,000	88,000	88,000

## 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> 1762	<b>Title:</b> Protecting warehouse employees.	<b>Agency:</b> 235-Department of Labor and Industries
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## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

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

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.6	2.7	2.2	2.1	2.1
<b>Account</b>					
Accident Account-State 608-1	751,000	412,000	1,163,000	714,000	714,000
Medical Aid Account-State 609-1	145,000	74,000	219,000	128,000	128,000
<b>Total \$</b>	896,000	486,000	1,382,000	842,000	842,000

### 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: Trudes Tango	Phone: 360-786-7384	Date: 02/03/2023
Agency Preparation: Crystal Van Boven	Phone: 360-902-6982	Date: 02/15/2023
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 02/15/2023
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 02/15/2023

## 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	751,000	412,000	1,163,000	714,000	714,000
609-1	Medical Aid Account	State	145,000	74,000	219,000	128,000	128,000
<b>Total \$</b>			896,000	486,000	1,382,000	842,000	842,000

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.6	2.7	2.2	2.1	2.1
A-Salaries and Wages	124,000	185,000	309,000	282,000	282,000
B-Employee Benefits	46,000	71,000	117,000	110,000	110,000
C-Professional Service Contracts	317,000		317,000		
E-Goods and Other Services	377,000	224,000	601,000	438,000	438,000
G-Travel	2,000	6,000	8,000	12,000	12,000
J-Capital Outlays	30,000		30,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	896,000	486,000	1,382,000	842,000	842,000

### 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 Regulations Analyst 4	85,020	1.0	0.5	0.8		
Fiscal Analyst 5	80,952	0.1	0.2	0.2	0.1	0.1
Industrial Relations Agent 2	66,420	0.5	2.0	1.3	2.0	2.0
<b>Total FTEs</b>		1.6	2.7	2.2	2.1	2.1

**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.*

See attached

## **Part II: Explanation**

This bill would:

- Add a new chapter to Title 49 RCW, requiring rulemaking.
- Provide new protections to “warehouse distribution center” employees working under quotas. The Employment Standards Program would have authority to investigate and enforce the proposed requirements.

This act takes effect July 1, 2024.

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

### **Section 1**

New definitions will impact the department by increasing the class codes of workers:

- Definition of affiliate and updated to 50% of power to direct (instead of 80%).
- Added definition of aggregate data.
- Updated to “department rules” instead of WAC-296-128-040.
- Updated definition of “employer” include any person that controls the wages, hours, or working conditions of:
  - 100 or more employees in a single warehouse distribution center
  - 500 or more employees at one or more warehouse distribution centers in WA.
- Removes productive time definition.
- Updates “quota” to add clarification, “[...] work performance standard whether required or recommended”.
- Updates definition of “warehouse distribution center” NAICS codes to:
  - Remove 493110
  - Add 493 for North American Industry class codes
  - Remove 493130 exception for farm product warehousing
  - Adds 492100 for couriers and express delivery services

### **Section 2**



Requires employers to provide a written description of subjected quotas within 30 days of the effective date. Sets requirements for employers to provide employees with information on quotas the employer may use for adverse actions. Adds a preferred language requirement.

### **Section 3**

Defines time considered as “productive time” or “time on task” for quotas.

### **Section 4**

Specifies quota violations under this chapter, except as provided in section 5. An employer may not take adverse action against an employee if the employer fails to disclose the quota as required under Section 2.

### **Section 5**

Specifies quota violations under 49.17.

### **Section 6**

Requires the employer to retain quota-related records including:

- Work speed data,
- Aggregated work speed data for similar employees, and
- Written descriptions of each quota provided to an employee.

Requires preservation of quota records that relate to the basis of an adverse action.

### **Section 7**

The employer must provide records to employees and former employees that request any of the records that are required for retention under Section 6.

An employer that does not use quotas or monitor work speed data has no obligation to provide records.

### **Section 8**

Establishes retaliation protections for employees and former employees. Includes a rebuttable presumption. Except for Section 5 of this act, L&I is required to enforce all retaliation protections. L&I may adopt new rules to implement or enforce this section.

### **Section 9**

An employee may file a complaint with the department alleging a violation under this chapter except for Sections 5 and 8 of the act. The department must investigate and may initiate an investigation without a complaint.

### **Section 10**

Establishes appeals for this chapter (as provided in 34.05 RCW).

### **Section 13**

Rule authority for chapter. L&I may adopt and implement rules to carry out and enforce the chapter.

## **II. B – Cash Receipt Impact**

### **Receivables – Operating**

The proposed bill requires penalties received by L&I to be deposited in the Supplemental fund (required under RCW 51.44.033). The increase to revenue is indeterminate due to variables including, how many complaints will be received and how many of these cases will result in penalties.

## **II. C – Expenditures**

### **Appropriated – Operating Costs**

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

### **Staffing**

1.0 FTE, Administrative Regulations Analyst 4 (ARA4), temporary from July 1, 2023 through December 30, 2024. Duties include: Rulemaking, conducting hearings and policy drafting.

- Controversial stakeholdering, rulemaking, and policy activities will be complex in nature and require full-time staff until these tasks are complete. L&I does not currently have any ARAs who do not already oversee a full portfolio of policy and rulemaking projects, therefore there is no ARAs who can absorb the full-time work required to oversee the new stakeholdering, policy, and rulemaking tasks created by this bill.

2.0 FTEs, Industrial Relations Agent 2 (IRA2), Permanent, Starting April 1, 2024, Duties Include: Investigate complaints for warehouse distribution workers subject to quotas of meal and rest breaks. Complaint/violation types relate to: rest and meal periods, wage, AV, and retaliation.

**Workload Indicators**

- 165,042 estimated workers affected
- 240 average cases an employee can complete in a year
- 87 average retaliation cases an employee can complete in a year.
- 1,597 meal and rest period complaints in 2021
- 777 administrative violation complaints/year (average of complaints 2019-2021)
- 6,675 wage complaints in 2021
- 238 retaliation complaints/year (average of complaints 2019-2021)

**L&I estimates:**

An additional 66 meal and rest period complaints.  $(1,597 / 3,962,171 \text{ estimated number of workers employed in 2021} = .0004, 165,042 \times .0004 = 66 \text{ complaints. } 66/240 = 0.3 \text{ FTE}).$

An additional 44 administrative violation complaints  $(777/3,524,381 \text{ average number of workers in 2019-2021} = .0002, 165,042 \times .0002 = 33, 33/240 = 0.1 \text{ FTE}).$

An additional 441 wage violation complaints  $(6,675/3,962,171 \text{ estimated number of workers in 2021} = .002, 165,042 \times .002 = 330, 330/240 = 1.4 \text{ FTEs}).$

An additional 11 retaliation complaints  $(238/3,524,381 \text{ the average amount of workers in 2019-2021} = .000068, 165,042 \times .000068 = 14, 14/87 = 0.1 \text{ FTE})$

### **Information Technology**

The expenditure calculations in this fiscal note include changes to the hourly rates for contract technology based on an annual analysis completed by L&I. These changes include rates based on expert skill level and an inflationary factor in all categories. All expenditures in this section are for the 2023-25 biennium.

This bill provides new protections related to quotas for employees working at warehouse distribution centers with 100 or more employees at one location or 500 or more employees at warehouse distribution centers in the state. The information technology work is a candidate for SaaS/COTS procurement that could take 8 months to deliver, including procurement process. This will require IT contract support for project management, business analysis, solution architecture, web design and integration with existing Complaints Activity Tracking System (CATS), Accounts Receivable and Collections System (ARC) and Front Counter applications.

A total of \$577,000 is needed in the 2023-25 biennium for all information technology changes.

This includes:

- Contractor costs – \$275,228 is needed for 1850 contractor hours
- QA – \$41,500
- Software – \$350,000 (ongoing costs include \$100,000 per year in fiscal years 2026 – 2029)

### **Outreach Campaign**

\$30,000 is needed for a social media campaign to inform workers and potential workers in this high-turnover industry of these new rights.

### **Rule making**

\$12,500 is needed for 5 rule making hearings to occur during FY24. The average cost of one rule making hearing is \$2,500. (5 hearings x \$2,500 each = \$12,500)

### **Attorney General – Legal Services**

The AGO assumes \$53,000 per fiscal year ongoing starting in FY 2024 for legal services related to implementation, investigations, enforcement and litigation under this bill.

### Administrative Hearings

Office of Administrative Hearings assumes the following costs related to HB 1762, beginning in FY 2025:

- 0.15 ALJ at a cost of \$24,930
- 0.02 SALJ at a cost of \$4,032
- 0.09 LA2 at a cost of \$8,992
- 0.04 MA5 at a cost of \$5,559

Total cost rounded to \$44,000 per FY.

### 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	8,500	15,300	12,750	12,750	12,750	12,750
609 Medical Aid	1,500	2,700	2,250	2,250	2,250	2,250
Total:	\$10,000	\$18,000	\$15,000	\$15,000	\$15,000	\$15,000

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:

- RCW 49.17
- RCW 51.44.033
- RCW 49.48.086
- RCW 34.05