

Multiple Agency Fiscal Note Summary

Bill Number: 5111 E S SB	Title: Sick leave/construction
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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
Department of Labor and Industries	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

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 Administrative Hearings	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Labor and Industries	1.0	0	0	271,000	.5	0	0	118,000	.5	0	0	118,000
Total \$	1.0	0	0	271,000	0.5	0	0	118,000	0.5	0	0	118,000

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
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
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Estimated Capital Budget Breakout

NONE

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Date Published:
Final 3/16/2023

Individual State Agency Fiscal Note

Bill Number: 5111 E S SB	Title: Sick leave/construction	Agency: 110-Office of Administrative Hearings
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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: Trudes Tango	Phone: 360-786-7384	Date: 03/13/2023
Agency Preparation: Pete Boeckel	Phone: 360-407-2730	Date: 03/15/2023
Agency Approval: Deborah Feinstein	Phone: 360-407-2717	Date: 03/15/2023
OFM Review: Cheri Keller	Phone: (360) 584-2207	Date: 03/15/2023

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.

No fiscal impact. This legislation will not measurably increase the appeal workload for the Office of Administrative Hearings (OAH).

Section 1 amends RCW 49.46.210 to provide that employers of construction workers within industry code 23 of the North American Industry Classification System must pay former workers for their accrued and unused paid sick leave upon separation from employment. Conditions apply. First, residential building construction workers are excluded from this payout. Second, construction workers must not have reached the 90-day work threshold for beginning their use of paid sick leave.

The Department of Labor & Industries informed OAH that they anticipate two appeals to be referred to OAH each FY. Anticipating each appeal to require up to 20 Line Administrative Law Judge hours, OAH assumes this work as nominal and will provide services with existing resources.

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.

None

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.

None

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 5111 E S SB	Title: Sick leave/construction	Agency: 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	1.5	0.5	1.0	0.5	0.5
Account					
Accident Account-State 608-1	180,000	50,000	230,000	100,000	100,000
Medical Aid Account-State 609-1	32,000	9,000	41,000	18,000	18,000
Total \$	212,000	59,000	271,000	118,000	118,000

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: 03/13/2023
Agency Preparation: Donald Jenson Jr	Phone: 360-902-6981	Date: 03/16/2023
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 03/16/2023
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 03/16/2023

Part II: Narrative Explanation

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

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

See attached.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

See attached.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

See attached.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
608-1	Accident Account	State	180,000	50,000	230,000	100,000	100,000
609-1	Medical Aid Account	State	32,000	9,000	41,000	18,000	18,000
Total \$			212,000	59,000	271,000	118,000	118,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	1.5	0.5	1.0	0.5	0.5
A-Salaries and Wages	118,000	37,000	155,000	74,000	74,000
B-Employee Benefits	42,000	14,000	56,000	28,000	28,000
C-Professional Service Contracts					
E-Goods and Other Services	30,000	6,000	36,000	12,000	12,000
G-Travel	2,000	2,000	4,000	4,000	4,000
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-					
Total \$	212,000	59,000	271,000	118,000	118,000

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		
Fiscal Analyst 5	71,520	0.1	0.0	0.1	0.0	0.0
Industrial Relations Agent 3	69,756	0.4	0.5	0.5	0.5	0.5
Total FTEs		1.5	0.5	1.0	0.5	0.5

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 relates to requiring payment for accrued and unused sick leave for certain construction workers, amending RCW 49.46.210 and RCW 49.46.180.

The differences between ESSB 5111 and SSB 5111 include:

- ESSB 5111 adds a specific North American industry classification system industry code as a stipulation to identify workers impacted by this bill, rather than certain construction workers covered by collective bargaining agreements.

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

Section 1(1) amends RCW 49.46.210 stating for workers covered under the North American industry classification system (NAICS) industry code 23, except for NAICS code 236100, residential building construction, who have not reached the 90-day eligibility requirement listed under RCW 49.46.210(1)(d) at the time of separation, the employer must pay the former worker the balance of their unused, accrued paid sick leave upon separation.

Section 2 amends RCW 49.46.180 adding a provision about the payment of accrued and unused sick leave may be made in accordance with RCW 49.46.210.

Section 3 states this act takes effect January 1, 2024.

II. B – Cash Receipt Impact

Receivables – Operating

Because penalty amounts can vary, the cash receipt impact is indeterminate.

II. C – Expenditures

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

0.5 FTE, Industrial Relations Agent 3 (IRA3), permanent, beginning October 1, 2023. Duties include investigating complaints filed under this bill. This is based on the following assumptions:

- Total construction employees under NAICS code 23 statewide is 210,552.
- There are 32,617 construction employees under NAICS code 236100, which are exempt from this bill.
- Therefore, 177,935 workers are impacted by this bill. ($210,552 - 32,617 = 177,935$)
- Workers may experience three different types of alleged violations:
 - Paid Sick Leave (PSL) complaints:
 - 177,935 workers
 - 0.0002 PSL complaint rate
 - 36 PSL complaints ($177,935 \times .0002 = 35.6$)
 - The average number of PSL complaints handled by one IRA3 is 240 per year.
 - Therefore, 0.15 FTE is needed for PSL complaints ($36 / 240 = 0.15$)
 - Administrative Violations (AV) – non-wage violations such as record retention, failure to meet written notice of rights requirement, etc.
 - 177,935 workers
 - 0.0002 AV complaint rate
 - 36 AV complaints ($177,935 \times .0002 = 35.6$)
 - The average number of AV complaints handled by one IRA3 is 240 per year.
 - Therefore, 0.15 FTE is needed for AV complaints ($36 / 240 = 0.15$)
 - Retaliation
 - 177,935 workers
 - 0.000068 complaint rate

- 12 retaliation complaints ($177,935 \times .000068 = 12$)
- The average number of retaliation complaints handled by one IRA3 is 86 per year.
- Therefore, 0.14 FTE is needed for AV complaints ($12 / 86 = 0.14$)
- Therefore, 0.5 FTE is needed for investigating complaints ($0.15 + 0.15 + 0.14 = 0.44$)

1.0 FTE, Administrative Regulations Analyst 4 (ARA4), temporary, from July 1, 2023 through June 30, 2024. Duties include conducting rulemaking activities, conducting public hearings, drafting administrative policies and technical guidance, and creating resources for stakeholders.

Rule making

\$5,000 is needed for two rule making hearings to occur during fiscal year 2024. The average cost of one rule making hearing is \$2,500. (2 hearings x \$2,500 each = \$5,000) While rule making is not required by the bill, it will be necessary to clarify the new requirements.

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	7,500	2,500	2,500	2,500	2,500	2,500
609	Medical Aid	1,500	500	500	500	500	500
	Total:	\$9,000	\$3,000	\$3,000	\$3,000	\$3,000	\$3,000

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