

Multiple Agency Fiscal Note Summary

Bill Number: 2244 HB	Title: Retirement savings
-----------------------------	----------------------------------

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 State Treasurer	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Office of Attorney General	0	0	0	0	0	30,000	0	0	60,000
Office of Administrative Hearings	0	0	0	0	0	20,000	0	0	78,000
Department of Labor and Industries	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	50,000	0	0	138,000

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 State Treasurer	2.0	0	0	280,000	2.0	0	0	560,000	2.0	0	0	560,000
Office of Attorney General	.0	0	0	0	.2	0	0	30,000	.3	0	0	60,000
Department of Commerce	Fiscal note not available											
Office of Administrative Hearings	.0	0	0	0	.0	0	0	20,000	.2	0	0	78,000
Department of Labor and Industries	.7	183,000	183,000	183,000	3.3	1,229,000	1,229,000	1,229,000	6.9	1,642,000	1,642,000	1,642,000
Total \$	2.7	183,000	183,000	463,000	5.5	1,229,000	1,229,000	1,839,000	9.4	1,642,000	1,642,000	2,340,000

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of State Treasurer	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Department of Commerce	Fiscal note not available								
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

--

Prepared by: Anna Minor, OFM	Phone: (360) 790-2951	Date Published: Preliminary 1/23/2024
------------------------------	--------------------------	--

Individual State Agency Fiscal Note

Bill Number: 2244 HB	Title: Retirement savings	Agency: 090-Office of State Treasurer
-----------------------------	----------------------------------	--

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	2.0	2.0	2.0	2.0	2.0
Account					
State Treasurer's Service	0	280,000	280,000	560,000	560,000
Account-State 404-1					
Total \$	0	280,000	280,000	560,000	560,000

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: Megan Mulvihill	Phone: 360-786-7304	Date: 01/12/2024
Agency Preparation: Mandy Kaplan	Phone: (360) 902-8977	Date: 01/20/2024
Agency Approval: Tammie Nuber	Phone: (360) 902-9011	Date: 01/20/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/22/2024

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.

House Bill 2244 creates Washington Saves, an automatic enrollment individual retirement account program.

Section 4 establishes a governing board to design, develop, implement, maintain, and oversee Washington Saves. The State Treasurer serves as the Chair and the Office of the State Treasurer provides staff support.

Section 5 provides that the Office of the State Treasurer must provide staff and administrative support for the governing board. Additionally, the Office may initiate and manage all procurement and regulatory processes related to the program and carry out other related functions as delegated to the governing board.

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.

Section 12 creates the Washington Saves Administrative Account, which may only be used for the purposes of administrative and operating expenses of the program established under this bill. Only the state treasurer or state treasurer's designee may authorize expenditures from the account. The account is exempt from appropriation and allotment provisions under chapter 43.88 RCW. The account may receive grants, gifts, or other moneys appropriated for administrative purposes from the state and the federal government.

The governing board must collect administrative fees from individual participants to defray the costs of administering the program. Fee collection would begin after accounts are established under the program, January 1, 2027 at the earliest. Projected fee collections is currently unavailable, therefore the cash receipt impact is indeterminate.

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.

2023-25: The governing board will begin their work to design Washington Saves and OST will provide staff and administrative support for this effort. The Governing Board is:

- directed to meet a minimum of 4 times per year;
 - tasked with going through a request for proposal (RFP) process to interview, select, contract, and manage a 3rd party financial institution investment manager;
 - required to develop and adopt an investment policy statement that will inform the future investment strategy;
 - design the program to be compliant with federal law and achieve a number of other objectives identified in the bill;
 - work with other state agencies identified in the bill to develop a strategy to educate and inform covered employers about their role in the program;
 - adopt rules to govern the program;
 - evaluate the feasibility, costs, and benefits of joining a consortium of other states to implement the auto-IRA program;
- and
- submit an annual report to the legislature providing updates and recommendations related to the program.

The new Office of the State Treasurer staffing needs under this bill would be funded with the State Treasurer Service Account (404):

Program Manager (1 FTE): The Program Manager will be responsible for facilitating the success of the governing board's statutory requirements, as provided in the bill. This includes staffing meetings, participating in the RFP process to select the investment manager, develop the investment policy (research, facilitating a feedback process, drafting), understand the

federal law that Washington Saves needs to be compliant with, guide the program development to meet the objectives in statute, facilitate a process with multiple state agencies to develop the covered employer education program and material, draft program rules, evaluate feasibility of a multi-state consortium, and write an annual report to the legislature. The work will require collaborating with partners across the state and country including stakeholders, other WA state agencies, financial institutions, other states' auto-IRA program staff, and research institutions.

Senior Administrative Assistant (1 FTE): Support the Program Manager in their work to staff the Governing Board, coordinate with external partners, and prepare deliverables.

2025-27 and thereafter, The bill states that Washington Saves needs to be launched no later than January 1, 2027. The OST will continue to provide staff and administrative support to the Governing Board over the life of the program, but the Board & OST staff's work will transition from research and development of Washington Saves to implementation. Depending on how the Governing Board designs the program, the Office of the state Treasurer may need additional staff to manage the Washington Saves program after it is launched.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
404-1	State Treasurer's Service Account	State	0	280,000	280,000	560,000	560,000
Total \$			0	280,000	280,000	560,000	560,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.0	2.0	2.0	2.0	2.0
A-Salaries and Wages		206,000	206,000	412,000	412,000
B-Employee Benefits		61,000	61,000	122,000	122,000
C-Professional Service Contracts		10,000	10,000	20,000	20,000
E-Goods and Other Services		3,000	3,000	6,000	6,000
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-					
Total \$	0	280,000	280,000	560,000	560,000

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
Program Manager		1.0	1.0	1.0	1.0	1.0
Senior Administrative Assistant		1.0	1.0	1.0	1.0	1.0
Total FTEs		2.0	2.0	2.0	2.0	2.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 2244 HB	Title: Retirement savings	Agency: 100-Office of Attorney General
-----------------------------	----------------------------------	---

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				30,000	60,000
Total \$				30,000	60,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.0	0.0	0.2	0.3
Account					
Legal Services Revolving Account-State 405-1	0	0	0	30,000	60,000
Total \$	0	0	0	30,000	60,000

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: Megan Mulvihill	Phone: 360-786-7304	Date: 01/12/2024
Agency Preparation: Dave Merchant	Phone: 360-753-1620	Date: 01/17/2024
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 01/17/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/19/2024

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.

PART I

Section 1 - New section. Washington Saves established. Intent.

Section 2 - New section. Definitions.

Section 3 - New section. General Provisions and description of program, eligibility, default provisions, employer requirements, disclosure requirements, contribution information. Employers' role is ministerial, not fiduciary. Governing board of program will determine accounts available. Money placed in accounts may not be counted for means-tested programs.

Section 4 - New section. Governing board (Board) established. Seven members, some with specific qualifications and appointed by the Governor, chaired by the Office of the State Treasurer (OST). Other state agencies will cooperate by providing data, etc. Board meeting and voting provisions. Provides investment directives to the Board.

Section 5 - New section. OST shall staff and support.

Section 6 - New section. Responsibilities of investment manager. Operating costs paid by participants in accordance with rules established by Board. Investment manager subject to Board control.

Section 7 - New section. Labor & Industries (L&I) responsible for educating participating employees, investigating and enforcing complaints, establishing appeals process, collecting civil penalties.

Section 8 - New section. Requirements related to complaints, investigations, enforcement applicable to L&I.

Section 9 - New section. L&I to establish right to appeal.

Section 10 - New section. L&I to establish investigations and enforcement processes. Provides subpoena power.

Section 11 - New section. Information about individual or employer is private and confidential, provides details and exceptions.

Section 12 - New section. Treasury trust account created. Interest accrued shall remain in account.

Section 13 - New section. Washington State investment account established as a trust.

PART II

Section 14 - New section. RCW 43.330.730 is decodified.

Section 15 - Amends RCW 43.330.732 to account for new bill.

Section 16 - Amends RCW 43.330.735 to account for new bill.

PART III

Section 17 - Amends RCW 43.79A.040 to include new bill and account.

Section 18 - Amends RCW 43.79A.040 to include new bill and account. (Note, Section 17 and 18 appear to be

substantively identical).

PART IV

Section 19 - New section. Section 17 expires on July 1, 2030.

Section 20 - New section. Section 17 takes effect July 1, 2024. Section 18 takes effect July 1, 2030.

Section 21 - New section. Sections 1-13 are a new chapter in Title 19 RCW.

Section 22 - New section. Deconflict provision with respect to federal law. Rules adopted must meet federal requirements for receipt of federal funds or federal unemployment tax credits.

Legal services associated with the enactment of this bill will begin 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 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 King County rates:

FY 2027 through FY 2029: \$30,000 for 0.1 Assistant Attorney General FTE (AAG), and 0.1 Paralegal 1 FTE (PL1)

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:

Legal services associated with the enactment of this bill will begin on July 1, 2024 (FY 2025).

Location of staffing is assumed to be in a King County 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. The Management Analyst 5 FTE (MA), is used as a representative classification. An example ratio is for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 Paralegal 1 FTE (PL1) and 0.4 MA.

1. Assumptions for the AGO Labor and Industries Division (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.

L&I expects 1.3 million newly covered employees under the retirement account provisions of this bill beginning January 1, 2027. L&I expects 650 new complaints beginning January 1, 2027 ($1,300,000 \times 0.05 = 650$). However, there will be a delay for most appeals until January 1, 2029, because the bulk of the violations (administrative violations) will not be cited during the first two-year period. The bill directs a two-year education period for administrative violations. Only unlawful deductions will be enforced as wage payment requirements. Based on historical citation average, approximately 14 percent will result in an appealable order, with 91 going to citation per year and with a historical appeal rate of 20 percent approximately 18 cases per year will go to Office of Administrative Hearings (OAH) and be litigated by AAGs. Appeals of this complexity generally require 0.1 AAG per five appeals. LNI will require a total of 0.1 AAG starting July 1, 2026 until July 1, 2028 for implementation client advice and the initial wage violations beginning after January 1, 2027. Beginning January 1, 2029 L&I will cite administrative violations, but there will be a roughly six month delay in appeals resulting in 0.5 AAG beginning by July 1, 2029 to address litigation for all violations. LNI would require 0.1 litigation Paralegal 2 FTE (PL2) to support these new cases beginning FY 2030 as the Employment Standards and Prevailing Wage program has no additional capacity for litigation support.

LNI: Total King County workload impact:

FY 2027 through FY 2029: \$30,000 for 0.1 AAG and 0.1 PL1

2. The AGO Agriculture & Health Division (AHD) has reviewed this bill and determined it will not increase or decrease the division's workload in representing the Department of Commerce (Commerce). The changes to existing Commerce statutes for the Small Business Retirement Marketplace (SBRM) in Sections 14, 15, and 16 make negligible changes to the existing SBRM and will not require legal advice or new legal services. Changes in Sections 15 and 16 remove a requirement for an Individual Retirement Account (IRA) offering in the SBRM that will simplify program administration. Therefore, no costs are included in this request.

3. The AGO Revenue and Finance Division (REV) has reviewed this bill and determined it will not increase or decrease the division's workload in representing the Office of the State Treasurer (OST). Therefore, no costs are included in this request.

4. The AGO Solicitor General's Office (SGO) has reviewed this bill and determined it will not increase or decrease the division's workload. Therefore, no costs are included in this request.

5. The AGO Administrative Division (ADM) has reviewed this bill and determined it will not increase or decrease the division's workload. Therefore, no costs are 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	0	0	0	30,000	60,000
Total \$			0	0	0	30,000	60,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years				0.2	0.3
A-Salaries and Wages				21,000	42,000
B-Employee Benefits				6,000	12,000
C-Professional Service Contracts					
E-Goods and Other Services				3,000	6,000
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-					
Total \$	0	0	0	30,000	60,000

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	135,555				0.1	0.1
Management Analyst 5	95,184				0.1	0.1
Paralegal 1 - Seattle	72,528				0.1	0.1
Total FTEs					0.2	0.3

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Labor and Industries Division (LNI)				30,000	60,000
Total \$				30,000	60,000

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

Revised

Bill Number: 2244 HB	Title: Retirement savings	Agency: 110-Office of Administrative Hearings
-----------------------------	----------------------------------	--

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				20,000	78,000
Total \$				20,000	78,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.0	0.0	0.0	0.2
Account					
Administrative Hearings Revolving Account-State 484-1	0	0	0	20,000	78,000
Total \$	0	0	0	20,000	78,000

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: Megan Mulvihill	Phone: 360-786-7304	Date: 01/12/2024
Agency Preparation: Pete Boeckel	Phone: 360-407-2730	Date: 01/22/2024
Agency Approval: Rob Cotton	Phone: 360-407-2708	Date: 01/22/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/22/2024

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 creates appeal rights for employers’ noncompliance with either administrative duties or for impermissible withholdings due to employees under the Wage Payment Act.

Sections 7 and 8 task the Department of Labor and Industries (L&I) with investigating complaints regarding employer administrative duties relative to Washington Saves. There will be an educational period for the first two years, during which L&I may not assess civil penalties. Section 8 calls for L&I to issue citations and assess civil penalties for willful violations after the first two years. Under Section 9, these citations may be appealed to OAH.

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 14 new appeals being referred to the Office of Administrative Hearings (OAH) per calendar year beginning on January1, 2027. On average, each appeal is expected to take approximately 12 hours of line Administrative Law Judge (ALJ) time including prehearing conferences, hearings, order writings, etc.

OAH Agency Workforce Assumptions:

- (1) 1.0 Line ALJ will include cost and FTE for 0.15 Senior ALJ (SALJ), 0.15 Lead ALJ (LALJ), 0.6 Legal Assistant 2 (LA2) (Range 40 step L), and 0.25 administrative support represented as a Management Analyst 5 (MA5) (Range 64 Step L).
- (2) 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.)
- (3) Benefit rates were analyzed by job class and projected using the latest benefit information available.
- (4) Goods and services, travel and on-going capital outlays were projected based on historical data for each of the job classifications.

Total workload impact:

- FY 2024 through FY 2026: No fiscal impact.
- FY 2027: 0.06 ALJ at a rounded cost of \$20,000.
- FY 2028 and in each FY thereafter: 0.12 ALJ and 0.07 LA2 at a rounded cost of \$39,000 per FY.

This bill is assumed effective 90 days after the end of the 2024 legislative session.

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	0	0	20,000	78,000
Total \$			0	0	0	20,000	78,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years				0.0	0.2
A-Salaries and Wages				13,000	50,000
B-Employee Benefits				4,000	16,000
C-Professional Service Contracts					
E-Goods and Other Services				3,000	12,000
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-					
Total \$	0	0	0	20,000	78,000

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	110,400				0.0	0.1
Legal Assistant 2	52,964					0.1
Total FTEs					0.0	0.2

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Regulatory & Education (REG)				20,000	78,000
Total \$				20,000	78,000

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

Bill Number: 2244 HB	Title: Retirement savings	Agency: 235-Department of Labor and Industries
-----------------------------	----------------------------------	---

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	0.3	1.1	0.7	3.3	6.9
Account					
General Fund-State 001-1	44,000	139,000	183,000	1,229,000	1,642,000
Total \$	44,000	139,000	183,000	1,229,000	1,642,000

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: Megan Mulvihill	Phone: 360-786-7304	Date: 01/12/2024
Agency Preparation: Rachel Reed	Phone: 360-902-4552	Date: 01/22/2024
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 01/22/2024
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 01/23/2024

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
001-1	General Fund	State	44,000	139,000	183,000	1,229,000	1,642,000
Total \$			44,000	139,000	183,000	1,229,000	1,642,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.3	1.1	0.7	3.3	6.9
A-Salaries and Wages	23,000	95,000	118,000	493,000	964,000
B-Employee Benefits	8,000	33,000	41,000	185,000	372,000
C-Professional Service Contracts				85,000	
E-Goods and Other Services	3,000	11,000	14,000	404,000	292,000
G-Travel				5,000	14,000
J-Capital Outlays	10,000		10,000	57,000	
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	44,000	139,000	183,000	1,229,000	1,642,000

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	91,068	0.3	1.0	0.6	1.0	1.0
Communications Consultant 5	93,343				0.3	0.5
Customer Service Specialist 2	50,330				0.6	1.7
Fiscal Analyst 5	74,376		0.1	0.1	0.2	0.4
Industrial Relations Agent 2	71,144				0.9	2.5
Industrial Relations Agent 3	74,729				0.2	0.5
Revenue Agent 2	69,401				0.1	0.3
Total FTEs		0.3	1.1	0.7	3.3	6.9

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

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.

Part II: Explanation

This bill establishes "Washington Saves", an automatic enrollment individual retirement savings account program to serve as a vehicle through which covered employees may, on a voluntary basis, provide for additional retirement security through a state-facilitated retirement savings program.

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

Section 2 defines “covered employer” as an employer that has been in business in this state for at least two years as of the immediately preceding calendar year; maintains a physical presence; does not offer a qualified retirement plan to their covered employees; and employs, and at any point during the immediately preceding calendar year employed, five or more individuals.

Section 4 establishes governing board retirement savings program responsibilities. Section 4(10)(e) specifies that the governing board is responsible for launching the retirement savings program by January 1, 2027.

Section 7 establishes the responsibilities of the Department of Labor and Industries (L&I) retirement savings program responsibilities. The department has the following responsibilities related to covered employers, as provided in this chapter:

- Educate participating employers of their administrative duties under this chapter;
- Investigate complaints, in the case of noncompliance with employer administrative duties and educate employers about how to come into compliance;
- Issue citations and collect penalties, in the case of willful violations. Unlawful deductions will be subject to enforcement under the wage payment requirement defined in RCW 49.48.082.
- Facilitate a process in which employers may appeal complaints;
- Collection of unpaid citations assessing civil penalties under RCW 49.48.086.

Section 8 establishes L&I’s role in investigating complaints, responding to violations, and assessing civil penalties relating to employer compliance with administrative duties. The section

specifies different actions L&I shall take in the case of filing a complaint within the first two years of when the program applies to the covered employee, after the first two years of when the program applies to the covered employee, and establishes a three-year statute of limitations on complaints. The section also specifies that L&I cannot assess a civil penalty if the employer relied on a rule, a written order, interpretive or administrative policy, may waive or reduce a civil penalty, and shall deposit all civil penalties paid under this section to the supplemental pension fund under RCW 51.44.033.

Section 9 establishes L&I's responsibilities in relation to administrative citation appeals. The person, firm, or corporation, under RCW 34.05, may appeal the citation and notice of assessment to the director of the department by filing a notice of appeal with the director within 30 days of the department's issuance of the citation and notice of assessment.

Section 10 establishes L&I's responsibilities in relation to enforcement of amounts due in the case where an employer impermissibly withholds any amounts due the employee. And establishes that employers withholding amounts due to employees is a violation of the Wage Payment Act as defined in RCW 49.48.082. This section also authorizes L&I to:

- Investigate similarly situated employees if they find a violation.
- Authorizes an estimated audit in a companywide investigation.
- Issue subpoenas and require a self-audit made available to the department on request.

II. B – Cash Receipt Impact

Receivables – Operating

The proposed bill requires civil penalties received by L&I to be deposited in the Supplemental Pension Fund, fund 881. L&I does not have data to determine how many civil penalties will be assessed. The cash receipts are indeterminate.

II. C – Expenditures

Appropriated – Operating Costs

This bill increases expenditures to General Fund-State, fund 001. The following assumptions were used to estimate the resources requested to implement this bill.

Staffing

2.5 FTE, Industrial Relations Agent 2 (IRA2), permanent starting October 1, 2026. Duties include enforcing and investigating violations, providing assistance to IRA3s on more complex investigations and/or disputes, issuing notices of violation, notices of infraction, citations, and assessments.

- According to the Washington State Department of Commerce, "1.3-1.6 million working Washingtonians have no access to retirement savings plans at work. Over 131,000 Washington Businesses offer no retirement savings arrangements to their employees." According to Employment Security Department, there were approximately 274,219 employees working at establishments with fewer than 5 employees in 2022. Based on the bill language, these employees would not be eligible for the program. Therefore, L&I estimates that approximately 1 million employees are eligible for the proposed retirement savings program (1,300,000 workers without access to retirement savings plans – approximately 300,000 employees not eligible based on employer size = 1,000,000 eligible employees).
- In 2023, the Administrative (AV) and Unlawful deduction violation complaint rate was approximately .0005 or .05% (1,520 AV rounded up to 2,000 to include unlawful deduction complaints / 3,520,246 workers = .0005 or .05%).
- L&I estimates that this bill would result in 500 new complaints per year (1,000,000 workers eligible for the new retirement savings plan X .05% complaint rate = 500 new complaints).
- One IRA2 FTE can handle 200 total complaints per year.
- 2.5 IRA2 FTEs will be needed to handle the 500 new complaints (500 new complaints / 200 complaints investigated by an IRA2 per year = 2.5 FTEs).

.5 FTE, Industrial Relations Agent 3 (IRA3), permanent starting October 1, 2026. Duties include providing technical assistance as central office staff engaged in enforcement activities, providing oversight and review of reports from IRA2s, processing citations and determinations of compliance, reviewing and preparing case files submitted by Industrial Relations Agents prior to referral to the program manager or the Office of the Attorney General.

- See above baseline assumptions for workers (1,000,000 eligible workers) and complaints (500 new complaints annually) under IRA2 FTE staffing assumptions.
- 14 percent of complaints are anticipated to result in citations, based on historical wage complaint citation rates.
- An estimated 70 new citations are anticipated per year as a result of this bill (500 new complaints X .14 = 70 citations).
- .5 IRA3 FTEs will be needed to handle the estimated 70 new annual citations (70 citations and determinations / 200 citations per IRA3 FTE = ~.5 FTEs)

.25 FTE, Revenue Agent 2 (RA2), permanent starting October 1, 2026. Duties include collection of citations in the case of willful violations/noncompliance with employer administrative duties.

- See above baseline assumptions for workers (1,000,000 eligible workers) and complaints (500 new complaints annually) under IRA2 FTE staffing assumptions.
- 14 percent of complaints are anticipated to result in citations, based on historical wage complaint citation rates.
- An estimated 70 new citations are anticipated per year as a result of this bill (500 new complaints X .14 = 70 citations).
- The workload for an RA2 is 300 citations/accounts per RA2 per year.
- .25 FTE RA2s will be needed to handle the 70 new citations (70 new citations / 300 citations per RA2 = .25 FTE RA2).

1.7 FTE, Customer Service Specialist 2 (CSS2), permanent starting October 1, 2026. Duties include providing agency interpretation and applies knowledge of laws, regulations, and processes in the resolution of inquiries, complaints and problems and acting as a liaison between clients/customers and agency, giving presentations and offering assistance where applicable.

- See above baseline assumptions for workers (1,000,000 eligible workers) and complaints (500 new complaints annually) under IRA2 FTE staffing assumptions.
- L&I estimates that this bill may result in 500 new complaints (1,000,000 workers eligible for the new retirement savings plan X .05% complaint rate = 500 new complaints).
- One CSS2 is needed for every 300 complaints.

- 1.0 FTE CSS2s are required to implement this bill (500 new complaints / 300 complaints per CSS2 = 1.7 FTEs)

1.0 FTE, Administrative Regulations Analyst 4, permanent starting April 1, 2024. Duties include stakeholdering, policy drafting and interpretation, acting as the implementation lead, and providing ongoing policy support after implementation, and serving as a subject matter expert on this new law. The Administrative Regulations Analyst would also be responsible for collaborating with the State Treasurer and the governing board. This bill will require stakeholdering and policy activities that are complex in nature and require full-time staff to lead the actual implementation efforts and provide ongoing policy support after implementation. This includes creating training materials, guidance documents, and supporting policy interpretation. L&I anticipates that implementation efforts will need to start immediately in preparation for the program launch date, because L&I must collaborate with the governing board and State Treasurer and need to prepare to be able to accept new complaints when enforcement begins.

0.5 FTE, Communications Consultant 5, permanent starting July 1, 2026. Duties include overseeing L&I's communication efforts to educate participating employers of their administrative duties under the law, support implementing the governing board's outreach, marketing, and educational initiatives or publication of online resources, ensure that these initiatives include special consideration for communities traditionally/known to often face barriers to participation in workplace retirement savings programs.

- This 0.5 FTE Communications Consultant 5 would be the primary communications contact ensuring that L&I educate participating employers of their administrative duties. They would work with the plan's governing board and key stakeholder agencies Office of Minority and Women's Business Enterprises, Secretary of State, and other stakeholders to ensure that the education strategy is effective.

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 2025-27 biennium.

Contract developers will modify and enhance multiple internal systems (Wage payment complaint system, Accounts Receivable System and the Cash receipting system).

A total of \$85,155 is needed in the 2025-27 biennium for all information technology changes.

This includes:

- Contractor costs – \$85,155 is needed for 705 contractor hours

Outreach Campaign

\$285,000 is needed in fiscal year 2027 for radio advertising, digital media, and translation costs:

- Targeted radio advertising: \$160,000
- Digital media campaign: \$110,000
- Translation into key languages: \$15,000

Attorney General – Legal Services

\$30,000 is needed in FY27 and FY28 and \$46,000 annually thereafter for legal services starting in fiscal year 2027. The following assumptions were used to calculate the estimates:

- The Attorney General Office will bill L&I for legal services based on the enactment of this bill.
- L&I expects 1.0 million newly covered employees under the retirement account provisions of this bill beginning January 1, 2027.
- L&I expects $1,000,000 \times .05\% = 500$ new complaints beginning January 1, 2027.

Administrative Hearings

\$20,000 is needed in fiscal year 2027 and \$39,000 in each consecutive fiscal year based on an estimated 14 additional new administrative rule hearings each year once the retirement program launches on January 1, 2027.

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
001	General Fund	1,000	7,000	7,000	34,000	41,000	41,000
	Total:	\$1,000	\$7,000	\$7,000	\$34,000	\$41,000	\$41,000

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

None.



Multiple Agency Ten-Year Analysis Summary

Bill Number	Title
2244 HB	Retirement savings

This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

Estimated Cash Receipts

Office of State Treasurer Indeterminate Impact	0	0	0	0	0	0	0	0	0	0	0
Office of Attorney General	0	0	0	0	0	0	0	0	0	0	0
Office of Administrative Hearings	0	0	0	0	0	0	0	0	0	0	0
Department of Labor and Industries Indeterminate Impact	0	0	0	0	0	0	0	0	0	0	0
Total	0	0	0	0	0	0	0	0	0	0	0



Ten-Year Analysis

Bill Number 2244 HB	Title Retirement savings	Agency 090 Office of State Treasurer
-------------------------------	------------------------------------	--

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☐ **No Cash Receipts** ☐ **Partially Indeterminate Cash Receipts** ☒ **Indeterminate Cash Receipts**

Estimated Cash Receipts

Name of Tax or Fee	Acct Code											
Total												

Biennial Totals

Narrative Explanation (Required for Indeterminate Cash Receipts)

Projected fee collections is currently unavailable, therefore the cash receipt impact is indeterminate.

Agency Preparation: Mandy Kaplan	Phone: (360) 902-8977	Date: 1/20/2024 7:10:09 am
Agency Approval: Tammie Nuber	Phone: (360) 902-9011	Date: 1/20/2024 7:10:09 am
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 2244 HB	Title Retirement savings	Agency 100 Office of Attorney General
-------------------------------	------------------------------------	---

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☒ **No Cash Receipts** ☐ **Partially Indeterminate Cash Receipts** ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
--------------------	-----------	--	--	--	--	--	--	--	--	--	--	--

Agency Preparation: Dave Merchant	Phone: 360-753-1620	Date: 1/17/2024 6:57:23 pm
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 1/17/2024 6:57:23 pm
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 2244 HB	Title Retirement savings	Agency 110 Office of Administrative Hearings
-------------------------------	------------------------------------	--

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☒ **No Cash Receipts** ☐ **Partially Indeterminate Cash Receipts** ☐ **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											
--------------------	-----------	--	--	--	--	--	--	--	--	--	--	--

Agency Preparation: Pete Boeckel	Phone: 360-407-2730	Date: 1/22/2024 5:27:17 pm
Agency Approval: Rob Cotton	Phone: 360-407-2708	Date: 1/22/2024 5:27:17 pm
OFM Review:	Phone:	Date:



Ten-Year Analysis

Bill Number 2244 HB	Title Retirement savings	Agency 235 Department of Labor and Industries
-------------------------------	------------------------------------	---

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

Estimates

☐ **No Cash Receipts** ☐ **Partially Indeterminate Cash Receipts** ☒ **Indeterminate Cash Receipts**

Estimated Cash Receipts

Name of Tax or Fee	Acct Code											
Total												

Biennial Totals

Narrative Explanation (Required for Indeterminate Cash Receipts)

The proposed bill requires civil penalties received by L&I to be deposited in the Supplemental Pension Fund, fund 881. L&I does not have data to determine how many civil penalties will be assessed. The cash receipts are indeterminate.

Agency Preparation: Rachel Reed	Phone: 360-902-4552	Date: 1/22/2024 1:17:33 pm
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 1/22/2024 1:17:33 pm
OFM Review:	Phone:	Date: