

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1893 E S HB	<b>Title:</b> Unemp ins/strikes & lockouts
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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 Administrative Hearings	0	0	74,000	0	0	148,000	0	0	74,000
<b>Total \$</b>	<b>0</b>	<b>0</b>	<b>74,000</b>	<b>0</b>	<b>0</b>	<b>148,000</b>	<b>0</b>	<b>0</b>	<b>74,000</b>

## 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	.4	0	0	74,000	.8	0	0	148,000	.8	0	0	148,000
Employment Security Department	3.2	0	0	1,392,707	.0	0	0	148,000	.0	0	0	148,000
<b>Total \$</b>	<b>3.6</b>	<b>0</b>	<b>0</b>	<b>1,466,707</b>	<b>0.8</b>	<b>0</b>	<b>0</b>	<b>296,000</b>	<b>0.8</b>	<b>0</b>	<b>0</b>	<b>296,000</b>

## 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
Employment Security Department	.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>

## Estimated Capital Budget Breakout

<b>Prepared by:</b> Anna Minor, OFM	<b>Phone:</b> (360) 790-2951	<b>Date Published:</b> Final 2/19/2024
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1893 E S HB	<b>Title:</b> Unemp ins/strikes & lockouts	<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		74,000	74,000	148,000	74,000
<b>Total \$</b>		74,000	74,000	148,000	74,000

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.8	0.4	0.8	0.8
<b>Account</b>					
Administrative Hearings Revolving Account-State 484-1	0	74,000	74,000	148,000	148,000
<b>Total \$</b>	0	74,000	74,000	148,000	148,000

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Susan Jones	Phone: 360-786-7404	Date: 02/14/2024
Agency Preparation: Pete Boeckel	Phone: 360-407-2730	Date: 02/16/2024
Agency Approval: Rob Cotton	Phone: 360-407-2708	Date: 02/16/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 02/17/2024

## 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 will extend Unemployment Insurance qualification to striking and locked out employees.

Work activities 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.

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 Employment Security Department for the costs related to this proposed legislation.

### 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.

ESD estimates that the proposed legislation will result in 208 new appeals being referred to the Office of Administrative Hearings (OAH) per Fiscal Year (FY) beginning in FY 2025. One-third (or 35 hearings) of these appeals are assumed to be simplistic and will require 30 minutes of line Administrative Law Judge (ALJ) to resolve. On average, the remaining 139 appeals are expected to take approximately two hours of ALJ time including case preparation, 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 beginning in FY 2025: 0.22 ALJ, 0.02 SALJ, 0.02 LALJ, 0.13 LA2 and 0.06 MA5 at a cost of \$74,000 per FY.

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

## 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	74,000	74,000	148,000	148,000
<b>Total \$</b>			0	74,000	74,000	148,000	148,000

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.8	0.4	0.8	0.8
A-Salaries and Wages		46,000	46,000	92,000	92,000
B-Employee Benefits		15,000	15,000	30,000	30,000
C-Professional Service Contracts					
E-Goods and Other Services		12,000	12,000	24,000	24,000
G-Travel					
J-Capital Outlays		1,000	1,000	2,000	2,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	0	74,000	74,000	148,000	148,000

**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		0.4	0.2	0.4	0.4
Lead Administrative Law Judge	118,932		0.1	0.0	0.1	0.1
Legal Assistant 2	52,964		0.2	0.1	0.2	0.2
Management Analyst 5	95,184		0.1	0.1	0.1	0.1
Senior Administrative Law Judge	128,400		0.1	0.0	0.1	0.1
<b>Total FTEs</b>			0.8	0.4	0.8	0.8

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

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Unemployment Insurance (UI)		74,000	74,000	148,000	148,000
<b>Total \$</b>		74,000	74,000	148,000	148,000

**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

<b>Bill Number:</b> 1893 E S HB	<b>Title:</b> Unemp ins/strikes & lockouts	<b>Agency:</b> 540-Employment Security Department
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## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	6.5	3.2	0.0	0.0
<b>Account</b>					
Unemployment Compensation Administration Account-Federal 119-2	0	1,392,707	1,392,707	148,000	148,000
<b>Total \$</b>	0	1,392,707	1,392,707	148,000	148,000

### Estimated Capital Budget Impact:

NONE

*The cash receipts and expenditure estimates on this page represent the most likely fiscal impact. Factors impacting the precision of these estimates, and alternate ranges (if appropriate), are explained in Part II.*

Check applicable boxes and follow corresponding instructions:

- If fiscal impact is greater than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.
- If fiscal impact is less than \$50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).
- Capital budget impact, complete Part IV.
- Requires new rule making, complete Part V.

Legislative Contact: Susan Jones	Phone: 360-786-7404	Date: 02/14/2024
Agency Preparation: Connie Riker	Phone: 360-742-1505	Date: 02/19/2024
Agency Approval: Danielle Cruver	Phone: 360-810-0901	Date: 02/19/2024
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 02/19/2024

## 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.*

Under current law, any employee who is unemployed due to a strike, or under some circumstances, a lockout by their employer is not eligible for unemployment benefits.

ESHB 1893 would allow workers during a strike or lockout to be eligible for unemployment benefits, if the strike is not prohibited by federal or state law, after serving the mandatory waiting week and an additional week without benefits. In addition to a four-week cap on benefits for striking workers there would be a provision allowing ESD to issue an overpayment assessment if a claimant receives retroactive wages from the strike. Benefits paid, as a result of the strike, would be charged to the separating employer.

Changes from the original include:

#### Section 1-

Revision to RCW 50.20.090 (3): Adds language that would allow a striking worker to be eligible for benefits after serving a full week without benefits before the waiting week provided the strike is not prohibited by federal or state law. Once a person is eligible for benefits, they would only be allowed to claim benefits for four weeks.

#### Section 2-

Added RCW 50.29.021 (1)(c)(iv): Requires unemployment insurance benefits paid to striking workers to be charged to the experience rating account of the separating employer.

#### New Section 3-

Requires ESD to issue an overpayment assessment to recover unemployment insurance benefits for any week a striking worker later receives retroactive wages from their employer.

#### New Section 4-

Moves the severability clause from section 3 to section 4.

These changes resulted in additional implementation work for Information Technology and increased the overall cost.

Currently the effective date is 90 days sine die. Moving the effective date to January 5, 2025, would allow UTAB to be updated to automate the new eligibility decisions. Manual processes can be used to bridge the gap between the eventual effective date and the time when systems can be updated, but it will create additional one-time staff cost.

### 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.*

The overall impact to cash receipts would not change because ESD would eventually recoup the amount of benefits paid either through socialization or rate charging. However, it is possible that ESD would recoup the benefits paid sooner through socializing the amount rather than through rate charging of the single separating employer, because the employer's rate is based on the employer's four years' average claim experience.

### 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.*

Please see attached Expenditure Impact Narrative

### Part III: Expenditure Detail

#### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
119-2	Unemployment Compensation Administration Account	Federal	0	1,392,707	1,392,707	148,000	148,000
<b>Total \$</b>			0	1,392,707	1,392,707	148,000	148,000

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

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		6.5	3.2		
A-Salaries and Wages		554,246	554,246		
B-Employee Benefits		221,698	221,698		
C-Professional Service Contracts		201,600	201,600		
E-Goods and Other Services		262,020	262,020	148,000	148,000
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		153,143	153,143		
9-					
<b>Total \$</b>	0	1,392,707	1,392,707	148,000	148,000

#### 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
COMMUNICATIONS CONSULTANT 4	69,401		0.1	0.1		
ES BENEFITS SPECIALIST 3	66,015		0.2	0.1		
IT BUSINESS ANALYST - JOURNEY	92,416		0.2	0.1		
IT POLICY & PLANNING - SENIOR/SPECIALIST	106,976		0.5	0.2		
IT PROJECT MANAGEMENT - SENIOR/SPECIALIST	106,976		0.5	0.2		
MANAGEMENT ANALYST 3	66,015		0.5	0.2		
MANAGEMENT ANALYST 5	84,518		0.5	0.2		
TAX POLICY SPECIALIST 2	78,474		3.5	1.8		
TAX POLICY SPECIALIST 4	95,654		0.1	0.1		
WMS BAND 1	92,911		0.5	0.2		
<b>Total FTEs</b>			6.5	3.2		0.0

#### 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.*

ESHB 1893 will require major rulemaking

WAC 192-180-005(1)(iii), 192-180-010: Under the current WAC an claimant is not require to do a work search if the claimant is attached an employer. The bill does not clearly define if a person who is on strike/lockout will be required to do work searches. If under HB 1893 the claimant is required to do work searches the WAC would have to be updated to state that although they are attached to an employer, if they are on strike/lockout they will be required to do work searches.

WAC 192-100-060: Labor dispute. These may need to be modified.

There will need to be a WAC drafted to address the implementation of the 4 week disqualification period.

There will need to be a WAC drafted to outline how a strike can be purged as well as how many times a person is eligible, under a strike, to claim benefits in a calendar year.



## Expenditure Impact Narrative

Under current law, an individual who is on strike is not separated from the employer and is generally not eligible for benefits.

A person may, however, become eligible during the course of the strike if certain additional actions occur that result in a separation. For example, a worker could:

- Be laid off or fired during the course of the strike.
- Be locked out or replaced by the employer and not permitted to return.
- Experience an allowable reason to quit the struck employer while the strike is taking place and be eligible for benefits based on the nature of the quit.

While lockouts are still considered labor disputes, claimants are generally allowed benefits when an employer who does not belong to a multi-employer bargaining unit locks out employees as a negotiation tactic. If there is a separation during a lockout, it would be investigated.

However, if an employer is part of a multi-employer bargaining unit when the union strikes at one of the participating employers and other employers in the bargaining unit lock out employees who are members of that union, all members working in any of those locations are denied benefits.

Example: ABC Company, ZYX Resources & LMNOP Mechanical belong to a multi-employer bargaining unit with the Union X. Union X goes on strike against ABC. Since all three employers are part of the same bargaining unit, ZYX & LMNOP lockout Union X at their places of business. Those members of Union X are denied benefits under RCW 50.20.090.

ESHB 1893 changes criteria for unemployment insurance eligibility for claimants during a labor dispute. Prior to the bill, claimants on strike or, in some circumstances, lockout were not eligible for benefits. If the bill passes, a claimant during a strike or lockout would be eligible for benefits. This would allow a new portion of unemployed people to claim benefits.

The Department is unable to determine the number of claims that were part of a strike or lockout that lasted longer than with the criteria in the bill. The bill would allow workers during a strike to be eligible at the beginning of the claim week following the first day of the strike. When the disqualification ends, the individual is subject to the one week waiting period as provided in RCW 50.20.010. Any labor dispute resolved before the eligibility requirements are met would not have an impact.

Employment Security Department (ESD) estimates that the bill will lead to between 812 and 3,470 additional claims each year.

ESD does not have sufficient data to estimate with certainty the number of additional claims that will be filed based on the new eligibility criteria. The Department based estimates on two projections.

The first estimate is based on data provided by the New Jersey Division of Unemployment. Striking workers in New Jersey have been eligible for unemployment benefits for two years. During that time, 2,241 claimants have certified that they were on strike, or 1,120 per year. Based on the November 2023 unemployment data, New Jersey's population size compared to Washington, and the claims statistics provided by the New Jersey Division of Unemployment, Washington would have approximately 812 additional claims based on similar rate of claims as New Jersey. This estimate provides the low-end assumption for the estimate.

The second uses the number of claims from 2018 through 2023 that were marked as "on strike." Between 2018 and 2023, there were approximately 2,313 claims per year marked as a labor dispute. This number is likely skewed to be lower than the total number of people who went on strike during that time period and would possibly be eligible for benefits under the new criteria, as many labor organizations are aware that ESD does not currently pay benefits under a strike situation.

To account for this unknown variable, ESD estimates 3,470 additional claims a year for striking workers (2,313 relevant claims a year multiplied by 150% to estimate the number of claims that could be filed with new eligibility requirements). This estimate provides the high end of the range.

To implement this bill the following needs to occur in fiscal year 2025:

- Major rulemaking and policy work - 6 months
- Update the Unemployment Tax and Benefits (UTAB) system.
- Modifications to internal technology systems
- Update Employment Security Department (ESD) websites and email communications.
- Update training and reference materials.
- Staff Training

**Information Technology (IT) Build**

IT is assuming this is a large change to UTAB. To implement these changes, UTAB will need to be modified to add a question to the weekly claim, after adjudication, that inquires if the claimant is on strike. If the claimant answers yes, the system will charge the separating employer. In addition, this question would allow the department to determine when the strike is completed. Also, this new version of the bill is setting a four-week cap on benefits to striking workers. This type of cap has never been done by ESD.

**IT Build Related Contract Costs:**

A developer will be needed to modify UTAB to add the strike question and place a four-week cap to striking workers.

<b>Role</b>	<b>Year</b>	<b>Hours</b>	<b>Cost</b>
IT Security/IT Systems Administration – Senior/Specialist	2025	960 hours x \$210/hr.	\$ 201,600

**IT Build Related Staff Cost:**

0.23 FTE, ending June 2025, of an IT business Analyst - Journey is needed to implement the developers changes to UTAB.

0.46 FTE, ending June 2025, of a Management Analyst 3 is required to test the development that was done to ensure UTAB is operating properly.

**Communications Related Costs**

Communications is assuming this to be a medium communication plan. Given the amendments, it would create additional requirements or limitations on striking workers, the “Strikes, lockouts and labor disputes” page will need a total overhaul.

0.10 FTE, ending June 2025, of a Communications Consultant 4 is needed to accomplish the communications planning, web development, and internal communications as well as media responses. In the communication planning part of the project, they will need to gather information and participate in project team meetings. They will need to gather feedback from subject matter experts, leaders, and the communication manager, and obtain approval of communications plans. In the web development process of the project, they will be responsible for developing the customer facing website, drafting key messages, gathering feedback from subject matter experts, leaders, and the communication manager, and obtaining approval of verbiage. In the internal communications part of the project, they would be responsible for information gathering, sharing, and participating in internal communications activities.

### **Policy Related Cost**

Policy is determining this to be of medium complexity. To implement the changes, the policy team will need to make changes to current training materials, provide new unemployment insurance benefit (UIB) training, as well as provide updates for staff.

0.10 FTE, ending June 2025, of a Tax Policy Specialist 4 is needed to develop a training manual as well as sending out updates to staff. This position will also be needed to train staff on the new rules regarding striking workers.

### **Manual Process Related Cost**

There is also a need to account for the time it will take to manually implement the bill while updates are occurring. Manual processes can be used to bridge the gap between the eventual effective date and the time when systems can be updated, but it will create additional staff time. Moving the effective date to January 5, 2025, would allow UTAB to be updated to automate the new eligibility decisions and eliminate the need for manual processes.

It is estimated that ESD will receive, on the high end, approximately 2,024 claims between June 2024 and January 2025. (3,470 claims / 12 month = 289 claims per month \* 7 months = 2,024 claims to be processed manually)

It takes approximately 3.6 hours for a Tax Policy Specialist 2 to adjudicate a strike claim. Based on the claims to be processed manually it would take approximately 7,286 hours (2,024 claims \* 3.6 hours) or 3.50 FTE

It takes approximately 15 minutes for an ES Benefits Specialist 3 to review each claim for benefit charging. Based on the claims to be processed manually it would take approximately 506 hours (2,024 claims \* 0.25 hours) or 0.24 FTE

### **Product, Planning & Performance (PPP) Related Cost**

PPP is estimating the project to be a large undertaking. The bill will require changes and updates to multiple points in the UI Benefit customer journey, starting at the initial application and progressing through to the end of the claim. Also, due to the 4 week cap of benefits requirement, it will require the creation of new questions, letters, and resolutions.

PPP is estimating the project to be a large project lasting 4-7 months from project initiation through planning, execution, and closeout.

0.46 FTE, ending June 2025, of an IT Project Manager - Senior/Specialist (Project Manager) is needed to manage the project in accordance with appropriate project management methodology. This would include agile/scrum framework and/or initiation, planning, execution, monitoring & controlling, the project from beginning to end.

0.46 FTE, ending June 2025, of an IT Policy & Planning - Senior/Specialist (Product Manager) is needed to ensure legislation is implemented successfully by balancing value, usability, feasibility, and sustainability risks. The specialist will turn project requirements into user stories for the product backlog and ensure that development is done in alignment with the product roadmap.

0.46 FTE, ending June 2025, of a Management Analyst 5 (Product Analyst) is needed to conduct direct user experience research, ensuring union members and non-union members understand the context of new questions and they can accurately respond to them. This will include conducting 1:1 interviews, focus groups, in addition to other ways of gathering user feedback.

0.46 FTE, ending June 2025, of a WMS 1 (Organizational Change Manager) is needed to conduct change readiness assessments, build change plan, and lead the agency in generating awareness, desire, knowledge, ability, and reinforcement of the required bill changes.

### **Rulemaking**

ESHB 1893 will require major rulemaking for a one-time cost of \$90,000.

### **Office of Administrative Hearings**

ESD estimates that of the 3,470 new claims approximately 6% or 208 of these claims would be appealed annually.

Appeals (208 appeals = \$74,000)

- FY25 and ongoing = \$74,000

**Information Technology Build: \$301,329**

**Communications Related Costs: \$13,541**

**Policy Related Costs: \$17,962 Staffing + \$90,000 Rulemaking = \$107,962**

**Manual Process Related Costs: \$558,564**

**Product Planning & Performance Costs: \$337,311**

**OAH Annual Cost: \$74,000**

**FY25 Total Costs: \$301,329 + \$13,541 + \$107,962 + \$558,564 + \$337,311 + \$74,000 = \$1,392,707**

**FY26 and ongoing Costs: \$74,000**