

# Multiple Agency Fiscal Note Summary

|                             |                                       |
|-----------------------------|---------------------------------------|
| <b>Bill Number:</b> 1105 HB | <b>Title:</b> DOC employee bargaining |
|-----------------------------|---------------------------------------|

## Estimated Cash Receipts

| Agency Name                    | 2025-27  |             |                | 2027-29  |             |                | 2029-31  |             |                |
|--------------------------------|----------|-------------|----------------|----------|-------------|----------------|----------|-------------|----------------|
|                                | GF-State | NGF-Outlook | Total          | GF-State | NGF-Outlook | Total          | GF-State | NGF-Outlook | Total          |
| Office of Financial Management | 0        | 0           | 693,000        | 0        | 0           | 684,000        | 0        | 0           | 684,000        |
| <b>Total \$</b>                | <b>0</b> | <b>0</b>    | <b>693,000</b> | <b>0</b> | <b>0</b>    | <b>684,000</b> | <b>0</b> | <b>0</b>    | <b>684,000</b> |

## Estimated Operating Expenditures

| Agency Name                            | 2025-27                   |          |             |                | 2027-29    |          |             |                | 2029-31    |          |             |                |
|--|---------------------------|----------|-------------|----------------|------------|----------|-------------|----------------|------------|----------|-------------|----------------|
|  | FTEs                      | GF-State | NGF-Outlook | Total          | FTEs       | GF-State | NGF-Outlook | Total          | FTEs       | GF-State | NGF-Outlook | Total          |
| Office of Attorney General             | .0                        | 0        | 0           | 0              | .0         | 0        | 0           | 0              | .0         | 0        | 0           | 0              |
| Office of Financial Management         | 2.0                       | 0        | 0           | 693,000        | 2.0        | 0        | 0           | 684,000        | 2.0        | 0        | 0           | 684,000        |
| Public Employment Relations Commission | .0                        | 0        | 0           | 0              | .0         | 0        | 0           | 0              | .0         | 0        | 0           | 0              |
| Department of Corrections              | Fiscal note not available |          |             |                |            |          |             |                |            |          |             |                |
| <b>Total \$</b>                        | <b>2.0</b>                | <b>0</b> | <b>0</b>    | <b>693,000</b> | <b>2.0</b> | <b>0</b> | <b>0</b>    | <b>684,000</b> | <b>2.0</b> | <b>0</b> | <b>0</b>    | <b>684,000</b> |

## Estimated Capital Budget Expenditures

| Agency Name                            | 2025-27                   |          |          | 2027-29    |          |          | 2029-31    |          |          |
|--|---------------------------|----------|----------|------------|----------|----------|------------|----------|----------|
|  | FTEs                      | Bonds    | Total    | FTEs       | Bonds    | Total    | FTEs       | Bonds    | Total    |
| Office of Attorney General             | .0                        | 0        | 0        | .0         | 0        | 0        | .0         | 0        | 0        |
| Office of Financial Management         | .0                        | 0        | 0        | .0         | 0        | 0        | .0         | 0        | 0        |
| Public Employment Relations Commission | .0                        | 0        | 0        | .0         | 0        | 0        | .0         | 0        | 0        |
| Department of Corrections              | Fiscal note not available |          |          |            |          |          |            |          |          |
| <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

NONE

|                                      |                                 |   |
|--------------------------------------|---------------------------------|---|
| <b>Prepared by:</b> Gwen Stamey, OFM | <b>Phone:</b><br>(360) 790-1166 | <b>Date Published:</b><br>Preliminary 1/16/2025 |
|--------------------------------------|---------------------------------|---|

# Individual State Agency Fiscal Note

|                             |                                       |   |
|-----------------------------|---------------------------------------|---|
| <b>Bill Number:</b> 1105 HB | <b>Title:</b> DOC employee bargaining | <b>Agency:</b> 100-Office of Attorney General |
|-----------------------------|---------------------------------------|---|

## 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.

|   |                              |                         |
|---|------------------------------|-------------------------|
| <b>Legislative Contact:</b> Benjamin McCarthy | <b>Phone:</b> 360-786-7100   | <b>Date:</b> 01/10/2025 |
| <b>Agency Preparation:</b> Chad Standifer     | <b>Phone:</b> 3605863650     | <b>Date:</b> 01/14/2025 |
| <b>Agency Approval:</b> Leah Snow             | <b>Phone:</b> 360-586-2104   | <b>Date:</b> 01/14/2025 |
| <b>OFM Review:</b> Gwen Stamey                | <b>Phone:</b> (360) 790-1166 | <b>Date:</b> 01/16/2025 |

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.

- 1. The Attorney General’s Office (AGO) Correction Division (COR) has reviewed this bill and determined it will not increase or decrease the division’s workload. Enactment of HB 1105 would not increase the legal services COR provides to the Department of Corrections (DOC). Therefore, no costs are included in this request.
- 2. The AGO Labor and Personnel Division (LPD) has reviewed this bill and determined it will not increase or decrease the division’s workload. LPD provides advice and representation on labor matters, which is the subject of this bill. Therefore, no costs are included in this request.

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.

II. C - Expenditures

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

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

|                             |                                       |   |
|-----------------------------|---------------------------------------|---|
| <b>Bill Number:</b> 1105 HB | <b>Title:</b> DOC employee bargaining | <b>Agency:</b> 105-Office of Financial Management |
|-----------------------------|---------------------------------------|---|

## Part I: Estimates

☐ No Fiscal Impact

### Estimated Cash Receipts to:

| ACCOUNT   | FY 2026 | FY 2027 | 2025-27 | 2027-29 | 2029-31 |
|---|---------|---------|---------|---------|---------|
| OFM Labor Relations Service<br>Account-Non-Appropriated 436-6 | 351,000 | 342,000 | 693,000 | 684,000 | 684,000 |
| <b>Total \$</b>   | 351,000 | 342,000 | 693,000 | 684,000 | 684,000 |

### Estimated Operating Expenditures from:

|   | FY 2026 | FY 2027 | 2025-27 | 2027-29 | 2029-31 |
|---|---------|---------|---------|---------|---------|
| FTE Staff Years   | 2.0     | 2.0     | 2.0     | 2.0     | 2.0     |
| <b>Account</b>  |         |         |         |         |         |
| OFM Labor Relations Service<br>Account-Non-Appropriated 436-6 | 351,000 | 342,000 | 693,000 | 684,000 | 684,000 |
| <b>Total \$</b>   | 351,000 | 342,000 | 693,000 | 684,000 | 684,000 |

### 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: Benjamin McCarthy | Phone: 360-786-7100   | Date: 01/10/2025 |
| Agency Preparation: Kathy Cody         | Phone: (360) 480-7237 | Date: 01/15/2025 |
| Agency Approval: Jamie Langford        | Phone: 360-902-0422   | Date: 01/15/2025 |
| OFM Review: Gwen Stamey                | Phone: (360) 790-1166 | Date: 01/16/2025 |

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.

The bill removes all exclusive bargaining representatives who represent DOC employees from RCW 41.80.010, requiring them to have interest arbitration, as an impasse procedure pursuant to RCW 41.80.200.

The change will mean that employees represented by Washington Federation of State Employees (WFSE) and MM&P (currently part of the Coalition of Unions agreement) will have standalone collective bargaining agreements. This will create at least two new standalone agreements and one new standalone bargaining table.

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.

Expenses incurred in the OFM Labor Relations Service account are funded by quarterly billings to state agencies. Any assumed increase in the account would be matched by an increase in the rate charged by OFM, up to what is allowed per RCW 41.80.140.

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.

This bill's impact will create at least two new standalone agreements and one new standalone bargaining table. This will require additional staff in OFM State Human Resources Labor Relations and Class & Compensation teams.

1 FTE – Labor Negotiator - A new standalone table in the Masters Mates and Pilots (MM&P) collective bargaining agreement; the creation of a new contract for the Washington Federation of State Employees (WFSE) unit by removing it from the WFSE master agreement.

1 FTE - Labor Relations Assistant - Roll up two additional contracts and track any legal filings within those two additional contracts and provide support to the negotiator for those additional contracts.

Cost assumptions per FTE:

- o Goods and services: supplies, communications services, lease space, training, software licensing at \$5,000 per FTE annually.
- o Travel: travel associated with the positions at \$4,000 per FTE annually.
- o Capital Outlays: a workstation, furniture, and computer at \$5,000 per FTE (one-time).
- o Shared Service Costs: administrative support, IT support, budget and accounting services, facilities support, and human resource assistance at \$30,000 per FTE annually.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

| Account  | Account Title                       | Type             | FY 2026 | FY 2027 | 2025-27 | 2027-29 | 2029-31 |
|----------|-------------------------------------|------------------|---------|---------|---------|---------|---------|
| 436-6    | OFM Labor Relations Service Account | Non-Appropriated | 351,000 | 342,000 | 693,000 | 684,000 | 684,000 |
| Total \$ |                                     |                  | 351,000 | 342,000 | 693,000 | 684,000 | 684,000 |

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

|                                      | FY 2026 | FY 2027 | 2025-27 | 2027-29 | 2029-31 |
|--------------------------------------|---------|---------|---------|---------|---------|
| FTE Staff Years                      | 2.0     | 2.0     | 2.0     | 2.0     | 2.0     |
| A-Salaries and Wages                 | 196,000 | 196,000 | 392,000 | 392,000 | 392,000 |
| B-Employee Benefits                  | 67,000  | 68,000  | 135,000 | 136,000 | 136,000 |
| C-Professional Service Contracts     |         |         |         |         |         |
| E-Goods and Other Services           | 10,000  | 10,000  | 20,000  | 20,000  | 20,000  |
| G-Travel                             | 8,000   | 8,000   | 16,000  | 16,000  | 16,000  |
| J-Capital Outlays                    | 10,000  |         | 10,000  |         |         |
| M-Inter Agency/Fund Transfers        |         |         |         |         |         |
| N-Grants, Benefits & Client Services |         |         |         |         |         |
| P-Debt Service                       |         |         |         |         |         |
| S-Interagency Reimbursements         |         |         |         |         |         |
| T-Intra-Agency Reimbursements        | 60,000  | 60,000  | 120,000 | 120,000 | 120,000 |
| 9-                                   |         |         |         |         |         |
| <b>Total \$</b>                      | 351,000 | 342,000 | 693,000 | 684,000 | 684,000 |

### 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 2026 | FY 2027 | 2025-27 | 2027-29 | 2029-31 |
|---------------------------|---------|---------|---------|---------|---------|---------|
| Labor Negotiator          | 131,000 | 1.0     | 1.0     | 1.0     | 1.0     | 1.0     |
| Labor Relations Assistant | 65,000  | 1.0     | 1.0     | 1.0     | 1.0     | 1.0     |
| <b>Total FTEs</b>         |         | 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

|                             |                                       |   |
|-----------------------------|---------------------------------------|---|
| <b>Bill Number:</b> 1105 HB | <b>Title:</b> DOC employee bargaining | <b>Agency:</b> 275-Public Employment Relations Commission |
|-----------------------------|---------------------------------------|---|

## 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.

|   |                              |                         |
|---|------------------------------|-------------------------|
| <b>Legislative Contact:</b> Benjamin McCarthy | <b>Phone:</b> 360-786-7100   | <b>Date:</b> 01/10/2025 |
| <b>Agency Preparation:</b> Dario de la Rosa   | <b>Phone:</b> 360-570-7328   | <b>Date:</b> 01/10/2025 |
| <b>Agency Approval:</b> Dario de la Rosa      | <b>Phone:</b> 360-570-7328   | <b>Date:</b> 01/10/2025 |
| <b>OFM Review:</b> Gwen Stamey                | <b>Phone:</b> (360) 790-1166 | <b>Date:</b> 01/16/2025 |

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.

Interest arbitration is an impasse resolution process where a public employer and labor organization negotiating a collective bargaining agreement ask a neutral arbitrator to decide any unresolved mandatory terms and conditions of employment that the parties discussed but could not agree on during negotiations. In Washington State, uniformed employees, such as police officers, firefighters, and corrections officers in certain counties, are entitled to use interest arbitration as a process for dispute resolution.

The Personnel System Reform Act of 2002 (chapter 41.80 RCW) explicitly states how bargaining is to be conducted for unions representing civil service employees that work at state agencies. Unions representing a total of 500 or more employees bargain terms and conditions of employment in a master collective bargaining agreement that applies to all the employees represented by that union, regardless of the state agency the employees work for. Unions representing fewer than 500 employees must bargain terms and conditions of employment as part of the coalition of exclusive bargaining representatives representing fewer than 500 employees, regardless of the state agency the employees subject to coalition bargaining work for. When chapter 41.80 RCW was originally enacted, none of the employees subject to it enjoyed interest arbitration rights.

In 2019, the Legislature added interest arbitration provisions to chapter 41.80 RCW. Those provisions now apply to the civil service and certain Washington Management Services employees at the Washington State Department of Corrections (DOC). PERC rules and precedents require that employees eligible for interest arbitration are included in their own bargaining units due to the impasse resolution process.

House Bill 1105 exempts unions representing employees at the DOC who enjoy interest arbitration rights from the chapter 41.80 RCW provision concerning the conduct of bargaining. For DOC employees, the governor or the governor's designee and an exclusive bargaining representative shall negotiate one master collective bargaining agreement. The Public Employment Relations Commission anticipates no fiscal impact associated with the provisions of HB 1105.

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.

II. C - Expenditures

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

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.*