

Multiple Agency Fiscal Note Summary

Bill Number: 5062 SB	Title: Child care workforce board
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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 Attorney General	0	0	134,000	0	0	146,000	0	0	146,000
Office of Administrative Hearings	0	0	43,000	0	0	86,000	0	0	86,000
Department of Labor and Industries	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Department of Children, Youth, and Families	0	0	2,000	0	0	2,000	0	0	2,000
Total \$	0	0	179,000	0	0	234,000	0	0	234,000

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 the Governor	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Attorney General	.5	0	0	134,000	.5	0	0	146,000	.5	0	0	146,000
Office of Administrative Hearings	.1	0	0	43,000	.2	0	0	86,000	.2	0	0	86,000
Department of Labor and Industries	6.2	0	0	2,766,000	7.6	0	0	2,110,000	7.6	0	0	2,110,000
Department of Children, Youth, and Families	.6	148,000	148,000	150,000	.6	144,000	144,000	146,000	.6	144,000	144,000	146,000
Total \$	7.4	148,000	148,000	3,093,000	8.9	144,000	144,000	2,488,000	8.9	144,000	144,000	2,488,000

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of the Governor	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Office of Administrative Hearings	.0	0	0	.0	0	0	.0	0	0
Department of Labor and Industries	.0	0	0	.0	0	0	.0	0	0
Department of Children, Youth, and Families	.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: Courtney Kinney, OFM	Phone: 360 584 5705	Date Published: Final 1/25/2025
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Individual State Agency Fiscal Note

Bill Number: 5062 SB	Title: Child care workforce board	Agency: 075-Office of the Governor
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Jarrett Sacks	Phone: 360-786-7448	Date: 01/06/2025
Agency Preparation: Tracy Girolami	Phone: 360-890-5279	Date: 01/09/2025
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 01/09/2025
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 01/10/2025

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.

SB5062 establishes a Washington State Childcare Workforce Standards Board to adopt rules establishing minimum childcare employment standards that protect the health and safety of childcare workers, and to ensure these workers are properly trained and fully informed of their rights.

The Board is comprised of:

- Childcare employers: three members
- Childcare workers: three members
- Organization representing parents: one member
- Professional development or training program representative: one member
- Department of Children, Youth and Families and
- Department of Labor and Industries.

The Governor must appoint eight (8) members of the board. The Governor's Office believes appointing these members will have a minimal, if any, fiscal impact.

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

Bill Number: 5062 SB	Title: Child care workforce board	Agency: 100-Office of Attorney General
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2026	FY 2027	2025-27	2027-29	2029-31
Legal Services Revolving Account-State 405-1	61,000	73,000	134,000	146,000	146,000
Total \$	61,000	73,000	134,000	146,000	146,000

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.4	0.5	0.5	0.5	0.5
Account					
Legal Services Revolving Account-State 405-1	61,000	73,000	134,000	146,000	146,000
Total \$	61,000	73,000	134,000	146,000	146,000

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: Jarrett Sacks	Phone: 360-786-7448	Date: 01/06/2025
Agency Preparation: Cassandra Jones	Phone: 360-709-6028	Date: 01/13/2025
Agency Approval: Leah Snow	Phone: 360-586-2104	Date: 01/13/2025
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 01/14/2025

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.

Section 1: New section. Creates legislative findings. Declares that it is the policy of the state to eliminate certain working conditions for childcare workers as rapidly as possible through establishment of a workforce standards board comprised of employer, worker, and state agency representatives.

Section 2: New section. Definitions.

Section 3: New section. Creates the Washington State Childcare Workforce Standards Board (Board). Addresses the appointment of Board members and duties of the Board.

Section 4: New section. Requires the Board to adopt rules establishing minimum child care employment standards. Prohibits the Board from adopting standards regarding licensing of child care facilities. Requires the Board to adopt rules establishing initial standards for wages for child care workers no later than August 1, 2026. Require initial employment standard to go into effect beginning January 1, 2027, except under specified circumstances.

Section 5: New section. Requires the Board to certify worker organizations that it finds are qualified to provide training to childcare workers and establish requirements for training curriculum. Requires the Board to establish certification criteria by rule. Establishes requirements for certified worker organizations related to training.

Section 6: New section. Requires child care employers to provide notice informing child care workers of the rights and obligations under the chapter of applicable minimum employment standards and local minimum standards. Requires the Board to adopt rules specifying the minimum content and posting requirements for notices.

Section 7: New section. Prohibits a child care employer from discharging, disciplining, or otherwise retaliating or discriminating against a child care worker for exercising rights protected by the Act. Creates a rebuttable presumption that an employer has taken adverse action against an employee engaging in activities protected by the Act when the action is taken against the employee within 90 days of the employee engaging in the activity. Requires the Department of Labor and Industries (L&I) to carry out and enforce this section and adopt rules for implementation and enforcement.

Section 8: New section. Provides that it is unlawful for a child care employer to employ a child care worker for lower wages than those established as the minimum child care employment standards or under any other working conditions that violate minimum child care employment standards. Allows the director of L&I to investigate possible violations. Provides that child care workers injured by a violation of the Act have a civil action to enjoin further violations, obtain reinstatement, and recover damages.

Section 9: New section. This act may be known and cited as the Child Care Workforce Standards Board Act.

Section 10: New section. Codification instruction.

II. B - Cash receipts Impact

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

Cash receipts are assumed to equal the Legal Services Revolving Account (LSRA) cost estimates. These will be billed through the revolving account to the client agency.

The client agency is the Department of Labor and Industries (L&I). The Attorney General's Office (AGO) Labor and

Industries Division (LNI) will bill 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 2026: \$61,000 for 0.2 Assistant Attorney General FTE (AAG) and 0.1 Paralegal 1 FTE (PL1)

FY 2027 and in each FY thereafter: \$73,000 for 0.2 AAG, 0.1 PL1, and 0.1 Paralegal 2 FTE (PL2)

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, 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 Department of Labor and Industries (L&I).

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

The new Childcare Workforce Board must adopt rules establishing statewide employment standards for childcare workers, including health and safety standards. Proper training will ensure that workers know their rights. These rights include compensation requirements, benefits, retaliation protections and other working conditions. This work will require legal advice to support the new Childcare Workforce Board and L&I to implement the law. LNI will also provide legal advice and guidance during the rulemaking process. Based on experience providing advice to implement a new law including rulemaking, it will require a total of 0.2 AAG FTE beginning October 1, 2025. Ongoing legal advice will be needed for the program implementation and during rulemaking. We expect 200 additional complaints when this bill is enacted. Based on historical citation averages, approximately 14 percent will result in an appealable order, resulting in L&I issuing 28 additional citations per year. With a historical appeal rate of 20 percent approximately six cases per year will go to Office of Administrative Hearings (OAH) and be litigated by AAG's. Appeals generally require 0.2 FTE per 10 appeals. This will require a total of 0.1 AAG FTE as well as 0.1 Paralegal FTE related to litigation after the rules become effective, which is anticipated by August 1, 2026. The timing of the legal advice work and litigation of new appeals will overlap. Because of the ongoing advice required after the initial implementation, in total we anticipate 0.2 AAG FTE beginning October 1, 2025, and a 0.1 Paralegal FTE beginning August 1, 2026.

LNI: Total King County workload impact:

FY 2026: \$61,000 for 0.2 AAG and 0.1 PL1

FY 2027 and in each FY thereafter: \$73,000 for 0.2 AAG, 0.1 PL1, and 0.1 Paralegal 2 (PL2)

2. The AGO Children, Youth and Families Division (CYF) 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 2026	FY 2027	2025-27	2027-29	2029-31
405-1	Legal Services Revolving Account	State	61,000	73,000	134,000	146,000	146,000
Total \$			61,000	73,000	134,000	146,000	146,000

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.4	0.5	0.5	0.5	0.5
A-Salaries and Wages	42,000	50,000	92,000	100,000	100,000
B-Employee Benefits	13,000	15,000	28,000	30,000	30,000
E-Goods and Other Services	6,000	8,000	14,000	16,000	16,000
Total \$	61,000	73,000	134,000	146,000	146,000

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
Assistant Attorney General-Seattle	139,558	0.2	0.2	0.2	0.2	0.2
Management Analyst 5	98,040	0.1	0.1	0.1	0.1	0.1
Paralegal 1-Seattle	74,700	0.1	0.1	0.1	0.1	0.1
Paralegal 2-Seattle	82,392		0.1	0.1	0.1	0.1
Total FTEs		0.4	0.5	0.5	0.5	0.5

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Labor & Industries Division (LNI)	61,000	73,000	134,000	146,000	146,000
Total \$	61,000	73,000	134,000	146,000	146,000

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: 5062 SB	Title: Child care workforce board	Agency: 110-Office of Administrative Hearings
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2026	FY 2027	2025-27	2027-29	2029-31
Administrative Hearings Revolving Account-State 484-1		43,000	43,000	86,000	86,000
Total \$		43,000	43,000	86,000	86,000

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.0	0.2	0.1	0.2	0.2
Account					
Administrative Hearings Revolving Account-State 484-1	0	43,000	43,000	86,000	86,000
Total \$	0	43,000	43,000	86,000	86,000

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: Jarrett Sacks	Phone: 360-786-7448	Date: 01/06/2025
Agency Preparation: Pete Boeckel	Phone: 360-407-2730	Date: 01/08/2025
Agency Approval: Rob Cotton	Phone: 360-407-2708	Date: 01/08/2025
OFM Review: Gwen Stamey	Phone: (360) 790-1166	Date: 01/10/2025

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.

Section 7(5) of the bill establishes that the Department of Labor & Industries (L&I) will enforce the requirements of this proposed bill under the authority of RCW 49.46, Minimum Wage Requirements and Labor Standards.

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 L&I 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 & Industries (L&I) estimates that the proposed legislation will result in six new appeals being referred to the Office of Administrative Hearings (OAH) per fiscal year beginning in FY 2027. On average, each appeal is expected to take approximately 30 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, 0.15 Lead ALJ, 0.6 Legal Assistant 2 (Range 40 step L), and 0.25 administrative support represented as a Management Analyst 5 (MA5).
- (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 76, Lead ALJ-range 73).
- (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 2027: 0.13 ALJ and 0.08 LA2 at a cost of \$43,000 per FY.

This bill is assumed effective 90 days after the end of the 2025 legislative session.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
484-1	Administrative Hearings Revolving Account	State	0	43,000	43,000	86,000	86,000
Total \$			0	43,000	43,000	86,000	86,000

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years		0.2	0.1	0.2	0.2
A-Salaries and Wages		27,000	27,000	54,000	54,000
B-Employee Benefits		9,000	9,000	18,000	18,000
C-Professional Service Contracts					
E-Goods and Other Services		7,000	7,000	14,000	14,000
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	43,000	43,000	86,000	86,000

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
Administrative Law Judge	113,712		0.1	0.1	0.1	0.1
Legal Assistant 2	55,584		0.1	0.0	0.1	0.1
Total FTEs			0.2	0.1	0.2	0.2

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Regulatory & Education (REG)		43,000	43,000	86,000	86,000
Total \$		43,000	43,000	86,000	86,000

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: 5062 SB	Title: Child care workforce board	Agency: 235-Department of Labor and Industries
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

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

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	4.8	7.6	6.2	7.6	7.6
Account					
Accident Account-State 608-1	1,110,000	1,244,000	2,354,000	1,794,000	1,794,000
Medical Aid Account-State 609-1	194,000	218,000	412,000	316,000	316,000
Total \$	1,304,000	1,462,000	2,766,000	2,110,000	2,110,000

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: Jarrett Sacks	Phone: 360-786-7448	Date: 01/06/2025
Agency Preparation: Rachel Reed	Phone: 000-000-0000	Date: 01/24/2025
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 01/24/2025
OFM Review: Courtney Kinney	Phone: 360 584 5705	Date: 01/25/2025

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.

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 2026	FY 2027	2025-27	2027-29	2029-31
608-1	Accident Account	State	1,110,000	1,244,000	2,354,000	1,794,000	1,794,000
609-1	Medical Aid Account	State	194,000	218,000	412,000	316,000	316,000
Total \$			1,304,000	1,462,000	2,766,000	2,110,000	2,110,000

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	4.8	7.6	6.2	7.6	7.6
A-Salaries and Wages	408,000	611,000	1,019,000	1,222,000	1,222,000
B-Employee Benefits	144,000	221,000	365,000	442,000	442,000
C-Professional Service Contracts	350,000	250,000	600,000		
E-Goods and Other Services	346,000	367,000	713,000	420,000	420,000
G-Travel	6,000	13,000	19,000	26,000	26,000
J-Capital Outlays	50,000		50,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	1,304,000	1,462,000	2,766,000	2,110,000	2,110,000

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
Administrative Assistant 3	54,204	1.0	1.0	1.0	1.0	1.0
Administrative Regulations Analyst 4	91,068	1.0	1.0	1.0	1.0	1.0
Fiscal Analyst 5	76,608	0.3	0.5	0.4	0.5	0.5
Industrial Regulations Analyst 3	74,724	0.5	3.0	1.8	3.0	3.0
IT Business Analyst - Entry	92,784	1.0	1.0	1.0	1.0	1.0
Revenue Agent 2	69,396	0.0	0.1	0.1	0.1	0.1
WMS Band 2	111,969	1.0	1.0	1.0	1.0	1.0
Total FTEs		4.8	7.6	6.2	7.6	7.6

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

See attached.

Part II: Explanation

This bill establishes a child care workforce standards board.

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

Section 3 establishes the childcare workforce standards board, including the Department of Labor and Industries (L&I) responsibilities:

- The L&I director or their designee will be a member of the board.
- The governor must make initial appointments to the board no later than September 1, 2025. The director must convene the board by October 1, 2025.
- Board members must be compensated in accordance with RCW 43.03.220 and must be reimbursed for travel expenses as provided in RCW 43.03.050 and 43.03.060.
- To carry out its duties, the board shall hold public hearings on, and conduct investigations into, working conditions in the child care industry in accordance with Section 4 of this act.
- The director shall provide administrative staff support to the board.
- The director may adopt new rules to implement or enforce this chapter.
- The board is subject to the requirements of RCW 34.05 Administrative Procedure Act and RCW 42.56 Public Records Act.

Section 4 establishes childcare workforce standards board duties:

- The board must adopt rules establishing minimum child care employment standards that are reasonably necessary and appropriate to ensure child care worker health and safety, proper training, and to ensure they are fully informed of their rights. Standards established by the board must include, as appropriate, standards on compensation and other working conditions for child care workers.
- The board must adopt rules establishing initial wage standards for child care workers no later than August 1, 2026. The board shall consult with the department in the development of these standards prior to beginning the rule adoption process.

- The board shall recommend minimum health and safety standards to the director. The director shall initiate rulemaking under chapter 49.17 RCW as recommended by the board, unless certain exceptions apply.
- The board must investigate market conditions and the existing wages, benefits, and working conditions of child care workers for specific geographic areas of the state and specific child care occupations. The board must seek to adopt standards that meet or exceed existing industry conditions for a majority of child care workers in the relevant geographic area and child care occupation effective January 1, 2027, unless certain exceptions apply.
- The board shall conduct a full review of the adequacy of the established minimum child care employment standards at least once every 4 years and recommend, adopt, amend, or repeal rules as appropriate to meet the purposes of this act.

Section 5 establishes that the board must certify worker organizations that it finds are qualified to provide training to childcare workers and conduct rulemaking to establish certification criteria. The board shall also establish curriculum requirements for child care worker training and review curriculum requirements at least annually, including holding at least one public hearing to solicit input on the requirements.

Section 6 establishes that child care employers must provide notices informing child care workers of the rights and obligations provided under this chapter.

- The notice required by this section must include text provided by the board that informs workers that they may request the notice to be provided in a particular language.
- The board must assist child care employers in translating the notice in the four languages most commonly spoken by child care workers in the state.
- The board must adopt rules specifying the minimum content and posting requirements for the notices required and make available to child care employers a template or sample notice that satisfied the requirements of this section and rules adopted under this section.

Section 7 provides retaliation protections to childcare workers who exercise their rights under this chapter. This section also establishes that the department must carry out and enforce these provisions under RCW 49.46 and any applicable rules. The department may adopt new rules to implement or enforce this section.

Section 8 requires the payment of no less than the established minimum wage for childcare workers and other working conditions established by the board in rule. This section also gives the director the authority to investigate possible violations of this chapter or of the minimum child care employment standards established by the board whenever it has cause to believe that a violation has occurred.

II. B – Cash Receipt Impact

Receivables – Operating

The cash receipt impact with regard to penalties is indeterminate. RCW 34.05 Administrative Procedure Act gives the department collection authority to pursue unpaid wages on behalf of employees. Sections 5, 7 and 8 of the proposed bill give L&I enforcement authority for the new provisions, which may include interest and penalties if designated by the board in rule.

II. C – Expenditures

Appropriated – Operating Costs

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

Staffing - Childcare Workforce Standards Board

1.0 FTE, WMS 2 (Program Manager), permanent starting May 1, 2025. Duties include administering the rules and policies of the childcare workforce board, performing all tasks and duties as designated by the board; working with the L&I director or director's designee; directing, advising, and decision-making in support of program activities; and supervising program staff.

1.0 FTE, Administrative Assistant 3, permanent starting July 1, 2025. Section 3(9) directs L&I to provide administrative support to the board established in section 3. Duties include administrative staff support to the board and new program, including office procedures and practices; business management, research and data collection; and communication and correspondence.

1.0 FTE, Administrative Regulations Analyst 4, permanent starting May 1, 2025. Duties include collaborating with the childcare workforce board, including stakeholdering, policy drafting and interpretation, acting as the implementation lead, creating training certification criteria, training materials, guidance documents, and supporting policy interpretation and providing ongoing policy support after implementation, and serving as a subject matter expert on this new law.

- 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.

\$500,000 in one-time contract funding to collaborate with the childcare workforce board, including stakeholdering, policy drafting and interpretation, assisting with implementation, creating training certification criteria, training materials, guidance documents, and supporting policy interpretation and providing ongoing policy support after implementation.

Staffing – Compliance

During fiscal year 2024, the department received and investigated 205 complaints from childcare workers where the NAICS code was identified.

3.0 FTE, Industrial Relations Agent 3 (IRA 3), permanent starting May 1, 2026. Duties include conducting complex wage and hour investigations/negotiations; applying specialized knowledge of state labor laws when conducting industry-specific consultation and employer investigations; providing technical support and guidance; and applying, interpreting, and enforcing state labor laws.

- During fiscal year 2024, the department received 205 complaints from childcare workers. Based on the new requirements outlined in this bill, this number could double to over 400 complaints per year.

- The average number of complaint investigations completed by an IRA 3 per year is 60.
- $200 \text{ new complaints per year} / 60 \text{ complaints per IRA 3 per year} = 3.4 \text{ FTEs}$ needed to investigate complaints for wage and hour violations, retaliation complaints, and process determinations.

0.1 FTE, Revenue Agent 2 (RA 2), permanent starting May 1, 2026. Duties include collecting penalties issued via citations for violations; evaluating assets in connection with financial applications, business records, and financial statements for long-term payment plans; and monitoring all bankruptcy suspensions.

- Sections 5, 7 and 8 give L&I enforcement authority for the new provisions of this bill. The Administrative Procedures Act RCW 34.05 gives the department collection authority to pursue unpaid wages on behalf of employees. Because 14% of all complaints for wage violations end in citation, which may include interest and penalties if designated by the board in rule, we used the following numbers in our workload indicators.
- $200 \text{ new complaints per year} \times \text{average of 14 percent of all complaints end in citation} = 28 \text{ new citations per year}$
- Revenue Agent 2 workload is 300 accounts per year.
- $28 \text{ new citations per year} / 300 \text{ accounts per year per Revenue Agent} = 0.1 \text{ RA 2 FTEs}$

1.0 FTE, IT Business Analyst – Entry, permanent starting July 1, 2025. Duties include offering technical solutions and options in response to board rulemaking and other actions on an ongoing basis; developing a tracking system for worker certified organizations that have been approved by the board in order to meet the requirements of section 5 within the bill; supporting the IT project through implementation; managing all new or additional required functionality of the application; documenting customer and staff needs; managing backlogs, testing and quality assurance; providing training; and implementing required technology upgrades and security updates.

- The department is no longer focusing on modifying an existing case management system and is shifting in a strategic direction regarding technology that is addressed by a Software as a Service (SaaS) solution, Commercial Off-the-Shelf (COTS), or a Modified

Off-the-Shelf (MOTS) solution. This IT Business Analyst is necessary to support the product management functions of this new system.

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.

The IT estimate is to add a single “new complaint type” and related “disposition codes” into the Aithent ALiS platform with no ongoing Maintenance & Operation (M&O) costs, software licensing/subscriptions fees, cloud hosting fees or External Quality Assurance. The fixed amount, \$300,000 one-time, assumes the new complaint type and disposition codes will be added to the ALiS platform using the base product configuration tool and the new complaints will be processed and dispositioned following existing standardized business processes and workflow and using existing ALiS API integration with L&I's Accounts Receivable system (ARC) for generating new account receivables and, if required, integration with Front Counter (FC) and applicable existing external facing web applications.

Contract developers will build the screens and the interfaces for a new complaint for public use, which will require ongoing contractors for periodic User Experience Evaluations of the public facing system.

A total of \$400,000 is needed in the 2025-27 biennium for all information technology changes.

This includes:

- Contractor costs – \$100,000 is needed for 726 contractor hours
- Software – \$300,000

Advertising & Translation

\$70,000 is needed for a targeted paid digital media campaign, in multiple languages, to make child care worker employers aware of their responsibilities. \$15,000 is needed in fiscal year 2026 and \$55,000 is needed in fiscal year 2027.

- Section 1(3) specifies that it is essential that child care workers are informed of their rights at work and under this act.
- Section 6(1) requires employers to provide notices to employees – which presupposes that the board’s staff support will tell the employers this.

\$1,040 is needed in fiscal year 2027 for translation services. Section 6(1) specifies that the board must provide to child care employer for the four languages most commonly spoken by child care workers in the state.

Rule making

\$7,500 is needed for three rule making hearings to occur during fiscal year 2026. The average cost of one rule making hearing is \$2,500. (3 hearings x \$2,500 each = \$7,500)

Attorney General – Legal Services

\$134,000 is needed for legal services. \$61,000 is needed in fiscal year 2026, and \$73,000 is needed annually 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.
 - Services to L&I in fiscal year 2026 will consist of legal advice to support the board.
 - Services to L&I from fiscal year 2027 onward will consist of legal advice to support the board and litigation of additional appeals.
- 200 new complaints are anticipated annually, as outlined above.

Administrative Hearings

\$43,000 is needed for six administrative rule hearings starting in fiscal year 2027.

Indirect Costs

The amount included in this fiscal note for indirect is:

Fund Name		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
608	Accident	26,307	41,184	41,184	41,184	41,184	41,184
609	Medical Aid	4,642	7,268	7,268	7,268	7,268	7,268
	Total:	\$30,949	\$48,452	\$48,452	\$48,452	\$48,452	\$48,452

The department assesses an indirect rate to cover agency-wide administrative costs. Labor and Industries' indirect rate is applied on salaries, benefits, and standard costs. For fiscal note purposes, the total indirect amount is converted into salary and benefits for partial or full indirect FTEs. Salary and benefits costs are based on a Fiscal Analyst 5 (Range 59, Step G).

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

This legislation would result in rule changes to:

- 296 WAC – New Section

Individual State Agency Fiscal Note

Bill Number: 5062 SB	Title: Child care workforce board	Agency: 307-Department of Children, Youth, and Families
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2026	FY 2027	2025-27	2027-29	2029-31
General Fund-Federal 001-2	1,000	1,000	2,000	2,000	2,000
Total \$	1,000	1,000	2,000	2,000	2,000

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.6	0.6	0.6	0.6	0.6
Account					
General Fund-State 001-1	76,000	72,000	148,000	144,000	144,000
General Fund-Federal 001-2	1,000	1,000	2,000	2,000	2,000
Total \$	77,000	73,000	150,000	146,000	146,000

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: Jarrett Sacks	Phone: 360-786-7448	Date: 01/06/2025
Agency Preparation: Renee Slaybaugh	Phone: 360-688-8714	Date: 01/10/2025
Agency Approval: Crystal Lester	Phone: 360-628-3960	Date: 01/10/2025
OFM Review: Carly Kujath	Phone: (360) 790-7909	Date: 01/11/2025

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.

Section 3 creates the Washington State Childcare Workforce Standards Board.

Section 3(e) requires the Secretary of the Department of Children, Youth and Families (DCYF) or a designee to serve on the Washington State Childcare Workforce Standards Board.

Section 4(4)(c) requires that if the Secretary of DCYF determines that a standard established or recommended by the board conflicts with requirements in federal regulations for childcare certification or with state statutes or rules governing licensure of childcare employers, the Secretary will provide written explanation of the rule or recommendation and how it conflicts with federal regulations to the board.

Section 5 requires the board to certify worker organizations to provide training to childcare workers, establish certification criteria that a worker organization must meet in order to be certified, and provide a process for renewal of certifications.

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.

Title IV-E, the federal reimbursement is 13%. The agency estimates eligible reimbursements of \$2,000 in the 25-27 Biennial 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.

DCYF estimates \$150,000 (\$148,000 GF-S) and .6 Full Time Equivalent Staff (FTEs), in the 2025-2027 Biennial Budget.

Sections 3, 4, and 5:

Total costs are \$150,000 and .5 FTEs. Costs are ongoing, beginning in FY26.

-- 0.5 Management Analyst 4 and \$65,000 GF-S in FY26 and \$61,000 GF-S in FY27 to supply information to the board, review and analyze board recommendations, standards and rules, and maintain awareness of training requirements.

-- 0.1 FTE and \$12,000 (\$11,000 GF-S) administrative support rate of 18.43% is applied to all FTE costs to fund program support functions that scale with the FTEs requested. The administrative support rate provides critical back office supports in areas such as, but not limited to: Human Resources, Information Technology, and Fiscal. This cost is represented in object T of this fiscal note.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
001-1	General Fund	State	76,000	72,000	148,000	144,000	144,000
001-2	General Fund	Federal	1,000	1,000	2,000	2,000	2,000
Total \$			77,000	73,000	150,000	146,000	146,000

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.6	0.6	0.6	0.6	0.6
A-Salaries and Wages	44,000	44,000	88,000	88,000	88,000
B-Employee Benefits	15,000	15,000	30,000	30,000	30,000
C-Professional Service Contracts					
E-Goods and Other Services	1,000	1,000	2,000	2,000	2,000
G-Travel	1,000	1,000	2,000	2,000	2,000
J-Capital Outlays	4,000		4,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	12,000	12,000	24,000	24,000	24,000
9-					
Total \$	77,000	73,000	150,000	146,000	146,000

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
Indirect Administrative Support	12,000	0.1	0.1	0.1	0.1	0.1
Management Analyst 4	44,000	0.5	0.5	0.5	0.5	0.5
Total FTEs		0.6	0.6	0.6	0.6	0.6

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Early Learning (030)	65,000	61,000	126,000	122,000	122,000
Program Support (090)	12,000	12,000	24,000	24,000	24,000
Total \$	77,000	73,000	150,000	146,000	146,000

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.