

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1213 HB	<b>Title:</b> Paid family & medical leave
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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	31,000	0	0	88,000	0	0	171,000
Office of Administrative Hearings	0	0	111,000	0	0	480,000	0	0	929,000
Employment Security Department	0	0	0	0	0	124,000,000	0	0	23,000,000
<b>Total \$</b>	<b>0</b>	<b>0</b>	<b>142,000</b>	<b>0</b>	<b>0</b>	<b>124,568,000</b>	<b>0</b>	<b>0</b>	<b>24,100,000</b>

Agency Name	2025-27		2027-29		2029-31	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts						
Loc School dist-SPI	Fiscal note not available					
Local Gov. Other	Fiscal note not available					
Local Gov. Total						

## 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	.3	0	0	31,000	.4	0	0	88,000	.7	0	0	171,000
Office of Financial Management	Fiscal note not available											
Office of Administrative Hearings	.3	0	0	111,000	1.5	0	0	480,000	3.0	0	0	929,000
Employment Security Department	8.3	0	0	2,855,887	9.3	0	0	2,817,176	9.3	0	0	3,353,176
SWF Statewide Fiscal Note - OFM	Fiscal note not available											
<b>Total \$</b>	<b>8.9</b>	<b>0</b>	<b>0</b>	<b>2,997,887</b>	<b>11.2</b>	<b>0</b>	<b>0</b>	<b>3,385,176</b>	<b>13.0</b>	<b>0</b>	<b>0</b>	<b>4,453,176</b>

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI	Fiscal note not available								
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

### 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	Fiscal note not available								
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
SWF Statewide Fiscal Note - OFM	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>

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts									
Loc School dist-SPI	Fiscal note not available								
Local Gov. Other	Fiscal note not available								
Local Gov. Total									

### Estimated Capital Budget Breakout

<b>Prepared by:</b> Anna Minor, OFM	<b>Phone:</b> (360) 790-2951	<b>Date Published:</b> Preliminary 1/28/2025
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1213 HB	<b>Title:</b> Paid family & medical leave	<b>Agency:</b> 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	11,000	20,000	31,000	88,000	171,000
<b>Total \$</b>	11,000	20,000	31,000	88,000	171,000

### Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.3	0.3	0.3	0.4	0.7
<b>Account</b>					
Legal Services Revolving Account-State 405-1	11,000	20,000	31,000	88,000	171,000
<b>Total \$</b>	11,000	20,000	31,000	88,000	171,000

### 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: Kelly Leonard	Phone: 360-786-7147	Date: 01/17/2025
Agency Preparation: Dave Merchant	Phone: 360-753-1620	Date: 01/24/2025
Agency Approval: Leah Snow	Phone: 360-586-2104	Date: 01/24/2025
OFM Review: Rayanna Evans	Phone: (360) 902-0553	Date: 01/28/2025

## 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: Amends RCW 50A.05.020 to require the Employment Security Department (ESD) to conduct outreach that specifically includes information regarding premium collections and employment protection, and to conduct periodic employer audits.

Section 2: Technical amendments to RCW 50A.15.020.

Section 3: Amends RCW 50A.20.010 to require the ESD Commissioner to develop written statement of employee rights to be distributed by employers and specifies contents of statement.

Section 4: Amends RCW 50.20.020 to specify content of required postings.

Section 5: Amends RCW 50A.30.010 to modify requirements regarding employee qualifications for voluntary plans.

Section 6: Amends RCW 50A.35.010 clarify and modify requirements for employment restoration after taking family leave and to add provisions and deadlines related to forfeiture of the right to employment restoration and employer notification requirements related to forfeiture.

Section 7: Amends RCW 50A.35.020 to incorporate changes above.

Section 8: New Section – effective date January 1st, 2026.

### 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 Employment Security Department (ESD). The Attorney General's Office (AGO) will bill all clients for legal services rendered.

These cash receipts represent the AGO's authority to bill and are not a direct appropriation to the AGO. The direct appropriation is reflected in the client agency's fiscal note. Appropriation authority is necessary in the AGO budget.

#### AGO AGENCY ASSUMPTIONS:

ESD will be billed for non-King County rates:

FY 2026: \$11,000 for 0.1 Assistant Attorney General FTE (AAG), and 0.1 Paralegal 1 FTE (PL1)

FY 2027: \$20,000 for 0.1 AAG and 0.1 PL1

FY 2028: \$35,000 for 0.2 AAG and 0.1 PL1

FY 2029: \$53,000 for 0.2 AAG and 0.1 PL1

FY 2030: \$73,000 for 0.3 AAG and 0.2 PL1

FY 2031: \$98,000 for 0.4 AAG and 0.2 PL1

### II. C - Expenditures

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

Attorney General's Office (AGO) Agency Assumptions:

Legal services associated with the enactment of this bill will begin on January 1, 2026 (FY 2026)

Location of staffing is assumed to be in a non-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 Licensing & Administrative Law Division (LAL) for legal services for the Employment Security Department (ESD):

The AGO will bill ESD for legal services based on the enactment of this bill.

In FY 2026 and FY 2027, ESD anticipates rulemaking, communication and outreach to implement provisions of the bill. LAL anticipates providing legal advice to ESD on bill implementation and rulemaking. The bill also directs ESD to conduct periodic audits of employers for compliance (Section 1) which may result in legal advice needs and employer appeals. ESD anticipates that the enactment of this bill will result in an increase in the number of individuals applying for paid family and medical leave, which will also increase the number of appeals of program determinations. The increased number of job protected individuals will also likely result in an increase in unlawful act complaints and appeals of those determinations. ESD anticipates that approximately 0.05 percent of appeals will be referred to the AGO for legal representation at hearings before the Office of Administrative Hearings (OAH).

ESD estimates the increased number of appeals related to the bill as follows:

- FY 2026 = 1,183
- FY 2027 = 7,457
- FY 2028 = 14,970
- FY 2029 = 23,418
- FY 2030 = 32,377
- FY 2031 = 41,553
- FY 2032 = 50,750
- FY 2033 = 59,732
- FY 2034 = 68,548

Assuming a 0.05% referral rate to the AGO, the bill will result in the following increase in appeals referred for legal representation:

- FY 2026 = 1 appeal
- FY 2027 = 4 appeals
- FY 2028 = 7 appeals
- FY 2029 = 11 appeals
- FY 2030 = 15 appeals

FY 2031 = 20 appeals  
 FY 2032 = 24 appeals  
 FY 2033 = 28 appeals  
 FY 2034 = 32 appeals

LAL: Total non-King County workload impact:  
 FY 2026: \$11,000 for 0.1 AAG and 0.1 PL1  
 FY 2027: \$20,000 for 0.1 AAG and 0.1 PL1  
 FY 2028: \$35,000 for 0.2 AAG and 0.1 PL1  
 FY 2029: \$53,000 for 0.2 AAG and 0.1 PL1  
 FY 2030: \$73,000 for 0.3 AAG and 0.2 PL1  
 FY 2031: \$98,000 for 0.4 AAG and 0.2 PL1

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

3. The AGO Revenue Division (REV) has reviewed this bill and determined it will not increase or decrease the division’s workload. It will not impact legal services to the Office of Administrative Hearing (OAH). While this bill will impact the volume of cases OAH processes, we do not anticipate that the bill will result in OAH needing significant legal resources. 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	11,000	20,000	31,000	88,000	171,000
<b>Total \$</b>			11,000	20,000	31,000	88,000	171,000

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

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.3	0.3	0.3	0.4	0.7
A-Salaries and Wages	8,000	14,000	22,000	60,000	117,000
B-Employee Benefits	2,000	4,000	6,000	18,000	35,000
E-Goods and Other Services	1,000	2,000	3,000	10,000	18,000
G-Travel					1,000
<b>Total \$</b>	11,000	20,000	31,000	88,000	171,000

**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	132,912	0.1	0.1	0.1	0.2	0.4
Management Analyst 5	98,040	0.1	0.1	0.1	0.1	0.2
Paralegal 1	71,148	0.1	0.1	0.1	0.1	0.2
<b>Total FTEs</b>		0.3	0.3	0.3	0.4	0.7

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

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Licensing & Administrative Law Division (LAL)	11,000	20,000	31,000	88,000	171,000
<b>Total \$</b>	11,000	20,000	31,000	88,000	171,000

**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

<b>Bill Number:</b> 1213 HB	<b>Title:</b> Paid family & medical leave	<b>Agency:</b> 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	16,000	95,000	111,000	480,000	929,000
<b>Total \$</b>	16,000	95,000	111,000	480,000	929,000

### Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.1	0.5	0.3	1.6	3.0
<b>Account</b>					
Administrative Hearings Revolving Account-State 484-1	16,000	95,000	111,000	480,000	929,000
<b>Total \$</b>	16,000	95,000	111,000	480,000	929,000

### 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: Kelly Leonard	Phone: 360-786-7147	Date: 01/17/2025
Agency Preparation: Pete Boeckel	Phone: 360-407-2730	Date: 01/23/2025
Agency Approval: Rob Cotton	Phone: 360-407-2708	Date: 01/23/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 01/26/2025

## 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 4 expands the information that an employee must post regarding employees' rights and protections to receive Paid Family Medical Leave benefits. Willful violations are subject to a monetary penalty. This is an appealable cause of action.

\*Section 6 (6)(a) removes the applicability of 50A.35.010 from employers with 50 or more employees, employees working at least 12 months, and working concurrent 1250 hours for that employers and changed it to the employee only working for the employer (regardless of employer size) to 90 calendar days prior to taking the leave.

\*Section 7(1) creates an employee forfeiture clause for resuming employment after the leave if certain criteria are not met.

### 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.

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 Employment Security Department estimates that the proposed legislation will result in new appeals being referred to the Office of Administrative Hearings (OAH) as a result of this enacted law. New appeal totals are assumed to increase:

FY2026: 9 appeals  
FY2027: 56 appeals  
FY2028: 112 appeals  
FY2029: 176 appeals  
FY2030: 243 appeals  
FY2031: 312 appeals  
FY2032: 381 appeals  
FY2033: 448 appeals  
FY2034: 514 appeals

On average, each appeal is expected to take approximately seven hours of Line Administrative Law Judge (ALJ) time including prehearing conferences, hearings, order writings, etc.

OAH Agency Workforce Assumptions:

(1) 1.0 Line ALJ will include cost and FTE for 0.15 Senior ALJ (SALJ), 0.15 Lead ALJ (LALJ), 0.6 Legal Assistant 2 (LA2) (Range 40 step L), and 0.25 administrative support represented as a Management Analyst 5 (MA5) (Range 64 Step L).

(2) ALJ salary is based on the ALJ collective bargaining agreement and assumed to be at step L. (Line ALJ-range 70,

Senior ALJ-range 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.

(5) Salary projections are based on the current FY 2025 salary tables.

**Total workload impact:**

FY 2026: 0.05 ALJ with a total cost is rounded to \$16,000.

FY 2027: 0.28 ALJ, 0.17 LA2 and 0.07 MA5. The total cost is rounded to \$95,000.

FY 2028: 0.56 ALJ, 0.08 SALJ; 0.08 LALJ; 0.34 LA2 and 0.14 MA5. The total cost is rounded to \$186,000.

FY 2029: 0.88 ALJ, 0.13 SALJ; 0.13 LALJ; 0.53 LA2 and 0.22 MA5. The total cost is rounded to \$294,000.

FY 2030: 1.22 ALJ, 0.18 SALJ; 0.18 LALJ; 0.73 LA2 and 0.31 MA5. The total cost is rounded to \$408,000.

FY 2031: 1.56 ALJ, 0.23 SALJ; 0.23 LALJ; 0.94 LA2 and 0.39 MA5. The total cost is rounded to \$521,000.

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	16,000	95,000	111,000	480,000	929,000
<b>Total \$</b>			16,000	95,000	111,000	480,000	929,000

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

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.1	0.5	0.3	1.6	3.0
A-Salaries and Wages	10,000	59,000	69,000	302,000	583,000
B-Employee Benefits	3,000	19,000	22,000	95,000	184,000
C-Professional Service Contracts					
E-Goods and Other Services	3,000	15,000	18,000	77,000	150,000
G-Travel		1,000	1,000	3,000	5,000
J-Capital Outlays		1,000	1,000	3,000	7,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	16,000	95,000	111,000	480,000	929,000

**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	0.3	0.2	0.7	1.4
Lead ALJ	122,496				0.1	0.2
Legal Assistant 2	55,584		0.2	0.1	0.4	0.8
Management Analyst 5	98,040		0.1	0.0	0.2	0.4
Senior Administrative Law Judge	131,880				0.1	0.2
<b>Total FTEs</b>		0.1	0.5	0.3	1.6	3.0

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

<b>Program</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>2025-27</b>	<b>2027-29</b>	<b>2029-31</b>
Regulatory & Education (REG)	16,000	95,000	111,000	480,000	929,000
<b>Total \$</b>	16,000	95,000	111,000	480,000	929,000

**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

<b>Bill Number:</b> 1213 HB	<b>Title:</b> Paid family & medical leave	<b>Agency:</b> 540-Employment Security Department
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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
Family and Medical Leave Insurance Account-State 22f-1				124,000,000	23,000,000
<b>Total \$</b>				124,000,000	23,000,000

### Estimated Operating Expenditures from:

ACCOUNT	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	7.4	9.3	8.3	9.3	9.3
<b>Account</b>					
Family and Medical Leave Insurance Account-State 22f-1	1,616,799	1,239,088	2,855,887	2,817,176	3,353,176
<b>Total \$</b>	1,616,799	1,239,088	2,855,887	2,817,176	3,353,176

### 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: Kelly Leonard	Phone: 360-786-7147	Date: 01/17/2025
Agency Preparation: Dan Phillips	Phone: 360 902-9448	Date: 01/24/2025
Agency Approval: Lisa Henderson	Phone: 360-902-9291	Date: 01/24/2025
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 01/24/2025

## 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.*

Sec. 1 – Requires the department to conduct regular outreach to employers regarding legal responsibilities under Title 50A RCW. This section also requires the department to include job protection provisions in employer audits.

Sec. 2 – Reduces the number of consecutive hours of leave necessary from eight to four.

Sec. 3 – Requires the department to publish the required notice employers must provide to employees upon learning they are eligible for PFML benefits. At a minimum, the notice must contain information pertaining to eligibility requirements, possible weekly benefits, application processes, employment protection rights, and nondiscrimination rights, and direct the employee to appropriate contacts and portals for more information.

Sec. 4 - Requires the department to publish the required notice employers must post in a public area in the place of employment. At a minimum, the notice must contain information pertaining to eligibility requirements, possible weekly benefits, application processes, employment protection rights, nondiscrimination rights, and other protections, and information pertaining to the filing of a complaint.

Sec. 5 – Changes job protection requirements for employers with voluntary plans to match those requirements modified in Sec. 6.

Sec. 6 – Reduces the eligibility criteria for job protection to 90 calendar days worked for the employer. It also establishes criteria, including a notice to the employee, under which the employer may to reduce job protection associated with Paid Leave commensurate with use of protected leave under the federal Family and Medical Leave Act prior to the employee’s use of Paid Leave.

Sec. 7 – Aligns maintaining health benefits with job protections modifications set in Sec. 6.

Sec. 8 – Establishes and effective date for the bill of January 1, 2026.

### 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
22f-1	Family and Medical Leave Insurance Account	State	1,616,799	1,239,088	2,855,887	2,817,176	3,353,176
<b>Total \$</b>			1,616,799	1,239,088	2,855,887	2,817,176	3,353,176

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

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	7.4	9.3	8.3	9.3	9.3
A-Salaries and Wages	621,228	595,199	1,216,427	1,190,398	1,190,398
B-Employee Benefits	248,491	238,080	486,571	476,160	476,160
C-Professional Service Contracts	360,000		360,000		
E-Goods and Other Services	229,353	256,744	486,097	852,488	1,388,488
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	157,727	149,065	306,792	298,130	298,130
9-					
<b>Total \$</b>	1,616,799	1,239,088	2,855,887	2,817,176	3,353,176

**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
Communications Consultant 4	69,396	0.3		0.2		
ES Benefits Specialist 2	59,844	1.0	7.0	4.0	7.0	7.0
ES Benefits Specialist 3	66,012	1.0	1.0	1.0	1.0	1.0
ES Benefits Technician	49,116	1.0	1.0	1.0	1.0	1.0
IT App Development Journey	92,416	0.7		0.3		
IT App Development Senior/Specialist	106,976	0.9		0.4		
IT Project Management Journey	97,038	0.3		0.2		
IT Project Management Senior/Specialist	106,976	0.1		0.1		
IT Quality Assurance Journey	92,416	0.7		0.3		
IT Quality Assurance Senior/Specialist	101,871	0.5		0.2		
IT Security Senior/Specialist	106,976	0.1		0.1		
IT System Administration Journey	97,038	0.3		0.2		
Operations Research Specialist	93,348	0.3	0.3	0.3	0.3	0.3
WMS Band 2	105,072	0.1		0.1		
<b>Total FTEs</b>		7.4	9.3	8.3	9.3	9.3

**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.*

The bill will require major rulemaking:

- Section 1 - New WACs will likely be needed to implement audit requirements.
- Section 2 - WAC 192-620-005 will need to be amended to account for reduction in consecutive hours to receive benefits
- Section 4 - WAC 192-540-020 will need to be amended to include job protection and other statutory criteria in public area notice.
- Section 5 - WAC 192-700-005 will need to be amended to align with job protection provisions of the bill.
- Section 5 - WAC 192-700-006 will need to be repealed due to job protection eligibility being determined based on calendar days worked rather than hours worked.
- Section 5 - WAC 192-700-015 will need to be repealed due to job protection eligibility being determined based on calendar days worked rather than employer size.
- Section 5 - WAC 192-700-020 will need to be amended to align health insurance continuation provisions of the bill.
- Section 6 - WAC 192-700-007 will need to be amended to align predecessor/successor requirements with job protection provisions of the bill.

## Cash Receipts Narrative

### Overview of Impacts:

In general, the updates included in this bill will increase costs to the program over time, over and above additional received premiums. The increased costs to the program result in decreases to the PFML account balance causing it to become consistently negative sooner than otherwise projected. This also results in the premium rate meeting the legislative maximum of 1.20% consistently in 2027, as opposed to not meeting the legislative maximum consistently until 2030 under the current projection.

### Assumptions in Analysis:

The proposed bill-specific analysis assumes there are benefit expense impacts related to the change from 8 hours minimum consecutive leave to 4, as well as related to the increase in job protection compared to current, and additional administrative expenses that result from these changes.

The benefit expense impact assumption for the decrease from 8 minimum consecutive leave hours to 4 was tested at multiple impact levels and what is included in the projection below is the midpoint of the estimated impacts of the scenarios tested, which was -\$1,818,000 based on FY24. The impact is adjusted proportionally for projection years. Multiple variables were considered to inform this impact:

- The estimated claims that are currently denied and would no longer be denied if they were between 4-7 hours.
- The estimated claims currently submitted as "nonpayment" due to not working 8 consecutive hours that would become payable under this change.
- The estimated claims where the hours of leave taken would be reduced if the full 8 consecutive hours was not required.

The benefit expense impact assumption for the increase in job protection is an increase of 18%, incrementally spread over 10 years, starting in 2026.

- The benefit expense impact assumption was developed by comparing the benefit uptake rates for those with job protection compared to those without job protection. It was assumed that most of who are estimated to receive additional job protection under this change would eventually have similar benefit uptake rates to the population that already has job protection.
- The resulting impact of 18% increase in benefit expense was spread over 10 years, assuming a slow change. This assumption was made due to reviewing other State program's public data which had similar job protection policies.

Due to the changes in the bill and the increased claims associated with it, there is an increase in administrative costs that is also reflected, starting in 2025.

### Projection Methodology

The Baseline projection for years 2025-2028 is from the FY24 projection that was included in the 2024 PFML Actuarial Annual Report, that has been updated with the final 2025 premium rate, and the account balance as of 9/30/2024. 2029+ is based on data that is trended forward based on 2028 trends, with some adjustments to benefit expenses where appropriate, to consider the increased maturity of the program over time.

This Baseline projection is the starting point projection before the bill-specific assumption changes are applied for the proposed bill projection.

There will be downstream changes to the projection, as appropriate, for assumptions that will be affected by the bill analysis even if they are not explicitly outlined. An example of this is investment income. Although the bill

may not explicitly affect investment income, because the changes result in different account balances, the projected investment income earned would change.

Future projections could vary, and results could vary from the projections for many reasons, such as changes in the uptake rates. Numbers will vary slightly with rounding.

### Benefit Payments

Fiscal Year	Baseline Projections	HB 1213 Projections	Difference	% Change
FY26	\$2,328	\$2,332	\$4	0%
FY27	\$2,631	\$2,674	\$43	2%
FY28	\$2,970	\$3,073	\$102	3%
FY29	\$3,351	\$3,527	\$176	5%
FY30	\$3,724	\$3,986	\$262	7%
FY31	\$4,077	\$4,437	\$360	9%

Projection reliability decreases over time as model uncertainty increases.  
Values reported in millions.

### Premium Rates

Rate Year	Baseline Projections	HB 1213 Projections	Difference
2026	1.15%	1.15%	0%
2027	1.20%*	1.20%*	0%
2028	1.16%	1.20%*	0.04%
2029	1.19%	1.20%*	0.01%
2030	1.20%*	1.20%*	0%
2031	1.20%*	1.20%*	0%

\* Indicates incidents where the rate calculated in current statute would be higher if not for the 1.2% rate cap.  
Projection reliability decreases over time as model uncertainty increases.

### Premium Revenue

Fiscal Year	Baseline Projections	HB 1213 Projections	Difference
FY26	\$2,433	\$2,433	\$0
FY27	\$3,055	\$3,055	\$0
FY28	\$3,313	\$3,343	\$30
FY29	\$3,448	\$3,542	\$94
FY30	\$3,726	\$3,749	\$23
FY31	\$3,967	\$3,967	\$0

Projection reliability decreases over time as model uncertainty increases.  
Values reported in millions.

## **Operating Narrative**

### **Sec. 1 –**

The department would need to update all existing employer and employee resources and information that customers utilize to understand how the program works to accommodate the changes laid out job protections and weekly claims. This includes items such as employer newsletters, employer posters, employee notices, employer toolkits, benefit and voluntary plan guides, the Paid Leave website, and other online tools.

### **Sec. 2 –**

Adjusting the weekly claims requirements to 4 consecutive hours: there is not a large technical implementation cost, but some resources will be required to make minor adjustments to online customer accounts, system calculations, and public-facing information on websites and Paid Leave guides.

Changes to the hours threshold for weekly claims will not generate new applications but may adjust how customers are filing/receiving payments on weekly claims. Analysis shows a net decrease in annual payments of about \$1.8 million. It's a range from -\$9 million to a positive \$6 million, analysis will use the midpoint of -\$1.8 million annually on benefit payments.

### **Sec. 3 & 4 –**

The department already publishes the notice employers provide to employees and the notice employers must post in a public area at the place of employment, but these do not currently adhere to the content requirements laid out in the bill. The notice and poster would need to be updated to include Paid Leave eligibility requirements, possible weekly benefits, applications processes, employment protection rights, and nondiscrimination rates that would direct employees to proper contacts and portals for information.

### **Sec. 6 & 7 –**

Employment Security will require a communication plan to inform employers and workers about the expansion of job protection. HB 1213 removes the sizing exemption for employers and now more employers will need to understand the complexity of the job protection provisions. Roughly 95%, or 230,000, active small employers in our program that have been exempt from providing job protections due to having less than 50 employees will now be required to provide job protection to their employees who take Paid Leave.

The responsibility for determining job protection at the time leave is taken is currently and would remain with the employer. In the event of a complaint, compliance would need to be familiar with the new job protections criteria during an illegal acts investigation in order to issue a determination. The number of individuals eligible for job protections would increase as a result of HB 1213, which would lead to a corresponding increase to the number of complaints related to job protection the department would receive. Employment Security may have to set employer requirements for sharing FMLA-related information during an audit of illegal acts. However, the department has no jurisdiction over FMLA or employers' interaction with it.

Employment Security assumes an increase in the number of applications the program will receive due to more workers being covered by the expanded job protection benefit. According to the legislative report, WA Paid Family and Medical Leave & Job Protection conducted at the Evans School of Public Policy & Governance at University of Washington, job protection is associated with a substantial increase in leave take-up. Roughly

1.8% of those who were estimated to be job protected with take up leave compared to 1.1% of those who are not job protected.

Following the statistical association found in the report, Employment Security assume that as more individuals have access to job protected leave under Paid Leave, their utilization rate will increase to match those who previously had job protection. This will lead to additional applications, approved claims, and benefit payments. The tables below show in the increase in application volumes associated with this policy change. As a result, we expect the expansion of job protection will have some measurable impact on the Paid Leave account and rate setting.

**Applications**

Fiscal Year	Baseline Projections	HB 1213 Projections	Difference	% Change
FY26	344,080	345,263	1,183	0%
FY27	366,432	373,889	7,457	2%
FY28	390,257	405,227	14,970	4%
FY29	415,410	438,828	23,418	6%
FY30	435,676	468,053	32,377	7%
FY31	450,083	491,636	41,553	9%

The following is the additional resources required by this bill organized by workstream:

**Leave and Care Operations**

Employment Security adopted a staffing model based on available staff time for direct customer service. This takes into consideration a 40-hour base week, with breaks, sick leave, vacation leave, PFML and FMLA, and holidays removed. Time is also allocated for meetings, training, and non-processing administrative desk time. The result is that for each Customer Care Team (CCT) FTE, there are 1,350 hours per year available for direct customer service. The projected benefit applications are expected to increase by 1,183 in FY26 and to 8,948 annually in FY27. The following calculations show the staffing need based on these projections.

Application processing and direct customer service for workers and benefit customers

- Annual direct customer service hours available per FTE: 1,350 hours
- Average number of applications processed annually per FTE: 1,167 (at an avg. time of 1.2 hours per application)
- 1,183 additional applications annually in FY26
- 1,183 \* 1.2 avg hours per application = 1,420 hours of staff time in FY26 ~ **1 FTE ES Benefit Specialist 2 beginning in FY26 and ongoing.**
- By FY27 Employment Security estimates an additional 7,457 applications annually.
- 7,457 \* 1.2 hours per application = 8,948 additional staff hours~ **6 FTE ES Benefit Specialist 2 beginning in FY27 and ongoing.**

Direct customer service and support for employer customers

Using the same staffing model and assumptions for application processing and benefit customer service outlined above, Employment Security expects 1,394 (FY26) and 1,509 (FY27) additional hours of direct employer customer service because of this change to the law.

Employment Security projects a total of 345,263 benefit applications will be received in FY26. Based on historical program experience, 19% of applications come from workers at small employers and it is assumed 7.5% of those employers will inquire about the job protection provisions in HB 1213 when one of their employees takes leave. The average call length for employer customers is 0.2833 hours. Therefore:

- $345,263 * 19\% * 7.5\% * 0.2833 \text{ hours} = 1,394 \text{ hours of additional work in FY26} \sim \mathbf{1 \text{ FTE ES Benefit Technician ongoing beginning in FY26.}}$
- Estimates for FY27 application volume are 373,889, requiring 1,509 total staff hours, which could be absorbed by the one additional FTE from FY26.

### **Customer Compliance**

Based on the expanded eligibility of job protection, the number of customers who will now qualify for this benefit, the number of employers who will now be required to offer the benefit to their workers, and the overall increase in application volumes associated with HB 1213, Employment Security estimates that the workload to deal with auditing illegal acts investigations will increase by 20%. This would necessitate the need for **1 FTE ES Benefit Specialist 3 beginning in FY26 and ongoing.**

### **Paid Leave Research and Actuary Office**

Sections 1-3 and 6 will require Paid Leave Research to conduct data analysis to inform and test content changes to employee and employer communications along with support staff responding to complaints relating to job protection complaints.

Paid Leave Research will need to support technical implementation of weekly claim system adjustments by data and customer researching assessing the change relating to customer experience and providing analytics to respond to inquiries about usage of leave in less than eight consecutive hours given the reduction in HB 1213.

Paid Leave Research will need to support technical implementation of job protection expansion by data and customer researching assessing the change relating to customer experience and analytics required to respond to inquiries about job protection eligibility, continuity of employment, and support compliance on inquiries from customer complaints as it relates to HB 1213.

The Actuary Office will need to develop a process and methodology to track the utilization rate based on the expansion of job protections. This includes to setting up data foundation and methodology in the first year, performing analysis, presenting findings, adding statistics in actuarial annual report, and conducting additional analysis on ongoing basis.

This will require 460 hours of work in FY 26 and 400 hours in FY27 and **ongoing** of an **Operations Research Specialist.**

### **Communications**

The Paid Leave Communications team will create and implement a communications plan to track edits and outreach needed to communicate the changes. This will include updates to existing materials that mention FMLA/job protection and requirements around missing 8 hours of work. The scope of work includes web content, guides and toolkits for customers and employers, and public-facing program materials used throughout the agency for outreach to customers, employers and human resource departments. Communications will use GovDelivery newsletters to contact employers (small and large), customers and other key audiences to inform about the changes and new resources.

Communications will also work with the project team to review and approve FAQs, talking points or other materials used by the agency for outreach.

This is **one-time** work in FY26 that will require 486 hours of **Communication Consultant 4**.

**Product Planning and Performance (PPP)**

Develop and update content for required employer notifications and materials to support employer outreach. These materials include employer newsletters, employer posters, employee notices, employer toolkits, benefit and voluntary plan guides, the Paid Leave website, and other online tools. These materials need to be updated to include Paid Leave eligibility requirements, possible weekly benefits, applications processes, employment protection rights, and nondiscrimination rates that would direct employees to proper contacts and portals for information.

To accommodate changes on weekly claims from eight consecutive hours to four consecutive hours, updates to the content referring to the consecutive missed hours requirements across our content products (e.g., benefit guides, weekly claim explainer in approval letter, factfinding letters, secure messages, denial reasons, etc.). This also requires updated language translations.

To accommodate changes in job protection and health benefit continuation, updates to content referring to job protection across our content products (e.g., benefit guides, employer toolkit, voluntary plan guide, factfinding letters, secure messages, etc.). This also requires updated language translations.

This will be **one-time** work in FY26 that will require 160 hours of a **WMS Band 2** and 280 hours of an **IT Project Manager Senior/Specialist**.

There will also be a **one-time** cost in FY26 for translation services for updated guides, letters, and factfinding documents costing approximately \$1,000.

**Office of Modernization**

The Office of Modernization will need to incorporate and update system technology for audit workflow integration to incorporate job protection requirements into the case management system.

This will require contracted services taking place in FY26 at the following **one-time amounts**:

<b>Position Title</b>	<b>Work to be Performed</b>	<b>Hours and rate</b>	<b>Total amount</b>
IT Application Development – Senior/Specialist	Handles complex coding tasks and designs system architecture while mentoring other developers and ensuring code quality.	480 hours at \$160 per hour	\$76,800
IT Application Development – Journey	Writes clean, efficient code to develop software applications. Collaborates with team members to integrate systems and troubleshoot issues.	480 hours at \$135 per hour	\$64,800
IT Quality Assurance – Senior/Specialist	Designs automated tests to validate application functionality. Works closely with developers to incorporate testing into the technology delivery process.	480 hours at \$135 per hour	\$64,800
IT Data Management – Senior/Specialist	Plans and designs the implementation, and administration of IT systems for the acquisition, storage and retrieval of data.	480 hours at \$160 per hour	\$76,800

IT Application Development – Senior/Specialist	Handles complex coding tasks and designs system architecture while mentoring other developers and ensuring code quality.	480 hours at \$160 per hour	\$76,800
		Total Cost	\$360,000

**Leave and Care IT**

Leave and Care Technology will need to make system changes to existing technology to support changes that will adjust the weekly claims requirements to four consecutive hours. There will need to be other minor adjustments to online customer accounts, system calculations, and public-facing information on websites and guides as well. This can be absorbed using existing resources.

This will be **one-time** work in FY26 that will require the following resources:

Job Classification	Hours
IT Project Management - Journey	504
IT Application Development–Senior/Specialist	1260
IT Application Development–Journey	1008
IT Quality Assurance–Senior/Specialist	672
IT Quality Assurance–Journey	1008
IT Systems Administration–Journey	504
IT Security–Senior/Specialist	168

**Rulemaking**

This bill will require major rulemaking for a **one-time** cost in FY26 of \$90,000.

**Office of the Attorney General (AGO)**

ESD anticipates that the enactment of this bill will result in an increase in the number of individuals applying for paid family and medical leave, which will also increase the number of appeals of program determinations. The increased number of job protected individuals will also likely result in an increase in unlawful act complaints and appeals of those determinations. ESD anticipates that approximately 0.05% of appeals will be referred to the AGO for legal representation at hearings before the Office of Administrative Hearings.

ESD estimates the increased number of appeals related to the bill as follows, along with the associated AGO costs by fiscal year:

Fiscal Year	Additional Applications from HB 1213	Additional Appeals Referred to AGO	AGO Staff Hours	Anticipated amount billed to ESD by AGO
FY26	1,183	1	70	\$11,000
FY27	7,457	4	130	\$21,000
FY28	14,970	7	210	\$36,000
FY29	23,418	11	330	\$55,000
FY30	32,377	15	450	\$76,000

FY31	41,553	20	600	\$102,000
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**Office of Administrative Hearings (OAH)**

The following table show the increase to OAH appeals from HB 1213, along with associated costs by fiscal year:

Fiscal Year	Additional Applications from HB 1213	Additional Appeals Referred to OAH	Anticipated amount billed to ESD by OAH
FY26	1,183	9	\$16,000
FY27	7,457	56	\$95,000
FY28	14,970	112	\$186,000
FY29	23,418	176	\$294,000
FY30	32,377	243	\$408,000
FY31	41,553	312	\$521,000