

Multiple Agency Fiscal Note Summary

Bill Number: 5396 SB	Title: FAA medical certificates
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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	115,000	0	0	118,000	0	0	118,000
Office of Administrative Hearings	0	0	78,000	0	0	86,000	0	0	86,000
Employment Security Department	0	0	26,000,000	0	0	95,000,000	0	0	23,000,000
Total \$	0	0	26,193,000	0	0	95,204,000	0	0	23,204,000

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 Attorney General	.4	0	0	115,000	.4	0	0	118,000	.4	0	0	118,000
Office of Administrative Hearings	.2	0	0	78,000	.2	0	0	86,000	.2	0	0	86,000
Department of Labor and Industries	.0	0	0	0	.0	0	0	0	.0	0	0	0
Employment Security Department	1.9	0	0	4,537,538	1.0	0	0	637,040	1.0	0	0	637,040
Total \$	2.5	0	0	4,730,538	1.6	0	0	841,040	1.6	0	0	841,040

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 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
Employment Security Department	.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

NONE

Prepared by: Anna Minor, OFM	Phone: (360) 790-2951	Date Published: Final 2/13/2025
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Individual State Agency Fiscal Note

Bill Number: 5396 SB	Title: FAA medical certificates	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	56,000	59,000	115,000	118,000	118,000
Total \$	56,000	59,000	115,000	118,000	118,000

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.4	0.4	0.4	0.4	0.4
Account					
Legal Services Revolving Account-State 405-1	56,000	59,000	115,000	118,000	118,000
Total \$	56,000	59,000	115,000	118,000	118,000

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Susan Jones	Phone: 360-786-7404	Date: 01/25/2025
Agency Preparation: Chad Standifer	Phone: 3605863650	Date: 02/06/2025
Agency Approval: Leah Snow	Phone: 360-586-2104	Date: 02/06/2025
OFM Review: Rayanna Evans	Phone: (360) 902-0553	Date: 02/07/2025

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: Amending RCW 50A.05.010. Amending the definition of “medical leave” to include leave taken by pilots during the application process for the issuance of a Federal Aviation Administration (FAA) medical certificate related to mental and neurologic standards.

Section 2: Amending RCW 50A.05.060. Clarifying that pilots suspending for flying, due to the requirements during the application process for the issuance of a FAA medical certificate related to mental and neurologic standards, remain entitled to paid family or medical leave benefits (PFML).

Section 3: New Section added to chapter 49.46. Providing that for pilots that have exhausted PFML, during the application process for the issuance of a FAA medical certificate related to mental and neurologic standards, employers must pay the normal hourly compensation for all hours the pilot would have been scheduled to work during the application process. The Department of Labor and Industries (L&I) may adopt rules to implement this section.

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

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: \$56,000 for 0.2 Assistant Attorney General FTE (AAG) and 0.1 Paralegal 1 FTE (PL1)

FY 2027 and in each FY thereafter: \$59,000 for 0.2 AAG and 0.1 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:

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

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) Legal Services for the Employment Security Department (ESD):

The AGO will bill ESD for legal services based on the enactment of this bill. This bill expands the definition of medical leave to include leave taken by pilots under certain circumstances. ESD anticipates the bill would result in increased applications for benefits, along with additional administrative appeals of benefit decisions. LAL anticipates providing legal advice in FY 2026 to implement the bills' provisions.

FY 2026: The AGO will provide 20 hours of legal advice related to bill implementation and possible rulemaking, and 330 hours of litigation work related to administrative appeals from benefit decisions.

FY 2027 and in each FY thereafter: The AGO will provide 360 hours of litigation work related to administrative appeals from benefit decisions. The bill also creates a new wage payment requirement for pilots who have exhausted their leave (Section 3), but that requirement will be enforced by Labor and Industries (L&I) and is not expected to result in additional legal services for ESD.

ESD: Total non-King County workload impact:

FY 2026: \$56,000 for 0.2 AAG and 0.1 PL1

FY 2027 and in each FY thereafter: \$59,000 0.2 AAG and 0.1 PL1

2. The AGO Labor and Industries Division (LNI) has reviewed this bill and determined it will not significantly increase or decrease the division's workload in representing L&I. New legal services are nominal, and costs are not 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	State	56,000	59,000	115,000	118,000	118,000
	Revolving Account						
Total \$			56,000	59,000	115,000	118,000	118,000

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.4	0.4	0.4	0.4	0.4
A-Salaries and Wages	38,000	41,000	79,000	82,000	82,000
B-Employee Benefits	12,000	12,000	24,000	24,000	24,000
C-Professional Service Contracts					
E-Goods and Other Services	6,000	6,000	12,000	12,000	12,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	56,000	59,000	115,000	118,000	118,000

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	0.2	0.2	0.2	0.2	0.2
Management Analyst 5	98,040	0.1	0.1	0.1	0.1	0.1
Paralegal I	71,148	0.1	0.1	0.1	0.1	0.1
Total FTEs		0.4	0.4	0.4	0.4	0.4

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Licensing & Administrative Law Division (LAL)	56,000	59,000	115,000	118,000	118,000
Total \$	56,000	59,000	115,000	118,000	118,000

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Revised

Bill Number: 5396 SB	Title: FAA medical certificates	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	39,000	39,000	78,000	86,000	86,000
Total \$	39,000	39,000	78,000	86,000	86,000

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.2	0.2	0.2	0.2	0.2
Account					
Administrative Hearings Revolving Account-State 484-1	39,000	39,000	78,000	86,000	86,000
Total \$	39,000	39,000	78,000	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: Susan Jones	Phone: 360-786-7404	Date: 01/25/2025
Agency Preparation: Pete Boeckel	Phone: 360-407-2730	Date: 02/04/2025
Agency Approval: Rob Cotton	Phone: 360-407-2708	Date: 02/04/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 02/05/2025

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.

There is no change in this revision from the original fiscal note. This revision was accidentally assigned.

Section 1(15)(b) expands the definition of ‘medical leave’ to include leave taken by a pilot during the application process for a medical and neurological standards certificate.

Section 3(1) requires pilots to be paid for all of the hours the pilot would have worked during the appeal process.

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 (ESD) estimates that the proposed legislation will result in new appeals being referred to the Office of Administrative Hearings (OAH) based on the enactment of this law. ESD assumes:

FY2026 and FY2027: 10 appeals per FY.

FY2028 and in each FY thereafter: 11 appeals per FY.

On average, each appeal is expected to take approximately 15 hours of Line Administrative Law Judge (ALJ) time including prehearing conferences, hearings, order writings, etc.

The Department of Labor & Industries (L&I) assumes a nominal level of complaints, and OAH assumes services will be provided to L&I for these matters with existing resources.

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 and FY2027: 0.12 ALJ and 0.07 LA2 at a rounded cost of \$39,000 per FY.

FY 2028 and in each FY thereafter: 0.13ALJ and 0.08 LA2 at a rounded 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	39,000	39,000	78,000	86,000	86,000
Total \$			39,000	39,000	78,000	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	0.2	0.2	0.2	0.2
A-Salaries and Wages	25,000	25,000	50,000	54,000	54,000
B-Employee Benefits	8,000	8,000	16,000	18,000	18,000
C-Professional Service Contracts					
E-Goods and Other Services	6,000	6,000	12,000	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 \$	39,000	39,000	78,000	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	0.1
Legal Assistant 2	55,584	0.1	0.1	0.1	0.1	0.1
Total FTEs		0.2	0.2	0.2	0.2	0.2

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Regulatory and Education (REG)	39,000	39,000	78,000	86,000	86,000
Total \$	39,000	39,000	78,000	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: 5396 SB	Title: FAA medical certificates	Agency: 235-Department of Labor and Industries
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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: Susan Jones	Phone: 360-786-7404	Date: 01/25/2025
Agency Preparation: Allison Kaech	Phone: 000-000-0000	Date: 01/31/2025
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 01/31/2025
OFM Review: Courtney Kinney	Phone: 360 584 5705	Date: 02/02/2025

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.

This bill requires employers to pay airline pilots after their Paid Family Medical Leave is exhausted when awaiting the issuance of a Federal Aviation Administration (FAA) medical certificate related to mental and neurologic standards.

Section 3 creates a new section of RCW 49.46 (Minimum Wage Act) requiring employers to pay pilots, who are Washington-based employees, during the period they wait for an FAA medical certificate.

1. Once a pilot has exhausted their FPML leave under RCW 50A (Family and Medical Leave) during the application process for the issuance of a FAA medical certificate related to mental/neurologic standards, including any reconsideration period, the employer must pay the pilot for the hours the pilot would have been scheduled to work. The pay requirement will end if the pilot receives a final denial from the FAA without the ability to file for a reconsideration.
2. The requirement for pay is a wage payment requirement under RCW 49.48.082 (Wage Complaints-Definitions).
3. A pilot may be terminated if the pilot is physically unable to perform their duties outside of the mental or neurological conditions that required an application to the FAA for the medical certificate.
4. Nothing in the section may limit a pilot from exercising their statutory or common law rights through any civil action or injunctive relief.
5. The Department of Labor and Industries (L&I) may adopt rules to implement this section of the act.

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.

None.

II. C - Expenditures

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

This bill will result in additional Wage Payment Act complaint investigations. However, the number of complaints will be minimal and do not drive additional resources. Any rulemaking can be done within existing resources.

If complaints change we may require additional funding for compliance needs and for technology needs to incorporate the complaint type into the current complaint system.

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: 5396 SB	Title: FAA medical certificates	Agency: 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	7,000,000	19,000,000	26,000,000	95,000,000	23,000,000
Total \$	7,000,000	19,000,000	26,000,000	95,000,000	23,000,000

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.6	2.2	1.9	1.0	1.0
Account					
Family and Medical Leave Insurance Account-State 22F-1	892,652	3,644,886	4,537,538	637,040	637,040
Total \$	892,652	3,644,886	4,537,538	637,040	637,040

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Susan Jones	Phone: 360-786-7404	Date: 01/25/2025
Agency Preparation: Tina Swenson	Phone: 360 890 3500	Date: 02/05/2025
Agency Approval: Sophal Espiritu	Phone: (360) 902-9254	Date: 02/05/2025
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 02/05/2025

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 – Amends RCW 50A.05.010(15) by adding to the definition of medical leave to also mean any leave taken by a pilot from work made necessary during the application process for the issuance of a federal aviation administration (FAA) medical certificate related to mental and neurologic standards, including any period of reconsideration of the denial of a medical certificate, pursuant to 14 C.F.R., Chapter 1, Subchapter D, Part 67.

Sec. 2 – Amends RCW 50A.15.060(1)(c), adding an exception to when an employee is not entitled to paid family or medical leave benefits when an employee is on suspension from employment. The exception is for pilots who are suspended from flying due to requirements during the application process for the issuance of a federal aviation administration medical certificate related to mental and neurologic standards, including any period of reconsideration of the denial of a medical certificate, pursuant to 14 C.F.R., Chapter 1, Subchapter D, Part 67.

Sec. 3 – Adds a new section to Chapter 49.46 RCW. Requires the employer to pay the pilot normal hourly compensation for hours the pilot would have been regularly scheduled to work during the application process for the issuance of a federal aviation administration medical certificate related to mental and neurologic standards after a pilot exhausts all available paid family and medical leave.

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.

This bill is expected to result in future increases to the PFML premium rate in order to cover the increased expenses of this policy. The cash receipts in this fiscal note represent the delta between the currently projected baseline premium rate revenue and the increased premium rate projection associated with this policy.

See attached for more details.

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	892,652	3,644,886	4,537,538	637,040	637,040
Total \$			892,652	3,644,886	4,537,538	637,040	637,040

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.6	2.2	1.9	1.0	1.0
A-Salaries and Wages	119,511	171,512	291,023	126,588	126,588
B-Employee Benefits	47,804	68,605	116,409	50,636	50,636
C-Professional Service Contracts	602,350	3,011,750	3,614,100		
E-Goods and Other Services	92,786	349,592	442,378	428,134	428,134
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	30,201	43,427	73,628	31,682	31,682
9-					
Total \$	892,652	3,644,886	4,537,538	637,040	637,040

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
ES BENEFITS SPECIALIST 2	105,072	1.0	1.0	1.0	1.0	1.0
IT BUSINESS ANALYST - JOURNEY	92,416	0.2	0.5	0.3		
IT POLICY & PLANNING - SENIOR/SPECIALIST	106,976	0.1	0.1	0.1		
IT PROJECT MANAGEMENT - SENIOR/SPECIALIST	106,976	0.2	0.1	0.2		
MANAGEMENT ANALYST 4	76,608	0.1	0.4	0.3		
Total FTEs		1.6	2.2	1.9	1.0	1.0

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

This bill will require the following minor rulemaking affecting WAC 192-610-020

Section 1: Add section to WAC to include the addition of a new type of medical leave for pilots during the application process for a FAA medical certificate.

Section 2: Documentation required for the new type of leave.

Cash Receipts Narrative

Summary of Impact:

Overall, this bill will increase costs to the program and decrease the projected PFML account balance which will eventually result in a rate increase. That premium rate increase causes the revenue projection to increase as reflected here.

Included in the cash receipts is the revenue generated based on the assumed increases in the premium rates should this bill pass. An actuarial analysis has been conducted to show the impact to the premium rate, and consequently, the assumed changes to premium revenue collections. Outlined in RCW 50a.10.030, the premium rate is calculated using the account balance on Sept 30, the expenditures, both operating costs and benefit payments in the prior fiscal year, and total taxable wages. Therefore, if the bill were to pass there would be an increase in the operating expenses incurred by the department as well as an increase in benefit payments due to expanded eligibility of FFA pilots seeking leave will shift the premium rate and the resulting revenue collections.

Additionally, there may be cases where the premium rate may not have changed within a given year yet the revenue collection may show an increase or decrease. This is due to the Paid Leave premium rates being set for the calendar year whereas revenue collections are depicted in fiscal years. For example, fiscal year 2028 contain premium revenue collections from Q2-Q4 of rate year 2027 and Q1 of rate year 2028. This is because premiums are remitted to Employment Security one month following the end of the quarter.

Projection Methodology:

The Baseline projection for years 2025-2028 is from the FY24 projection that was included in the 2024 PFML Annual Actuarial 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 the 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 utilization rates. Numbers will vary slightly with rounding.

Table 1: Paid Expenses (in Millions)

This table compares the estimated paid expenses under the baseline projection and the proposed bill on a fiscal year basis.

FY	Baseline Projection			SB 5396 Projection			Delta from SB 5396 Projection to Baseline Projection		
	Benefit Expenses	Non-Benefit Expenses	Total Expenses	Benefit Expenses	Non-Benefit Expenses	Total Expenses	Benefit Expenses	Non-Benefit Expenses	Total Expenses
FY 25	\$2,025	\$76	2,101	\$2,025	\$76	2,101	\$0	\$0	\$0
FY 26	\$2,328	\$83	2,411	\$2,349	\$84	2,432	\$21	\$1	\$22
FY 27	\$2,631	\$80	2,711	\$2,652	\$84	2,736	\$21	\$4	\$26
FY 28	\$2,970	\$75	3,045	\$2,995	\$76	3,071	\$24	\$1	\$25
FY 29	\$3,351	\$74	3,425	\$3,376	\$74	3,450	\$25	\$0	\$26
FY 30	\$3,724	\$77	3,801	\$3,750	\$77	3,827	\$27	\$0	\$26
FY 31	\$4,077	\$83	4,160	\$4,104	\$83	4,188	\$28	\$0	\$28

Notes:

Values depicted in millions

Non-benefit expenses are net of investment income

Projection reliability decreases over time as model uncertainty increases.

Table 2: Paid Premium Revenue (in Millions)

This table compares the estimated paid premium under the baseline projection and the proposed bill on a fiscal year basis. The premium revenue shown would reflect any rate adjustments and rate capping that would apply for the year it was assessed.

FY	Baseline Projection	SB 5396 Projection	Delta from SB 5396 Projection to Baseline Projection
FY 25	\$1,859	\$1,859	\$0
FY 26	\$2,433	\$2,440	\$7
FY 27	\$3,055	\$3,074	\$19
FY 28	\$3,313	\$3,336	\$23
FY 29	\$3,448	\$3,520	\$72
FY 30	\$3,726	\$3,749	\$23
FY 31	\$3,967	\$3,967	\$0

Table 3: Premium Rates

This table compares the baseline projected premium rates calculated to those under the proposed bill.

Rate Year	Baseline Projection	SB 5396 Projection	Delta from SB 5396 Projection to Baseline Projection
2025	0.92%	0.92%	0.00%
2026	1.15%	1.16%	0.01%
2027	1.20%*	1.20%*	0.00%
2028	1.16%	1.19%	0.03%
2029	1.19%	1.20%*	0.01%
2030	1.20%*	1.20%*	0.00%
2031	1.20%*	1.20%*	0.00%

Notes:

Rates are capped at the legislative maximum of 1.20%. Rates that meet the legislative cap of 1.20% are identified with an asterisk.

Projection reliability decreases over time as model uncertainty increases.

Operating Narrative

A technical solution will not be in place given the effective date. The Employment Security Department's (ESD) Technical resources are currently operating at capacity. If this mandate was prioritized, existing Paid Leave implementation mandates could not be met. It is not a lack of staffing but rather technical capacity to implement change. The earliest date that a technical solution could be implemented without delaying Paid Leave system completion would be May 2027. Prior to that date, a manual process will be in place.

Prior to technical deployment, July 27, 2025 – May 2027.

- There would be a manual process in place for all aviators wishing to access Paid Leave beginning July 27, 2025.
- All leave types would be classified as Self-Medical in ESD's system, and the agency would have no way of determining who these individuals were for later data clean up (unless done through case notes).
- Rulemaking would be necessary for defining medical certifications.

High-level technical work to be deployed in May 2027:

- Add new leave sub-type for aviators in portal and internal systems.
- Update Paid Leave benefit application to include new leave type (online and translated paper applications).
- Update document handling system for new document types related to this leave sub-type.
- Update adjudication workflows and ensure leave hours are deducted appropriately as leave is used.
- Update automated and manual letters (decision letters and fact-finding letters (includes translations) Update public-facing program communication materials, including benefit guides, employer guides, posters and notifications, and website content.
- Any additional data clean-up work.

Applications

There are about 5,000 commercial and airline pilots in Washington according to occupational employment and wage statistics (OEWS). Using information from the FAA about the number of certification reviews each year and research they've done about how many relate to mental health and how many had initial denials, ESD has applied those ratios for all pilots to the subset of pilots in Washington to develop assumptions on caseload, and project forward using Economic Revenue Forecast Council (ERFC) projected employment volume.

Using FAA data, there were 434,674 medical applications processed in 2022, 89% of which coming from Class 1 and 2 pilots. To determine the high end, those applications were adjusted down as the report notes that 40% of medical applications have mental health components. For the low end, the estimates were further reduced as the report notes that 20% were initially disqualified due to not having certification or clearance to fly, which may or may not have a mental health component. Employment Security applied those ratios to the known occupational data for pilots in Washington and estimated based on employment growth projections from Economic and Revenue Forecast Council as the FAA data was from 2022.

High End: 5,000 WA pilots * 89% of class 1 & 2 pilots * 40% for mental health: 1,780 potential claims.

Low End: 5,000 WA pilots * 89% of class 1 & 2 pilots * 40% for mental health * 20% initial disqualifying rate: 356 potential claims.

ESD estimates that between 356 and 1,780 of these claims may occur in FY26, with a mid-point estimate of approximately 1,100. Pilots have a high average annual wage, thus would be reaching the maximum weekly

benefit. FAA medical certification can last over a year, which would allow pilots to claim maximum benefit allotments at 12 weeks. This translates to about \$20.5 million in additional benefits paid in FY26, increasing to about \$34.5 million by FY36.

Fiscal Year	Additional Claims from Pilots	Weeks of Leave Utilized	Maximum Weekly Benefit	Total Estimated Benefits (in Millions)
2026	1,100	12	\$1,556	\$20.5
2027	1,100	12	\$1,626	\$21.5
2028	1,200	12	\$1,694	\$24.4
2029	1,200	12	\$1,762	\$25.4
2030	1,200	12	\$1,841	\$26.5
2031	1,200	12	\$1,924	\$27.7

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

Product, Planning, and Performance (PPP)

Staffing estimates are based on past projects with similar sized scope and impact that have been implemented in Paid Leave. For projects that require development work, PPP will design and plan the new customer-facing screens, workflows and database modifications needed to implement the system and code changes. PPP needs approximately 6-8 weeks lead time ahead of the technical development teams.

Phase 1 - Manual workaround required prior to development work being completed:

Support operational staff, implement manual process to utilize current medical leave type. Because the documentation requirements are significantly different, these applications would have to be routed to a specialized queue for customer service staff to work. Update content in benefit guides, employer guides, employer poster, website and other Paid Leave communications materials, including language translation.

This one-time work will require 300 hours of an IT Policy and Planning Senior/Specialist in FY 2026.

Phase 2 - Tech Implementation

Product planning starts March 2026 for technical implementation in May 2027.

This work will consist of planning and designing database updates for new leave sub-type. Updating Paid Leave benefit application to include new leave type (online and translated paper applications). Planning document handling systems updates for new document types related to this leave sub-type. Update automated and manual letters (decision letters and fact-finding letters, including language translations). Update benefit guides, employer guides, poster, website and other communications materials related to taking Paid Leave (includes translations).

This one-time work will take place between March 2026 through June 2027 and will require:

200 hours of an IT Policy and Planning Senior/Specialist

1000 hours of an IT Business Analyst – Journey

800 hours of a Management Analyst 4

Leave and Care Operations (LCD)

Operational teams will need additional customer service staff to respond to emails, phone calls, and benefit application based on the increase in claims resulting from pilots applying for Paid Leave. Phase 1 of implementation will require developing a manual process to identify and adjudicate benefit applications from pilots using this leave. Annual applications volumes will reach roughly 1,200 by FY28 and on, necessitating the need for on-going operational support.

- Annual direct customer service hours per FTE: 1,350
- Projected number of additional applications in FY26: 1,100
- Avg time per application: 1.2 hours
- Number of Employment Services Benefit Specialist 2 needed ~ 1 FTE

There will be additional appeals costs associated with this increase and staff will need to be trained on updated operational policies and procedures to incorporate the new leave type. However, this work can be absorbed within existing resources.

Leave and Care Research

Data analytics to support technical work and operational implementation, revise current reporting and dashboards to incorporate new leave types for pilots, support operational projections for new leave type, manage new data in system databases, and response to stakeholder requests for analytics involved in this new leave type. This work can be absorbed within existing resources.

Leave and Care Information Technology

Employment Security technical teams will carry out phase 2 of the implementation plan in collaboration with product, planning, and performance. The following technical features will need to be update or added to the Paid Leave system to account for pilots accessing Paid Leave:

- Add new leave sub-type for pilots in system databases.
- Update Paid Leave benefit application to include new leave type (online and translated paper applications)
- Update document handling software for new document types, such as FAA medical certifications, related to this leave sub-type
- Update adjudication workflows and ensure leave hours are deducted appropriately as leave is used.
- Additional data clean-up work resulting from Phase 1 activates

Employment Security technical teams will work in collaboration with product, planning and performance on approach, design, scope, and staffing capacity to accomplish the work, outlined above, in the time available. All work is estimated via contractors, as technical teams cannot staff this work with existing resources, nor would an effort to hire project positions be an effective or efficient approach. Staffing timelines are based on similar Paid Leave implementation projects and estimates for additional infrastructure costs are based on current expenditures and subscription costs.

One-time IT Contract Costs:

Role	2026 Hours	2027 Hours	Hourly Rate	2026 Cost	2027 Cost	Total
IT Project Management Journey	364	1,820	\$115	\$41,860	\$209,300	\$251,160
IT Application Development – Senior/Specialist	364	1,820	\$175	\$63,700	\$318,500	\$382,200
IT Application Development – Senior/Specialist	364	1,820	\$160	\$58,240	\$291,200	\$349,440
IT Application Development – Journey	728	3,640	\$135	\$98,280	\$491,400	\$589,680
IT Quality Assurance – Senior/Specialist	364	1,820	\$135	\$49,140	\$245,700	\$294,840
IT Quality Assurance - Journey	364	1,820	\$110	\$40,040	\$200,200	\$240,240
IT Quality Assurance - Entry	364	1,820	\$110	\$40,040	\$200,200	\$240,240
IT Application Development – Senior/Specialist	182	910	\$125	\$22,750	\$113,750	\$136,500
IT Systems Administration – Journey	546	2,730	\$110	\$60,060	\$300,300	\$360,360
IT Quality Assurance – Senior/Specialist	84	420	\$175	\$14,700	\$73,500	\$88,200
IT Quality Assurance – Senior/Specialist	84	420	\$160	\$13,440	\$67,200	\$80,640
IT Quality Assurance - Journey	252	1,260	\$120	\$30,240	\$151,200	\$181,440
IT Security – Senior/Specialist	42	210	\$200	\$8,400	\$42,000	\$50,400
IT Security - Journey	42	210	\$170	\$7,140	\$35,700	\$42,840
IT Architecture Expert	84	420	\$185	\$15,540	\$77,700	\$93,240
IT Architecture Senior Specialist	56	280	\$185	\$10,360	\$51,800	\$62,160
IT Architecture Senior Specialist	56	280	\$185	\$10,360	\$51,800	\$62,160
IT Data Management - Senior/Specialist	84	420	\$215	\$18,060	\$90,300	\$108,360
Total one-time contract costs	4,424	22,120		\$602,350	\$3,011,750	\$3,614,100

Employment Security’s technical team will need to procure and support additional cloud infrastructure, storage, and processing costs so that this work can be accomplished in parallel with existing work.

One-time development/test costs in fiscal year 2027: \$121,951

Ongoing annual infrastructure costs once in production beginning in fiscal year 2027 and annually thereafter: \$155,917.

Communications

Communications team will need to create a communications plan and update public facing materials (guides, web content, posters and other print or web-based resources) used to inform key audiences about leave types, including language translation. The team will also need to develop messaging for pilots and send via GovDelivery newsletters while working with the project team to review and approve frequently asked questions (FAQs), talking points or other materials used by the agency so that messaging to the public is aligned and consistent. This work can be absorbed within existing resources.

Rulemaking

This bill will require minor rulemaking for a **one-time** cost in FY26 of \$30,000.

Office of Administrative Hearings (OAH)

ESD assumes the following number of pilots seeking Paid Leave benefits, with the assumed 1% of claims resulting in appeals:

Fiscal Year	Assumed number of Additional Claims	Assumed number of additional appeals
FY26	1,100	11
FY27	1,100	11
FY28	1,200	12
FY29	1,200	12
FY30	1,200	12

OAH will bill ESD \$39,000 in FY 2026 and 2027 and \$43,000 in FY 2028 and thereafter.

Office of the Attorney General (AGO)

Based on the number of estimated appeals shown in the table above, AGO will bill ESD \$56,000 in FY 2026, \$53,000 in FY 2027 and \$59,000 in FY 2028 and thereafter.