

Multiple Agency Fiscal Note Summary

Bill Number: 5525 SB	Title: Layoffs
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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
Employment Security Department	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	0	0	0	0	0	0	0

Agency Name	2025-27		2027-29		2029-31	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Total						
Local Gov. Courts	No fiscal impact					
Loc School dist-SPI						
Local Gov. Other						

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
Administrative Office of the Courts	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Administrative Hearings	.0	0	0	0	.0	0	0	0	.0	0	0	0
Employment Security Department	1.6	0	0	556,803	1.2	0	0	324,692	1.2	0	0	324,692
Total \$	1.6	0	0	556,803	1.2	0	0	324,692	1.2	0	0	324,692

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	No fiscal impact								
Loc School dist-SPI									
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Administrative Office of the Courts	.0	0	0	.0	0	0	.0	0	0
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
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	No fiscal impact								
Loc School dist-SPI									
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Breakout

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

Bill Number: 5525 SB	Title: Layoffs	Agency: 055-Administrative Office of the Courts
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Part I: Estimates

☒ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

The revenue and expenditure estimates on this page represent the most likely fiscal impact. Responsibility for expenditures may be subject to the provisions of RCW 43.135.060.

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 for 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.

Legislative Contact: Jarrett Sacks	Phone: 360-786-7448	Date: 01/28/2025
Agency Preparation: Chris Conn	Phone: 360-704-5512	Date: 01/30/2025
Agency Approval: Chris Stanley	Phone: 360-357-2406	Date: 01/30/2025
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 01/31/2025

199,398.00

Request # 116-1

Form FN (Rev 1/00)

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Bill # 5525 SB

Part II: Narrative Explanation

II. A - Brief Description Of What The Measure Does That Has Fiscal Impact on the Courts

This bill adds a chapter to Title 49 RCW which bars covered employers from ordering business closures or mass layoffs unless specified notices provided to affected employees and to Dept of Employment Security.

II. B - Cash Receipts Impact

None

II. C - Expenditures

No fiscal impact to the Administrative Office of the Courts as this bill does not affect current AOC or court processes.

Part III: Expenditure Detail

III. A - Expenditure By Object or Purpose (State)

NONE

III. B - Expenditure By Object or Purpose (County)

NONE

III. C - Expenditure By Object or Purpose (City)

NONE

III. D - FTE Detail

NONE

III. E - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B1 - Expenditures by Object Or Purpose (State)

NONE

IV. B2 - Expenditures by Object Or Purpose (County)

NONE

IV. B3 - Expenditures by Object Or Purpose (City)

NONE

IV. C - Capital Budget Breakout

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

NONE

None

Individual State Agency Fiscal Note

Bill Number: 5525 SB	Title: Layoffs	Agency: 110-Office of Administrative Hearings
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Part I: Estimates

☒ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Jarrett Sacks	Phone: 360-786-7448	Date: 01/28/2025
Agency Preparation: Pete Boeckel	Phone: 360-407-2730	Date: 02/03/2025
Agency Approval: Rob Cotton	Phone: 360-407-2708	Date: 02/03/2025
OFM Review: Gwen Stamey	Phone: (360) 790-1166	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.

The Employment Security Department has revised their original assumptions.

No fiscal impact. This legislation will not measurably increase the appeal workload for the Office of Administrative Hearings. Any new work is assumed to be nominal and will be provided with existing resources.

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.

None

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: 5525 SB	Title: Layoffs	Agency: 540-Employment Security Department
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.
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Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	2.0	1.2	1.6	1.2	1.2
Account					
Employment Service Administrative Account-State 134-1	394,457	162,346	556,803	324,692	324,692
Total \$	394,457	162,346	556,803	324,692	324,692

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Jarrett Sacks	Phone: 360-786-7448	Date: 01/28/2025
Agency Preparation: Thomas Cooper	Phone: 360 890 3500	Date: 02/12/2025
Agency Approval: Lisa Henderson	Phone: 360-902-9291	Date: 02/12/2025
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 02/13/2025

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.

Employers with 50+ employees must provide written notice of at least 60 days to employees, ESD and applicable bargaining representatives before a business closing or mass layoff and pay for employee health insurance coverage for up to 120 days. An employer may receive an exception from ESD on the written notice under certain circumstances and ESD may issue penalties for non-compliance of written notice. ESD may also investigate employers with 100+ employees allegedly not complying with health insurance coverage and order payment equal to value of cost of benefits. Employers have appeal rights before Office of Administrative Hearings regarding orders related to health insurance coverage. ESD is provided rulemaking authority including documentation requirements for exceptions outlined in Section 3.

Section 1. New Section: Definitions including Department (meaning Employment Security Department), employee, employer, employment loss and mass layoff.

Section 2. New Section: Employer with 50 or more employees cannot order business closing or mass layoff without giving notice of 60 days; employer must provide written notice to ESD, employee(s), and if applicable employee's bargaining representative; provides considerations for short-term mass layoffs and businesses being sold. Written notice must include federal WARN info, and additional information such as employment site, dates of employment loss, and job titles.

Section 3. New Section. Outlines exceptions for the notice required in section 1 such as employer was seeking capital or business to prevent layoff, unforeseeable business circumstances and natural disasters. Exception may only apply for part of the 60-day notice and employer could be liable for penalty for days requiring notice per Sections 4 and 5. ESD can only provide exception if employer meets documentation requirements in Section 7.

Section 4. New Section. Creates liability for employer not meeting notification requirement in Section 2 potentially including back pay for each day of violation and value of the cost of benefits. Liability to be calculated for a maximum of up to 60 days and can be reduced by wages and benefits paid during period of violation. ESD, employee, or bargaining representative may bring civil action on behalf of person within 3 years of alleged violation. Court may award reasonable attorneys' fees and reduce penalty but cannot enjoin a mass layoff or business closing.

Section 5. New Section. An employer in violation of Section 2 may be subject to civil penalty of not more than \$500 for each day of violation unless employer pays all employees' wages and benefits. All penalties recovered under this section to be credited to the general fund.

Section 6. New Section. An employer with 100 or more employees ordering a mass layoff or business closing must pay existing group health insurance for a period of 120 days or until employee becomes eligible on another plan. ESD may investigate alleged violations within preceding 3 years and order payment to employee equal to cost of benefits. Employer may appeal a notice of violation or order of payment within 30 days; orders after 30 days are final and binding. Notice of appeal and appeals to be assigned to Office of Administrative Hearings to follow chapter 34.05 RCW.

Section 7. New Section. ESD may adopt rules including documentation requirements for the exceptions in Section 3.

Section 8. New Section Act to be known as "securing timely notification and benefits for laid-off employees" act.

Section 9. New Section. Sections 1-8 new chapter in Title 49.

Section 10: Null and void clause.

II. B - Cash receipts Impact

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

The legislation would allow for a civil penalty to be collected when an employer does not comply with the notice requirements under certain circumstances; if a penalty is collected it can be for as many days an employer is out of compliance.

ESD receives approximately 5 federal WARN notices a month; however, it is uncertain how many employers do not report via the current federal WARN system and therefore cannot estimate how many employers could be cited under the new act or appeal any citations.

For illustrative purposes, ESD assumes six employers will not provide WA WARN notice and receive a citation.

Employer calculation assumptions

- In 2023 and 2024, ESD received 133 federal WARN notices, or about 67 notices per year.
- Approximately 5% of unemployment insurance reports are incomplete
- Assuming a similar rate of noncompliance to UI reporting, ESD estimates about 4 employers a year will be subject to the WA WARN penalty prescribed in the bill.
- The assumption was increased by 150% to account for unknown firms that did not submit a federal WARN notice as required, totaling 6 employers per year.

Employer penalties assumptions

- In 2023 and 2024, employers that did not provide at least 60 days advance notice averaged 28 days' notice
- Each of those employers would be subject to \$500 per day for 32 days

Penalty calculation

6 employers per year X 32 days of violation per employer X \$500 per day = \$96,000 per year

Related to ESD orders associated with non-compliance of paying health insurance coverage for up to 120 days

- Approximately 30 of the employers issuing WARN notices in 2024 had 100 or more employees.
- As a new legal requirement, ESD assumes investigating and potentially issuing orders for not providing coverage for the requisite length of time for 15% of employers, or approximately 5.
- ESD assumes approximately 1 of the 5 employers will appeal health insurance coverage orders each year to the Office of Administrative Hearings.

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.

Fund solvency for account 134 should be considered.

The following estimates are based on current structures responsible for similar functions and previous experiences with similarly sized projects and programs. It is assumed the case management process, citations/orders issuance and depositing penalties in the General Fund will be manual.

Customer Compliance Division (CCD)

Section of the Bill: All

Customer Compliance Division will need to create and maintain new processes and procedures, train staff on the new process, and perform audits for employers submitting documents relevant to whether the employer was actively eligible for an exception under Sec. 3 of the bill.

CCD One-time costs
FY26: Technical Training Consultant - 0.1 FTE

CCD ongoing costs:

FY26 and ongoing: ES Benefits Specialist 3 - 1.0 FTE

Communications Division
Section of the Bill: 2, 3, 4, 5, 6

Extra-large communications plan consisting of web pages and document creation; new letters and updating existing letters; outreach to employers and broader outreach effort to impacted stakeholders; internal communication.

Communication One-time costs:
FY26: Communications Consultant 4 - 0.1 FTE
FY26: Communications Consultant 5 - 0.1 FTE

Financial Services Division (FSD):
Section of the Bill: 5

Development needed to calculate the amount of penalty for employers to transfer on a monthly/regular basis to the General Fund.

FSD Ongoing costs:
FY26 and ongoing: Fiscal Analyst 4 - 0.1 FTE
FY26 and ongoing: WMS Band 2 - 0.1 FTE

Product, Planning and Performance Division (PPP):
Section of the Bill: 3, 4, 5, 6

Summary of implementation work: Project, Portfolio and product management to support implementation in a complete and timely manner. Support designing and establishing new processes, gathering input from customer and stakeholders. Change management support to assist with adoption.

PPP One-time costs:
FY26: IT Project Management Senior/Specialist - 0.5 FTE

\$90,000 during FY26 for major rule making.

ESD estimates two appeals a year resulting from this Legislation and would absorb those costs.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
134-1	Employment Service Administrative Account	State	394,457	162,346	556,803	324,692	324,692
Total \$			394,457	162,346	556,803	324,692	324,692

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	2.0	1.2	1.6	1.2	1.2
A-Salaries and Wages	165,786	87,260	253,046	174,520	174,520
B-Employee Benefits	66,314	34,904	101,218	69,808	69,808
C-Professional Service Contracts					
E-Goods and Other Services	120,300	18,180	138,480	36,360	36,360
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	42,057	22,002	64,059	44,004	44,004
9-					
Total \$	394,457	162,346	556,803	324,692	324,692

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	0.1		0.1		
COMMUNICATIONS CONSULTANT 5	80,460	0.1		0.1		
EMPLOYMENT SECURITY BENEFITS SPECIALIST 3	66,012	1.0	1.0	1.0	1.0	1.0
FISCAL ANALYST 4	66,012	0.1	0.1	0.1	0.1	0.1
IT PROJECT MANAGEMENT - SENIOR/SPECIALIST	106,976	0.5		0.3		
TECHNICAL TRAINING CONSULTANT	72,924	0.1		0.1		
WMS BAND 2	105,072	0.1	0.1	0.1	0.1	0.1
Total FTEs		2.0	1.2	1.6	1.2	1.2

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.

Rulemaking is required to implement sections 4 & 5 to determine how to calculate required penalties.

Rulemaking is required to implement Section 6 to determine what is included in the notice of violation and appeal rights.