

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1764 HB	<b>Title:</b> Labor standards
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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	315,000	0	0	544,000	0	0	544,000
Office of Financial Management	0	0	431,000	0	0	42,000	0	0	42,000
Office of Financial Management	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
Office of Administrative Hearings	0	0	661,000	0	0	882,000	0	0	882,000
Department of Labor and Industries	Non-zero but indeterminate cost and/or savings. Please see discussion.								
<b>Total \$</b>	<b>0</b>	<b>0</b>	<b>1,407,000</b>	<b>0</b>	<b>0</b>	<b>1,468,000</b>	<b>0</b>	<b>0</b>	<b>1,468,000</b>

## Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Administrative Office of the Courts	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Office of Attorney General	1.1	0	0	315,000	1.7	0	0	544,000	1.7	0	0	544,000
Office of Financial Management	1.0	0	0	431,000	.0	0	0	42,000	.0	0	0	42,000
Office of Financial Management	In addition to the estimate above, there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Office of Administrative Hearings	2.1	0	0	661,000	2.8	0	0	882,000	2.8	0	0	882,000
Department of Labor and Industries	36.7	0	0	9,705,000	41.1	0	0	10,302,000	41.1	0	0	10,302,000
SWF Statewide Fiscal Note - OFM	.0	449,387	449,387	1,991,212	.0	1,022,774	1,022,774	5,104,816	.0	0	0	0
<b>Total \$</b>	<b>40.9</b>	<b>449,387</b>	<b>449,387</b>	<b>13,103,212</b>	<b>45.6</b>	<b>1,022,774</b>	<b>1,022,774</b>	<b>16,874,816</b>	<b>45.6</b>	<b>0</b>	<b>0</b>	<b>11,770,000</b>

Agency Name	2025-27			2027-29			2029-31		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Loc School dist-SPI	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
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 Attorney General	.0	0	0	.0	0	0	.0	0	0
Office of Financial Management	.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
SWF Statewide Fiscal Note - OFM	.0	0	0	.0	0	0	.0	0	0
<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	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Loc School dist-SPI	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

### Estimated Capital Budget Breakout

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<b>Prepared by:</b> Courtney Kinney, OFM	<b>Phone:</b> 360 584 5705	<b>Date Published:</b> Final 3/ 7/2025
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# Judicial Impact Fiscal Note

<b>Bill Number:</b> 1764 HB	<b>Title:</b> Labor standards	<b>Agency:</b> 055-Administrative Office of the Courts
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## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Expenditures from:**

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

**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.

Contact	Phone:	Date: 01/30/2025
Agency Preparation: Chris Conn	Phone: 360-704-5512	Date: 02/11/2025
Agency Approval: Chris Stanley	Phone: 360-357-2406	Date: 02/11/2025
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 02/11/2025

201,296.00

Request # 137-1

## Part II: Narrative Explanation

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

This bill requires covered employers to pay covered adult employees specified minimum wage with annual specified increases through 2031 and with wages thereafter adjusted annually for inflation.

Section 3 (6) authorizes the Department of Labor & Industry (DLI) to impose stop-work orders and penalties and permits employers to contest such orders in Superior Court.

Section 16 (6) authorizes DLI to impose penalties and stop-work orders and permits Transportation Network Companies (TNC) to contest such orders in Superior Court.

### II. B - Cash Receipts Impact

None

### II. C - Expenditures

Indeterminate. While existing law already allows admin decisions to be contested in Superior Court, Sections 3(6) and 16(6) will likely significantly increase such actions to extent employers and TNCs challenge DLI orders. The Administrative Office of the Courts (AOC) has no data available to estimate the number of cases that would be filed because of this bill.

## Part III: Expenditure Detail

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

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

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

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

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

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

### 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

201,296.00

Form FN (Rev 1/00)

**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

<b>Bill Number:</b> 1764 HB	<b>Title:</b> Labor standards	<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	43,000	272,000	315,000	544,000	544,000
<b>Total \$</b>	43,000	272,000	315,000	544,000	544,000

### Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.4	1.7	1.1	1.7	1.7
<b>Account</b>					
Legal Services Revolving Account-State 405-1	43,000	272,000	315,000	544,000	544,000
<b>Total \$</b>	43,000	272,000	315,000	544,000	544,000

### 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:	Phone:	Date: 01/30/2025
Agency Preparation: Dave Merchant	Phone: 360-753-1620	Date: 02/07/2025
Agency Approval: Leah Snow	Phone: 360-586-2104	Date: 02/07/2025
OFM Review: Rayanna Evans	Phone: (360) 902-0553	Date: 02/10/2025

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

Section 1: Amends RCW 49.46.010 (Definitions). Department is Department of Labor and Industries (L&I); new definitions of “family member” and of specific family members.

Section 2: Amends RCW 49.46.020 to require new minimum wage chart (with dates to adjust for inflation) and paid vacation and bereavement leave be implemented on January 1, 2027.

Section 3: New Section to RCW 49.46. Penalties for violations of this act, include monetary, stop work, probation; includes rulemaking to set penalties and adjust for inflation; appeal rights.

Section 4: Amends RCW 49.46.180 to add vacation and bereavement leave.

Section 5: Amends RCW 49.46.200 to include individual health and sustainable work habits.

Section 6: Amends RCW 49.46.210. Primarily technical changes, including removing many definitions from this section that are moved elsewhere, including transportation network provisions.

Section 7: New Section to RCW 49.46. Adds vacation leave details, including notice and construction industry specific provisions. Requires rulemaking regarding notice and other topics.

Section 8: New Section to RCW 49.46. Adds bereavement leave details.

Section 9: New Section to RCW 49.46. No discrimination; use of leave cannot count as an absence that would lead to discipline.

Section 10: Amends RCW 49.46.300 to apply definitions in this act. Removes extensive transportation network provisions.

Section 11: New Section to RCW 49.46 collecting transportation network and driver provisions.

Section 12: New Section to RCW 49.46 collecting transportation network provisions regarding fees.

Section 13: New Section to RCW 49.46 collecting transportation network provisions regarding sick leave.

Section 14: New Section to RCW 49.46 collecting transportation network provisions regarding vacation leave.

Section 15: New Section to RCW 49.46 prohibiting transportation network companies (TNC) from adopting rules that adversely affect employees who use leave.

Section 16: New Section to RCW 49.46 authorizing director to issue stop work orders, civil penalties; department may adopt penalty amounts by rule; on September 30, 2028, and yearly thereafter, department shall increase penalties based on inflation, to take effect January 1 of following year; TNC may contest a stop work order by filing petition in superior court within 72 hours; RCW 34.05.550 provides burden of proof.

Section 17: New Section to RCW 49.46 authorizing department to adopt rules under the chapter.

Section 18: New Section. Act takes effect 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.*

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

The client agency is the Department of Labor and Industries (L&I). The Attorney General's Office (AGO) Labor and Industries Division (LNI) will bill for legal services rendered.

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

### AGO AGENCY ASSUMPTIONS:

L&I will be billed for King County rates:

FY 2026: \$43,000 for 0.1 Assistant Attorney General FTE (AAG), 0.1 Paralegal 1 FTE (PL1), and 0.1 Paralegal 2 FTE (PL2)

FY 2027 and in each FY thereafter: \$272,000 for 0.8 AAG, 0.4 PL1, and 0.2 PL2

## II. C - Expenditures

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

Attorney General's Office (AGO) Agency Assumptions:

Legal services associated with the enactment of this bill will begin on July 1, 2025.

Location of staffing is assumed to be in a King County office building.

Total workload impact in this request includes standard assumption costs for goods & services, travel, and capital outlays for all FTE identified.

Agency administration support FTE are included in the tables. The Management Analyst 5 FTE (MA) is used as a representative classification. An example ratio is for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 Paralegal 1 FTE (PL1) and 0.4 MA.

1. Assumptions for the AGO Labor and Industries Division (LNI) Legal Services for Department of Labor and Industries (L&I).

The AGO will bill L&I for legal services based on the enactment of this bill. In 2024, L&I received 6,503 wage complaints out of 3,600,000 workers. While the minimum wage updates do not add new requirements or affect a new population, we do expect a higher rate of non-compliance while employers adjust to the new rates. Adjusting the expected complaints by an additional rate of three percent noncompliance, we can expect 195 additional complaints related to non-compliance.

In 2024, L&I received 1,721 paid sick leave complaints/year out of 3,600,000 total workers = 0.0004 or 0.04 percent. L&I expects an additional 1,721 additional complaints related to paid vacation leave.

In 2024, L&I received 1,721 paid sick leave complaints/year out of 3,600,000 total workers = 0.0004 or 0.04 percent. We anticipate receiving less bereavement complaints than paid sick leave or vacation complaints because there are less

allowances for usage. We anticipate receiving 25 percent as many bereavement complaints as paid sick leave complaints.  
 $1,721 \text{ paid sick leave complaints} / 4 = 430 \text{ complaints expected}$

In 2024, L&I received 354 retaliation complaints. We anticipate the number of retaliation cases to double with the addition of vacation and bereavement leave retaliation protections. 354 additional retaliation complaints.

In 2024, the Transportation Network Company (TNC) unit received nine complaints related to paid sick leave, so expects nine additional TNC complaints related to paid vacation leave and bereavement.

$195 \text{ wage complaints} + 1721 \text{ vacation complaints} + 430 \text{ bereavement complaints} + 354 \text{ retaliation complaints} + \text{nine TNC complaints} = 2,709 \text{ expected additional complaints.}$

Based on experience providing advice to implement a new law including rulemaking, it will require a total of 0.1 AAG FTE beginning July 1, 2025, because the current effective date is January 1, 2026 (so rulemaking will be necessary in the fall). Additional legal work will be generated due to an increase in appeals when the law becomes effective January 1, 2026.

$195 \text{ wage complaints} + 1,996 \text{ vacation complaints} + 430 \text{ bereavement complaints} + 354 \text{ retaliation complaints} + 9 \text{ TNC complaints} = 2,984 \text{ expected additional complaints}$   
 $2,984 \times 0.20 = 596.8 \times 14 \text{ percent} = 84 \text{ new appeals to Office of Administrative Hearings (OAH).}$

Appeals of this complexity generally require a combined 1.0 FTE per 10 appeals. This will require a total of 0.8 AAG FTE as well as 0.2 Paralegal FTE related to litigation on ongoing basis beginning on January 1, 2026, because of the overlap with existing paid sick leave protections we do not think there will be a significant delay between the effective date and when appeals are received. The most significant implementation will be completed by January 1, 2026, so 0.8 AAG FTE can support both litigation and any remaining implementation work.

LNI: Total King County workload impact:

FY 2026: \$43,000 for 0.1 AAG, 0.1 PL1, and 0.1 Paralegal 2 FTE (PL2)

FY 2027 and in each FY thereafter: \$272,000 for 0.8 AAG, 0.4 PL1, and 0.2 PL2

2. The AGO Solicitor General 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 in representing OAH. While this bill could impact the volume of cases OAH processes, it will not likely impact their need for legal services from REV. REV does not present cases before OAH, but provides client advice to them. 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	43,000	272,000	315,000	544,000	544,000
<b>Total \$</b>			43,000	272,000	315,000	544,000	544,000

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

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.4	1.7	1.1	1.7	1.7
A-Salaries and Wages	29,000	185,000	214,000	370,000	370,000
B-Employee Benefits	9,000	56,000	65,000	112,000	112,000
E-Goods and Other Services	5,000	29,000	34,000	58,000	58,000
G-Travel		2,000	2,000	4,000	4,000
<b>Total \$</b>	43,000	272,000	315,000	544,000	544,000

**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-King County	139,558	0.1	0.8	0.5	0.8	0.8
Management Analyst 5	98,040	0.1	0.3	0.2	0.3	0.3
Paralegal 1-King County	74,700	0.1	0.4	0.3	0.4	0.4
Paralegal 2-King County	82,392	0.1	0.2	0.2	0.2	0.2
<b>Total FTEs</b>		0.4	1.7	1.1	1.7	1.7

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

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Labor & Industries Division (LNI)	43,000	272,000	315,000	544,000	544,000
<b>Total \$</b>	43,000	272,000	315,000	544,000	544,000

**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> 1764 HB	<b>Title:</b> Labor standards	<b>Agency:</b> 105-Office of Financial Management
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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
Personnel Service Account-State 415-1	176,000	171,000	347,000		
Statewide Information Tech System Maintenance & Operations Revolving Account-Non-Appropriated 472-6	63,000	21,000	84,000	42,000	42,000
<b>Total \$</b>	239,000	192,000	431,000	42,000	42,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

### Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.0	1.0	1.0	0.0	0.0
<b>Account</b>					
Personnel Service Account-State 415-1	176,000	171,000	347,000	0	0
Statewide Information Tech System Maintenance & Operations Revolving Account-Non-Appropriated 472-6	63,000	21,000	84,000	42,000	42,000
<b>Total \$</b>	239,000	192,000	431,000	42,000	42,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

### 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:

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- 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:	Phone:	Date: 01/30/2025
Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 02/14/2025
Agency Approval: Jamie Langford	Phone: 360-902-0422	Date: 02/14/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 02/17/2025

## 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 proposed bill updates the minimum wage and labor standards requirements by:

Section 1 adds family member definitions.

Section 2 sets annual minimum wage changes for 2026 through 2031 and provides for annual adjustments to minimum wage thereafter, requires paid vacation leave be provided starting in January 2027, and requires paid bereavement leave be provided starting in January 2027.

Section 4 exempts some construction workers covered by a collective bargaining agreement.

Section 5 removes the sick type requirement from the types of leave for individual and family health reasons.

Section 7 sets minimum paid vacation leave accrual for every 40 hours worked. Sets the entitled to use paid vacation at 90 days.

Section 8 sets the entitlement date for bereavement leave to 90th calendar day after the commencement of employment and the minimum paid bereavement days to five.

### II. B - Cash receipts Impact

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

Expenses incurred in the Personnel Service Account are funded by a Personnel Service fee paid by state agencies. Any assumed increase in the account would be matched by an increase in the rate charged by OFM, up to what is allowed per RCW 41.06.280.

OFM distributes statewide costs incurred in fund 472 Statewide Information Tech System M&O Revolving account through the central service model. Assumed state-wide costs incurred in the account would be matched by an increase in the OFM Enterprise Application Fee.

### 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.*

OFM State Human Resources will have the following fiscal impacts related to this bill:

- OFM will need to prove payroll guidance and rulemaking.
- A subject matter expert will need to inform implementing new HR & Payroll requirements.

The work requires business expertise to coordinate policy decisions, provide system requirements, and develop any enterprise guidance related to system changes such as data definitions, user procedures, reporting procedures and updates, user training updates for HR and Payroll specific trainings, coordination with any WAC changes, coordinate data sharing agreements for integrations with other systems to share data, etc. This workload is estimated at 1.0 FTE State HR Specialist, one-time from 7/1/2025 through 6/30/2027.

Cost assumptions per FTE:

- o Goods and services: supplies, communications services, lease space, training, software licensing at \$5,000 per FTE

annually.

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

In addition, the payroll system (HRMS) will need to get updated to ensure compliance.

Wage types in HRMS will need to be adjusted annually for a January effective date. The estimate for the updates to salary schedules for annual minimum wage updates is:

- Application Developer Sr. 36 hours
- Application Tester Journey 60 hours
- Business Analyst Sr. 18 hours

There is an annual impact for each year the minimum wage changes. The estimate for wage type updates (one time impact):

- Application Developer Journey 30 hours
- Application Developer (Tester) Journey 60 hours
- Business Analyst Sr. 6 hours

HRMS vacation leave accrual calculations will need to be modified for the new minimum and from a months of employment to hours worked calculation possible additional modifications in leave accruals for non-full-time employees. HRMS entitled to use vacation leave calculations will need to be adjusted. The estimate for the modifications to HRMS vacation leave accrual calculations and entitlement date:

- Application Developer Sr. 40 hours
- Application Tester Journey 30 hours

HRMS leave types for bereavement leave amounts will need to be modified for the new minimum. HRMS entitled to use bereavement leave calculations will need to be adjusted to 90th calendar day. The estimate for the modifications to HRMS bereavement eligibility date and bereavement entitlement:

- Application Developer Sr. 42 hours
- Application Tester Journey 34 hours

There are also indeterminate impacts dependent on how other requirements of the legislation are implemented.

OFM cannot absorb this work and therefore would use DES tier-two master contracts to provide the following contracted services:

First Year

- 118 hours backfill of an Application Developer Sr. at a contract rate of \$200.00 per hour ( $118 * \$200 = \$23,600$ )
- 30 hours backfill of an Application Developer Journey at a contract rate of \$165.00 per hour ( $30 * \$165 = \$4,950$ )
- 184 hours of backfill of an Application Tester Journey at a contract rate of \$165.00 per hour ( $184 * \$165 = \$30,360$ )
- 24 hours of backfill of a Business Analyst Sr. at a contract rate of \$165.00 per hour ( $24 * \$165 = \$3,960$ )

First year contract costs \$62,270.

Ongoing years

- 36 hours backfill of an Application Developer Sr. at a contract rate of \$200.00 per hour ( $36 * \$200 = \$7,200$ )
- 60 hours of backfill of an Application Tester Journey at a contract rate of \$165.00 per hour ( $60 * \$165 = \$9,900$ )
- 18 hours of backfill of a Business Analyst Sr. at a contract rate of \$165.00 per hour ( $18 * \$165 = \$2,970$ )

Ongoing years contractor costs \$20,070.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
415-1	Personnel Service Account	State	176,000	171,000	347,000	0	0
472-6	Statewide Information Tech System Maintenance & Operations Revolving Account	Non-Appropriated	63,000	21,000	84,000	42,000	42,000
<b>Total \$</b>			239,000	192,000	431,000	42,000	42,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

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

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.0	1.0	1.0		
A-Salaries and Wages	98,000	98,000	196,000		
B-Employee Benefits	34,000	34,000	68,000		
C-Professional Service Contracts	63,000	21,000	84,000	42,000	42,000
E-Goods and Other Services	5,000	5,000	10,000		
G-Travel	4,000	4,000	8,000		
J-Capital Outlays	5,000		5,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements	30,000	30,000	60,000		
9-					
<b>Total \$</b>	239,000	192,000	431,000	42,000	42,000

In addition to the estimates above, there are additional indeterminate costs and/or savings. Please see discussion.

### 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
State HR Specialist	98,000	1.0	1.0	1.0		
<b>Total FTEs</b>		1.0	1.0	1.0		0.0

### 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 proposed rule will trigger rulemaking under WAC 357-31-165 to -225 and WAC 357-31-250. Specifically, the vacation leave accrual rates and bereavement leave provisions will need to be amended to comply with minimum rate of vacation leave set forth in the bill.

# Individual State Agency Fiscal Note

Revised

<b>Bill Number:</b> 1764 HB	<b>Title:</b> Labor standards	<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	220,000	441,000	661,000	882,000	882,000
<b>Total \$</b>	220,000	441,000	661,000	882,000	882,000

### Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.4	2.8	2.1	2.8	2.8
<b>Account</b>					
Administrative Hearings Revolving Account-State 484-1	220,000	441,000	661,000	882,000	882,000
<b>Total \$</b>	220,000	441,000	661,000	882,000	882,000

### 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:	Phone:	Date: 01/30/2025
Agency Preparation: Pete Boeckel	Phone: 360-407-2730	Date: 02/10/2025
Agency Approval: Rob Cotton	Phone: 360-407-2708	Date: 02/10/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 02/10/2025

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

Revision is submitted to add in the 10-Year Fee Analysis

Sections 2(5) & (6) require all employers to provide employees paid vacation and bereavement leave, effective January 1, 2027.

Section 7 establishes how paid vacation leave is accrued.

Section 7(5) prohibits employers from forcing employees from using paid vacation leave or to find replacement workers to cover their shift while using paid vacation leave.

Section 8 requires employers to provide five days of bereavement annually and sets limits on how the employer may require the leave to be used.

Section 9 prohibits employers from disciplining employees for using paid leave.

Sections 13 & 14 require transportation network companies to provide paid sick leave and paid vacation leave to drivers.

### 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 Department of Labor & Industries for the costs related to this proposed legislation.

These cash receipts represent the OAH's authority to bill and are not a direct appropriation to OAH. Appropriation authority is necessary in OAH's budget.

### II. C - Expenditures

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

The Department of Labor & Industries estimates that the proposed legislation will result in new appeals being referred to the Office of Administrative Hearings (OAH) per fiscal year beginning in FY 2026.

FY2026: 42 Appeals

FY2027 and in each FY thereafter: 84 Appeals

On average, each appeal is expected to take approximately 22 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: 0.66 ALJ, 0.10 SALJ, 0.10 LALJ, 0.40 LA2, and 0.17 MA5. The total cost is rounded to \$220,000.

FY 2027 and in each FY thereafter: 1.32 ALJ, 0.20 SALJ; 0.20 LALJ; 0.79 LA2 and 0.33 MA5. The total cost is rounded to \$441,000 per FY.

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

### 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	220,000	441,000	661,000	882,000	882,000
<b>Total \$</b>			220,000	441,000	661,000	882,000	882,000

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

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.4	2.8	2.1	2.8	2.8
A-Salaries and Wages	138,000	277,000	415,000	554,000	554,000
B-Employee Benefits	44,000	87,000	131,000	174,000	174,000
C-Professional Service Contracts					
E-Goods and Other Services	35,000	71,000	106,000	142,000	142,000
G-Travel	1,000	3,000	4,000	6,000	6,000
J-Capital Outlays	2,000	3,000	5,000	6,000	6,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	220,000	441,000	661,000	882,000	882,000

#### 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	0.7	1.3	1.0	1.3	1.3
Lead ALJ	122,496	0.1	0.2	0.2	0.2	0.2
Legal Assistant 2	55,584	0.4	0.8	0.6	0.8	0.8
Management Analyst 5	98,040	0.2	0.3	0.3	0.3	0.3
Senior Administrative Law Judge	131,880	0.1	0.2	0.2	0.2	0.2
<b>Total FTEs</b>		1.4	2.8	2.1	2.8	2.8

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

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Regulatory & Education (REG)	220,000	441,000	661,000	882,000	882,000
<b>Total \$</b>	220,000	441,000	661,000	882,000	882,000

## **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> 1764 HB	<b>Title:</b> Labor standards	<b>Agency:</b> 235-Department of Labor and Industries
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## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

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

### Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	32.3	41.1	36.7	41.1	41.1
<b>Account</b>					
Accident Account-State 608-1	3,859,000	4,379,000	8,238,000	8,758,000	8,758,000
Medical Aid Account-State 609-1	695,000	772,000	1,467,000	1,544,000	1,544,000
<b>Total \$</b>	4,554,000	5,151,000	9,705,000	10,302,000	10,302,000

### 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:	Phone:	Date: 01/30/2025
Agency Preparation: Crystal Van Boven	Phone: 000-000-0000	Date: 02/06/2025
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 02/06/2025
OFM Review: Courtney Kinney	Phone: 360 584 5705	Date: 02/16/2025

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.

See attached.

### II. B - Cash receipts Impact

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

See attached.

### II. C - Expenditures

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

See attached.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
608-1	Accident Account	State	3,859,000	4,379,000	8,238,000	8,758,000	8,758,000
609-1	Medical Aid Account	State	695,000	772,000	1,467,000	1,544,000	1,544,000
<b>Total \$</b>			<b>4,554,000</b>	<b>5,151,000</b>	<b>9,705,000</b>	<b>10,302,000</b>	<b>10,302,000</b>

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

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	32.3	41.1	36.7	41.1	41.1
A-Salaries and Wages	2,204,000	2,756,000	4,960,000	5,512,000	5,512,000
B-Employee Benefits	870,000	1,099,000	1,969,000	2,198,000	2,198,000
C-Professional Service Contracts	34,000		34,000		
E-Goods and Other Services	996,000	1,207,000	2,203,000	2,414,000	2,414,000
G-Travel	70,000	89,000	159,000	178,000	178,000
J-Capital Outlays	380,000		380,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	<b>4,554,000</b>	<b>5,151,000</b>	<b>9,705,000</b>	<b>10,302,000</b>	<b>10,302,000</b>

**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 Regulations Analyst 4	91,068	1.0	1.0	1.0	1.0	1.0
Communications Consultant 5	93,348	1.0		0.5		
Customer Service Specialist 2	50,328	7.5	10.0	8.8	10.0	10.0
Fiscal Analyst 5	76,608	2.0	2.6	2.3	2.6	2.6
Industrial Relations Agent 2	71,148	12.8	17.0	14.9	17.0	17.0
Industrial Relations Agent 3	74,724	4.5	6.0	5.3	6.0	6.0
Industrial Relations Agent 4	80,460	2.8	3.0	2.9	3.0	3.0
Revenue Agent 2	69,396	0.8	1.5	1.1	1.5	1.5
<b>Total FTEs</b>		32.3	41.1	36.7	41.1	41.1

**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

None.

**Part V: New Rule Making Required**

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

See attached.

## **Part II: Explanation**

This bill strengthens Washington's labor standards and minimum wage act by updating the minimum wage and mandating vacation and bereavement leave for minimum wage act employees and transportation network company (TNC) drivers. Provides additional enforcement authority for the Department of Labor and Industries (L&I), including stop-work orders that can be issued to both employers and transportation network companies. It also allows vacation leave protections for Executive, Administrative, and Professional (EAP) exempted workers.

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

**Section 1:** This section provides definitions. It adds a definition of “department” and updates the definition of “director” to include authorized representatives. It adds paid sick leave definitions taken from Section 6 (RCW 49.46.210 Paid sick leave-Authorized purposes-Limitations.) Most notably, this section updates the Executive, Administrative, and Professional (EAP) exemption to the minimum wage act (within the definition of “employee”) to require employers provide vacation leave consistent with section 7 to EAP workers.

**Section 2:** This section creates new set minimum wage rates for 2026 through 2032. In September 2031, L&I needs to set the minimum wage rate for 2032, and each following year, using existing methodology (increased by the rate of inflation.)

**Section 3:** L&I may issue a stop-work order ceasing a business’s operations if an employer violates RCW 49.46 (Minimum Wage Act.) There is no requirement for a determination to be issued in order to issue a stop-work order. Employers must pay employees normal hourly compensation during the stop-work period. The director must issue an order to release a stop-work order. After release of a stop-work order, the director may require the employer to be places on a probationary period. The director can penalize employers \$5,000 per day for violation of a stop-work order but the statute provides rule authority to L&I for increased penalties based on size of employer.

- In September 2028, L&I must increase penalties for 2029 and each following year by the rate of inflation.

- Employers can contest stop work orders within 72 hours of issuance. The superior courts of the state of Washington have jurisdiction to issue a temporary stay of the stop-work order pending further agency action.

**Section 4:** This section adds vacation and bereavement leave to the allowance for employers to pay sick leave before usage to construction workers covered by certain collective bargaining agreements under RCW 49.46.180

- Paid sick leave - Construction workers covered by a collective bargaining agreement excluded.

**Section 5:** This section amends the intention of the paid sick leave statutes by broadening it to general “leave” language rather than specific “sick leave.”

**Section 6:** This section amends paid sick leave requirements and numbering. Paid sick leave definitions are moved and placed into Section 1. Transportation Network Company (TNC) definitions and requirements are moved into Section 11.

**Section 7:** This section requires employers to provide employees with paid vacation leave of 2.3 hours for every 40 hours worked. The department is required to adopt rules regarding required notice, PTO banks, and the circumstances where employers may deny vacation leave.

- This will be a new complaint type, with caseloads similar to paid sick leave, for the department to investigate, process, enforce, and collect on.

**Section 8:** This section requires employers to provide employees with paid bereavement leave of 5 paid days per year.

- This will be a new complaint type, for the department to investigate, process, enforce, and collect on.

**Section 9:** Provides retaliation and discrimination protections for the paid vacation and bereavement leave protections provided by the Act. Employers also may not use policies that discipline or lead to discipline against an employee for the employee’s exercise of their rights.

**Section 10:** This section includes TNC definition amendments. Removes “department” and “director” definitions. This section removes general requirements for TNCs and moves them to Section 11.

**Section 11:** Creates a new section for existing general requirements for TNCs (moved from Section 10.)

**Section 12:** Creates a new section for existing remittance requirements for TNCs (moved from Section 10.)

**Section 13:** Creates a new section for existing paid sick time requirements for TNCs.

**Section 14:** Creates a new section for new vacation time requirements for TNCs. A driver shall accrue 2.3 hours of vacation time for every 40 hours of passenger platform time worked. The vacation time follows the same or similar model as the paid sick time- including carryover, increments of use, methods of payment, and written notifications.

**Section 15:** Creates new section for existing paid sick time policy requirements for TNCs with amendments to add vacation leave within the protections.

**Section 16:** Creates new section for stop work orders for TNC violations of this act.

**Section 16:** The department may adopt rules to implement this chapter.

## **II. B – Cash Receipt Impact**

### **Receivables – Operating**

Cash receipts are indeterminate as it is not known the level of citations that will be assessed. In addition, cash receipts from stop-work order violations is indeterminate due to inability to determine how many days a business could continue to violate a stop-work order.

## **II. C – Expenditures**

### **Appropriated – Operating Costs**

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

### **Staffing**

**3.0 Industrial Relations Agent 4 (IRA4)**, permanent, start date 08/01/2025. Duties include: Supervise IRAs, create operational guides, act as the subject matter expert for requirements and investigations.

#### **Workload Assumptions**

- An IRA4 is needed to supervise units of multiple FTEs (6 IRAs per 1 IRA4) = 3 IRA4 FTEs needed

The August start date is needed to onboard and train staff and allow them time to hire their new team of IRAs before the January 1, 2026 effective date.

**6.0 Industrial Relations Agent 3 (IRA3)**, permanent, start date 10/01/2025. Duties include: Acts as lead agent within the IRA series, investigates complex cases, assists with creation of operational guides, processes determinations, issues and monitors stop work orders.

#### **Workload Assumptions**

- Additional complaints expected (see FTE Type #3 for more details about how these calculations were arrived at):
- 195 wage complaints + 1721 vacation complaints + 430 bereavement complaints + 354 retaliation complaints + 9 TNC complaints = 2709 additional complaints expected
- Historically, complaints have a 14% rate of going to an appealable order.
- 14% of 2709 additional complaints = 379 orders
- 379/200 determinations desk caseload = 2 IRA3 FTEs needed for processing determinations.
- The department estimates 10 stop-work orders would also be completed per year, under the new authority granted in Section 3 of the bill. There will be a need to process the

orders and track compliance with orders. 1 IRA 3 is needed for new stop-work order requirements

- IRA3s are needed to investigate complex cases and provide guidance as a “lead” of multiple IRA2s (6 IRA2 for every 1 IRA3) = 3 IRA3 FTEs needed as Leads (See FTE Type #3 workload indicators for more details on how this calculation was arrived at.)
- 2 FTE for citations + 1 FTE for stop-work orders + 3 FTE “leads”= 6 total IRA3 FTES needed
- The October start date is needed to onboard and train staff before the January 1, 2026 effective date.

**17.0 Industrial Relations Agent 2** (IRA2), permanent, start date 10/01/2025. Duties include: Investigate wage, vacation leave, bereavement leave, retaliation, and TNC vacation leave complaints.

#### **Workload Assumptions**

- Wages
  - In 2024, the department received 6,503 wage complaints out of 3,600,000 workers. While the minimum wage updates do not add new requirements or affect a new population, we do expect a higher rate of non-compliance while employers adjust to the new rates. Adjusting the expected complaints by an additional rate of 3% noncompliance, we can expect 195 additional complaints.
  - 1 IRA2 can complete 200 cases per year.
  - **1 IRA2** FTE is needed (195 additional complaints / 200 caseload)
- Vacation Leave
  - In 2024, the department received 1,721 paid sick leave complaints/year out of 3,600,000 total workers = 0.0004 or .04%
  - We anticipate receiving the same number of vacation leave complaints as paid sick leave complaints for non-exempt workers.
  - Because SB 5578 includes Executive, Administrative, and Professional (EAP)-exempted workers under vacation leave protections, additional complaints are expected. The cost benefit analysis published by the department in 2020 for EAP rulemaking estimated that there were 637,000 salaried workers who perform

EAP-type duties and passed the 2020 salary threshold test. The department also estimated that newly affected workers would only compose approximately 0.2% - 1.4% of total state employment in any future year. 3,600,000 total workers in the state x 1.4% = 50,400 potential new EAP workers this year 637,000 salaried workers who perform EAP-type duties and passed the 2020 salary threshold test + 50,400 potential new EAP workers this year = 687,400 estimated EAP workers. We expect to receive vacation complaints from EAP workers at the same rate as non-exempt workers (.0004 or .04%). With .04% of 687,400 estimated EAP workers = 275 expected additional complaints for EAP exempt workers.

- 1 IRA2 can complete a caseload of 200 complaints per year.
- **11 IRA2 FTEs** are needed (9 IRA2 for non-exempt workers + 2 IRA2 for EAP exempt workers) 1996 (1721+275) additional complaints / 200 caseload)
- Bereavement Leave
  - In 2024, the department received 1,721 paid sick leave complaints/year out of 3,600,000 total workers = 0.0004 or .04%
  - We anticipate receiving less bereavement complaints than paid sick leave or vacation complaints because there are less allowances for usage. We anticipate receiving 25% as many bereavement complaints as paid sick leave complaints.)
  - 1,721 paid sick leave complaints / 4 = 430 complaints expected
  - 1 IRA2 can complete a caseload of 200 complaints per year.
  - **2 IRA2 FTEs** are needed (430 additional complaints / 200 caseload)
- Minimum Wage Act (MWA) Retaliation
  - In 2024, the department received 354 retaliation complaints. We anticipate the number of retaliation cases to double with the addition of vacation and bereavement leave retaliation protections.
  - 1 IRA2 can complete a caseload of 60 complaints per year.
  - **6 IRA2 FTEs** are needed (354 additional complaints / 60 caseload)
- TNC
  - In 2024, the department received 9 TNC paid sick time complaints/year out of 80,000 drivers

- It is assume the same number of vacation leave complaints as paid sick leave complaints.
  - 1 IRA 2 can complete 200 complaints per year.
  - The 9 additional complaints expected does not equate to an FTE need.
- 20 total IRAs needed to investigate expected additional complaints
  - (1 FTE wages + 11 FTE vacation +2 FTE bereavement + 6 FTE retaliation + 0 TNC =20)
  - 3 of these IRAs need to be classified as “leads” to investigate complex cases, train, and provide guidance to IRA2s.
  - 20 total IRA2s – 3 converted to IRA3 as Leads =17 total IRA2 FTE needed
  - The October start date is needed to onboard and train staff before the January 1, 2026 effective date.

**10.0 Customer Service Specialist 2 (CSS2)**, permanent, start date 10/01/2025. Duties include: Work includes emails and phone calls, complaint intake.

**Workload Assumptions**

- 1 CSS2 is needed for approximately every 300 expected complaints.
- 195 wage complaints + 1,996 vacation complaints + 430 bereavement complaints + 354 retaliation complaints + 9 TNC complaints = 2,894 expected additional complaints  
2,984/300 caseload = 10 CSS2 FTEs needed
- The October start date is needed to onboard and train staff before the January 1, 2026 effective date.

**1.5 Revenue Agent 2 (RA2)**, permanent, start date 01/01/2026. Duties include: Collections of civil penalties assessed by citations for violations of this act. Evaluations of assets in connection in financial applications, business records, financial statements for long term payment plans; Liaison between WPA and Employment Standards, monitor all bankruptcy suspensions.

**Workload Assumptions**

- 195 wage complaints + 1,996 vacation complaints + 430 bereavement complaints + 354 retaliation complaints + 9 TNC complaints = 2,894 expected additional complaints. 2,894

complaints would result in 418 citations 14% of complaints result in a citation.  $2,894 \times .14 = 418$

- 418 citations / 300 caseload for WPA RA2 = 1.5 Revenue Agent 2 FTEs needed
- The January start date is in alignment with the January 1, 2026 effective date.

**1.0 Administrative Regulations Analyst 4 (ARA4)**, permanent, start date 05/01/2025. Duties include: Lead implementation, rulemaking, ongoing policy development, updates, and guidance

**Workload Assumptions**

- Significant rulemaking efforts and updates to administrative policies are expected to implement the requirements, as well as ongoing policy guidance.
- The May 2025 start date is needed to lead implementation efforts and begin rulemaking and policy efforts early enough for them to go into effect before the effective date of the bill (January 1, 2026).

**1.0 Communications Consultant 5 (CC5)**, temporary, start date 06/01/2025, end date 06/01/2026. Duties include: Manage the updating, translating and publication, as needed, of all retaliation publications, all TNC driver publications and about half of the agency's paid sick leave publications. Manage the creation, translation and publication, as needed, of new publications for the vacation and bereavement leave sections of the bill, likely 3-5 new publications.

**Information Technology**

The technology solution is based on the Aithent SaaS platform for complaint/case management and will take 12 months to deliver. L&I will utilize in-kind resources for project management and business analysis work and the technology implementation will be managed by the ALiS product team. There will be minimal IT contractor support required for solution architecture and minor modifications to the existing Accounts Receivable System (ARC) to create the new receivables, integration with Front Counter (FC) and applicable existing external facing complaint form.

A total of \$333,925 is needed in the 2025-27 biennium for all information technology changes. This includes:

- Contractor costs – \$33,925 is needed for 295 contractor hours
- Software – \$300,000

**Printing, Mailing, & Translation**

\$35,000 is needed for the creation, printing and translation updates to multiple worker-rights printed posters, printed pamphlets and online publications, in multiple languages such as *Paid Sick Leave Law, Your Rights as a Worker, The Pocket Guide to Worker Rights, Workers' Rights Guide for the Arts and Entertainment Industries, and others*. L&I would also have to 3-5 new publications for the vacation and bereavement leave sections of the bill.

**Rule making**

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

**Attorney General – Legal Services**

\$43,000 in FY 2026, and \$272,000 is needed each year beginning in FY 2027 for legal services. The following assumptions were used to calculate the estimate:

- In 2024, the department received 6,503 wage complaints out of 3,600,000 workers. While the minimum wage updates do not add new requirements or affect a new population, we do expect a higher rate of non-compliance while employers adjust to the new rates. Adjusting the expected complaints by an additional rate of 3% noncompliance, we can expect 195 additional complaints related to non-compliance.
- In In 2024, the department received 1,721 paid sick leave complaints/year out of 3,600,000 total workers = 0.0004 or .04%. L&I expects an additional 1,996 additional complaints related to paid vacation leave with the addition of EAP exempted workers.
- In 2024, the department received 1,721 paid sick leave complaints/year out of 3,600,000 total workers = 0.0004 or .04% We anticipate receiving less bereavement complaints than paid sick leave or vacation complaints because there are less allowances for usage. We anticipate receiving 25% as many bereavement complaints as paid sick leave complaints.)  
1,721 paid sick leave complaints / 4 = 430 complaints expected

- In 2024, the department received 354 retaliation complaints. We anticipate the number of retaliation cases to double with the addition of vacation and bereavement leave retaliation protections. 354 additional retaliation complaints
- In 2024, TNC unit received 9 complaints related to paid sick leave, so expects 9 additional TNC complaints related to paid vacation leave and bereavement.
- 195 wage complaints + 1996 vacation complaints + 430 bereavement complaints + 354 retaliation complaints + 9 TNC complaints = 2984 expected additional complaints.
- Based on past experience providing advice to implement a new law including rulemaking, it will require a total of .1 AAG FTE beginning July 1, 2025 because the current effective date is January 1, 2026 (so rulemaking will be necessary in the fall). Additional legal work will be generated due to an increase in appeals when the law becomes effective January 1, 2026. Historically, 14% of complaints result in an appealable order and 20% appealed:  $2984 \times .20 = 596.8 \times 14\% = 84$  new appeals to OAH.
- Appeals of this complexity generally require 0.2 FTE per 10 appeals. This will require a total of 0.8 AAG FTE as well as 0.2 Paralegal FTE related to litigation on ongoing basis beginning in January 1, 2026 because of the overlap with existing paid sick leave protections we do not think there will be a significant delay between the effective date and when appeals are received. The most significant implementation will be completed by January 1, 2026, so 0.8 FTE can support both litigation and any remaining implementation work.

### **Administrative Hearings**

L&I estimates this bill will result in 84 new appeals being referred to the Office of Administrative Hearings (OAH) per fiscal year beginning in FY 2026. On average, each evidentiary hearing is expected to take approximately 15 hours of line Administrative Law Judge (ALJ) time including prehearing conferences, hearings, order writings, etc. Therefore, \$220,000 is needed in FY 2026 for 0.66 FTE ALJ, 0.10 LALJ, 0.40 LA2, and 0.17 MA5. And \$441,000 is needed each year beginning in FY 2027 for 1.32 ALJ, 0.20 SALJ; 0.20 LALJ; 0.79 LA2 and 0.33 MA5.

### **Indirect Costs**

The amount included in this fiscal note for indirect is:

Fund Name		FY 2026	FY 2027	FY 2028	FY 2029	FY 2030	FY 2031
608	Accident	174,500	221,000	221,000	221,000	221,000	221,000
609	Medical Aid	30,750	39,000	39,000	39,000	39,000	39,000
	Total:	\$205,250	\$260,000	\$260,000	\$260,000	\$260,000	\$260,000

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

**Part IV: Capital Budget Impact**

None.

**Part V: New Rule Making Required**

This legislation would result in rule changes to:

- WAC 296-128-770 through -860 (Retaliation and Enforcement)
- WAC 296-128-99010 through -99290 (Transportation Network Companies)
- WAC 296-128-600 through-765 (Paid Sick Leave)
- New rules will be needed for vacation and bereavement requirements.

# LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

**Bill Number:** 1764 HB

**Title:** Labor standards

## Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

### Legislation Impacts:

Cities: All cities. Increase in legal costs. Increase in productivity loss. Potential civil penalties for violations.

Counties: All counties. Same as above.

Special Districts: All special districts. Same as above.

Specific jurisdictions only:

Variance occurs due to:

## Part II: Estimates

No fiscal impacts.

Expenditures represent one-time costs:

Legislation provides local option:

Key variables cannot be estimated with certainty at this time: The number of complaints filed against local governments. The number of days in stop-work orders. The penalty amount to be assessed.

### Estimated revenue impacts to:

None

### Estimated expenditure impacts to:

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

## Part III: Preparation and Approval

Fiscal Note Analyst: Kristine Williams	Phone: (564) 250-5931	Date: 02/14/2025
Leg. Committee Contact:	Phone:	Date: 01/30/2025
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/14/2025
OFM Review: Courtney Kinney	Phone: 360 584 5705	Date: 02/16/2025

## **Part IV: Analysis**

### **A. SUMMARY OF BILL**

*Description of the bill with an emphasis on how it impacts local government.*

This legislation updates the minimum wage and mandates vacation, and bereavement leave for minimum wage act employees and transportation network company (TNC) drivers and provides vacation leave protections for executive, administrative, and professional (EAP) exempted workers. The legislation also provides additional enforcement authority for the Department of Labor and Industries (L&I), including stop-work orders and civil penalties that can be issued to local government employers. Employers must pay employees normal hourly compensation during any stop-work period.

Sec. 1 amends RCW 49.46.010 (Definitions) to amend the definition of “employee” which requires an employer to provide paid vacation leave consistent with provisions in section 7 of this act, including the accrual rate and employee’s right to use paid vacation leave for any individual employed in executive, administrative, professional, or outside sales positions.

Sec. 2 amends RCW 49.46.020 to require every employer to pay employees certain wage rates beginning January 1, 2026.

Sec. 3 adds a new section to chapter 49.46 RCW which allows L&I to issue a stop-work order if an employer violates RCW 49.46. The director can penalize employers \$5,000 per day for violation of a stop-work order but the statute provides rule authority to L&I for increased penalties based on size of employer. Employers may contest stop work orders within 72 hours of issuance. Superior courts in Washington have jurisdiction to issue a temporary stay of the stop-work order pending further agency action.

Sec. 4 amends RCW 49.46.180 to remove sick, vacation, and bereavement leave provisions of this chapter to construction workers covered by a collective bargaining agreement if those agreements include equivalent or better provisions.

Sec. 5 amends RCW 49.36.200 to expand the scope of paid leave for employees.

Sec. 7 is a new section added to chapter 49.46 RCW which describes the employee paid vacation leave requirements for employers. The Department of Labor and Industries shall adopt rules regarding the required notice under subsection (4) of this section, combined paid time off leave banks, and circumstances when an employer may deny an employee’s use of vacation leave.

Sec. 8 is a new section added to chapter 49.46 RCW which describes the employee paid bereavement leave requirements for employers.

Sec. 9 is a new section added to chapter 49.46 RCW which prohibits employers from adopting or enforcing certain policies that affect the use of an employee’s paid leave.

Sec. 17 is a new section added to chapter 49.46 RCW which allows the Department of Labor and Industries to adopt rules to implement this chapter.

EFFECTIVE DATE: This act takes effect on January 1, 2026.

### **B. SUMMARY OF EXPENDITURE IMPACTS**

*Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.*

This legislation would have an indeterminate expenditure impact on local governments.

Local governments will need to adjust wages and benefits for certain employees to be in compliance on January 1, 2026.

Cost data for these adjustments is not currently available. These costs are indeterminate.

According to the assumptions included in the Department of Labor (L&I) fiscal note, additional complaints will be filed with the department. This includes 195 wage complaints + 1721 vacation complaints + 430 bereavement complaints + 354 retaliation complaints for a total of 2,700 complaints that may involve local government employers. Historically, 14% of complaints are appealed. The department also estimates that 10 stop-work orders will be completed per year. The number of days a business could continue to violate a stop-work order cannot be estimated. The number of local government complaints filed each year, and the costs incurred by local governments to respond to citations or pay civil penalties, cannot be estimated. These costs are indeterminate.

Local governments will incur administrative costs to train employees on the new rule changes and costs to update policies, procedures, and notification processes to comply with these changes. These costs will vary for each county, city, and special district and cannot be estimated. These costs are indeterminate.

## **C. SUMMARY OF REVENUE IMPACTS**

*Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.*

This bill would not impact local government revenues.

### **SOURCES**

Department of Labor and Industries SB 5578 fiscal note (2025)

Senate Bill Report SB 5578 (2025)

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1764 HB	<b>Title:</b> Labor standards	<b>Agency:</b> SDF-School District Fiscal Note - SPI
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## Part I: Estimates

**No Fiscal Impact**

**Estimated Cash Receipts to:**

NONE

**Estimated Operating Expenditures from:**

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

**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:	Phone:	Date: 01/30/2025
Agency Preparation: Amy Kollar	Phone: 360 725-6420	Date: 02/11/2025
Agency Approval: Mike Woods	Phone: (360) 725-6283	Date: 02/11/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 02/11/2025

## Part II: Narrative Explanation

### II. A - Brief Description Of What The Measure Does That Has Fiscal Impact

*Significant provisions of the bill and any related workload or policy assumptions that have revenue or expenditure impact on the responding agency by section number.*

#### Sec. 2. Amended

2(1) Replaces minimum wage amounts for employees who have reached the age of 18. Wage amounts incrementally increase to \$17.50 beginning in January 1, 2026, \$19.00 on January 1, 2027, \$20.50 on January 1, 2028, \$22.00 on January 1, 2029, \$23.50 on January 1, 2030, and \$25.00 on January 1, 2031.

2(3) Adds language directing that employers must pay employees all tips and gratuities, as well as all service charges, except those itemized as not payable to the employee, regardless of whether a local government sets a higher minimum wage. Tips and service charges are additional and cannot be counted towards the employee's minimum wage.

2(5) Adds requirement that starting January 1, 2027, employers must provide paid vacation leave to employees as per section 7 of the act, except as stated in RCW 34 49.46.180.

2(6) Adds requirement that starting January 1, 2027, employers must provide paid bereavement leave to employees as per section 8 of the act, except as stated in RCW 34 49.46.180.

#### Sec. 3. New

3(1) If an employer is found in violation of this act, the department can issue a stop work order for all business operations at the affected sites.

3(5)(a) The director may assess a civil penalty of up to \$5,000 per day against an employer for each day the employer operates in violation of a stop work order.

#### Sec. 4. Amended

4(2) Language is amended to require that equivalent leave provisions in a collective bargaining agreement comply with the sick, vacation, and bereavement leave provisions of this chapter and departmental rules. Payment for leave at the normal hourly rate may occur before usage, and payment for accrued and unused leave may follow RCW 49.46.210.

#### Sec. 5. Amended

RCW 49.46.200 is amended to address individual health and sustainable work habits.

#### Sec. 7. New

7(1) Employees will accrue at least 2.3 hours of paid vacation leave for every 40 hours worked. Employers may front-load vacation leave if it meets or exceeds accrual, use, and carryover requirements.

7(2) An employee is entitled to use accrued paid vacation leave for any purpose beginning on the 90th calendar day after the commencement of their employment.

7(3) Employers can offer more generous paid vacation leave policies.

7(4) Employers can require reasonable notice for absences, provided it doesn't interfere with lawful use of paid vacation leave.

7(5) Employers cannot require employees to find a replacement worker as a condition for taking paid vacation leave.

7(6) Employees receive the greater of the minimum wage or their normal hourly rate for each hour of paid vacation leave used. Employers must regularly notify employees of their available paid vacation leave.

7(7) Accrued and unused paid vacation leave can carry over to the next year, with a maximum of 40 hours allowed for carryover, unless subsection (9) provides otherwise.

7(8) Except as noted in subsection (9), employers are not required to reimburse employees for unused paid vacation leave upon separation. If an employee is rehired within 12 months, previously accrued unused leave is reinstated, and prior employment counts towards leave eligibility. This does not apply to vacation leave paid to construction workers as per subsection (9).

7(10) The department will create rules for notice requirements under subsection (4), combined leave banks, and conditions for denying vacation leave.

Sec. 8. New

8(1) After 90 days of employment, employees are entitled to at least five days of paid bereavement leave per year if a family member dies.

8(2) Employers can offer more generous bereavement leave policies.

8(3) Employees are not obligated to take paid bereavement leave on consecutive days.

8(4) Employees on paid bereavement leave will receive the higher of the minimum hourly wage or their normal hourly wage.

8(5) Employers may require verification of a family member's death for bereavement leave. This requirement must not create an unreasonable burden or expense for the employee. If employers require bereavement leave verification, they must have a written policy or agreement, notify employees of these, and include the right to claim unreasonable burden. This information must be accessible to all employees.

Sec. 9. New

9(1) Employers cannot consider the use of paid leave, as mandated by this chapter, as an absence that could lead to disciplinary actions against the employee.

9(2) An employer cannot retaliate against an employee for exercising rights under this chapter, including using paid leave.

Sec. 18. New

The act takes effect 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.*

No cash receipts impact is anticipated for school districts.

**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.*

Indeterminate, but expected to be minimal impact to School Districts statewide.

The current statewide average salary for lower paying School District positions exceed the new minimum wages proposed by the bill. Although the average exceeds the proposed minimum wages, some districts may have some small indeterminate number of positions that could be impacted.

**Part III: Expenditure Detail**

**III. A - Operating Budget Expenditures**

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

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

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

**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

No capital budget impact is anticipated for school districts.

## **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> 1764 HB	<b>Title:</b> Labor standards	<b>Agency:</b> SWF-SWF Statewide Fiscal Note - OFM
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## Part I: Estimates

**No Fiscal Impact**

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
<b>Account</b>					
All Other Funds-State 000-1	471,416	1,070,409	1,541,825	4,082,042	0
General Fund-State 001-1	169,521	279,866	449,387	1,022,774	0
<b>Total \$</b>	<b>640,937</b>	<b>1,350,275</b>	<b>1,991,212</b>	<b>5,104,816</b>	<b>0</b>

### 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:	Phone:	Date: 01/30/2025
Agency Preparation: Kathy Cody	Phone: 360-480-7237	Date: 03/04/2025
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 03/04/2025
OFM Review: Marcus Ehrlander	Phone: (360) 489-4327	Date: 03/06/2025

## 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 proposed bill updates the minimum wage and labor standards requirements by adding family member definitions, establishing minimum wage requirements from January 1, 2026, to January 1, 2032, adding minimum vacation leave and bereavement leave to the statute, increasing vacation leave accruals, and increasing the number of paid bereavement leave days.

### II. B - Cash receipts Impact

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

### II. C - Expenditures

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

The impacts are based on full costs from CIM projections.

The following assumptions were used to identify these costs.

1. Student positions are not included within any fiscal impacts for both general government and higher education positions.
2. Percent of backfill positions for higher education positions based on general government backfill percentage (16%).
3. Vacation Leave: Impacts for higher education positions are based on general government leave schedule. May not match actual higher education leave schedules.
4. Vacation Leave: Impacts based on 40 regularly scheduled hours worked by employees. Potentially higher accrual rates resulting from additional hours worked (overtime, extra duty hours, etc.) are not considered.
5. Bereavement Leave: Impacts for higher education positions assume all positions currently receive 3 days. Results of 2025-27 bargaining are unknown. Utilization of additional days based on assumption used within October submittal projections.
6. Bereavement Leave: Impacts for general government positions are those excluded from the 2025-27 Governor's proposed budget. Utilization of additional days based on assumption used within October submittal projections.
7. Minimum Wage: Impacts for increase in minimum wage hourly include positions not assigned to a salary schedule. Positions assigned to a salary schedule would have step increased within assigned range consistent with policy and CBA language.
8. Minimum Wage: Impacts include all higher education positions. Individual starting wage hourly rates are unknown.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
000-1	All Other Funds	State	471,416	1,070,409	1,541,825	4,082,042	0
001-1	General Fund	State	169,521	279,866	449,387	1,022,774	0
<b>Total \$</b>			640,937	1,350,275	1,991,212	5,104,816	0

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

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years					
A-Salaries and Wages	640,937	1,350,275	1,991,212	5,104,816	
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services					
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-					
<b>Total \$</b>	640,937	1,350,275	1,991,212	5,104,816	0

**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.*



# Multiple Agency Ten-Year Analysis Summary

<b>Bill Number</b> 1764 HB	<b>Title</b> Labor standards
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This ten-year analysis is limited to the estimated cash receipts associated with the proposed tax or fee increases.

## Estimated Cash Receipts

Administrative Office of the Courts	0	0	0	0	0	0	0	0	0	0	0	0
Office of Attorney General	0	0	0	0	0	0	0	0	0	0	0	0
Office of Financial Management	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
Department of Labor and Industries Indeterminate Impact	0	0	0	0	0	0	0	0	0	0	0	0
SWF Statewide Fiscal Note - OFM	0	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



# Ten-Year Analysis

<b>Bill Number</b> 1764 HB	<b>Title</b> Labor standards	<b>Agency</b> 055 Administrative Office of the Courts
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

## Estimates

**No Cash Receipts**
                         
  **Partially Indeterminate Cash Receipts**
                         
  **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code												

Agency Preparation: Chris Conn	Phone: 360-704-5512	Date: 2/11/2025 12:51:49 pm
Agency Approval: Chris Stanley	Phone: 360-357-2406	Date: 2/11/2025 12:51:49 pm
OFM Review: Courtney Kinney	Phone: 360 584 5705	Date: 2/16/2025 10:56:35 pm



# Ten-Year Analysis

<b>Bill Number</b> 1764 HB	<b>Title</b> Labor standards	<b>Agency</b> 100 Office of Attorney General
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

## Estimates

**No Cash Receipts**
                         
  **Partially Indeterminate Cash Receipts**
                         
  **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											

Agency Preparation: Dave Merchant	Phone: 360-753-1620	Date: 2/7/2025 4:56:56 pm
Agency Approval: Leah Snow	Phone: 360-586-2104	Date: 2/7/2025 4:56:56 pm
OFM Review: Courtney Kinney	Phone: 360 584 5705	Date: 2/16/2025 10:56:35 pm



# Ten-Year Analysis

<b>Bill Number</b> 1764 HB	<b>Title</b> Labor standards	<b>Agency</b> 105 Office of Financial Management
-------------------------------	---------------------------------	---

This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

## Estimates

**No Cash Receipts**
                         
  **Partially Indeterminate Cash Receipts**
                         
  **Indeterminate Cash Receipts**

<b>Name of Tax or Fee</b>	<b>Acct Code</b>												
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Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 2/14/2025 2:13:12 pm
Agency Approval: Jamie Langford	Phone: 360-902-0422	Date: 2/14/2025 2:13:12 pm
OFM Review: Courtney Kinney	Phone: 360 584 5705	Date: 2/16/2025 10:56:35 pm



# Ten-Year Analysis

<b>Bill Number</b> 1764 HB	<b>Title</b> Labor standards	<b>Agency</b> 110 Office of Administrative Hearings
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

## Estimates

**No Cash Receipts**                       **Partially Indeterminate Cash Receipts**                       **Indeterminate Cash Receipts**

<b>Name of Tax or Fee</b>	<b>Acct Code</b>												
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Agency Preparation: Pete Boeckel	Phone: 360-407-2730	Date: 2/10/2025 10:06:17 an
Agency Approval: Rob Cotton	Phone: 360-407-2708	Date: 2/10/2025 10:06:17 an
OFM Review: Courtney Kinney	Phone: 360 584 5705	Date: 2/16/2025 10:56:35 pr



# Ten-Year Analysis

<b>Bill Number</b> 1764 HB	<b>Title</b> Labor standards	<b>Agency</b> 235 Department of Labor and Industries
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

## Estimates

**No Cash Receipts**
                         
  **Partially Indeterminate Cash Receipts**
                         
  **Indeterminate Cash Receipts**

## Estimated Cash Receipts

Name of Tax or Fee	Acct Code											
<b>Total</b>												

### Biennial Totals

## Narrative Explanation (Required for Indeterminate Cash Receipts)

Cash receipts are indeterminate as it is not known the level of citations that will be assessed. In addition, cash receipts from stop-work order violations is indeterminate due to inability to determine how many days a business could continue to violate a stop-work order.

Agency Preparation: Crystal Van Boven	Phone: 000-000-0000	Date: 2/6/2025 1:09:59 pm
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 2/6/2025 1:09:59 pm
OFM Review: Courtney Kinney	Phone: 360 584 5705	Date: 2/16/2025 10:56:35 pm



# Ten-Year Analysis

<b>Bill Number</b> 1764 HB	<b>Title</b> Labor standards	<b>Agency</b> SDF School District Fiscal Note - SPI
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

## Estimates

**No Cash Receipts**
                         
  **Partially Indeterminate Cash Receipts**
                         
  **Indeterminate Cash Receipts**

Name of Tax or Fee	Acct Code											

Agency Preparation: Amy Kollar	Phone: 360 725-6420	Date: 2/11/2025 10:17:09 an
Agency Approval: Mike Woods	Phone: (360) 725-6283	Date: 2/11/2025 10:17:09 an
OFM Review: Courtney Kinney	Phone: 360 584 5705	Date: 2/16/2025 10:56:35 pr



# Ten-Year Analysis

<b>Bill Number</b> 1764 HB	<b>Title</b> Labor standards	<b>Agency</b> SWF SWF Statewide Fiscal Note - OFM
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This ten-year analysis is limited to agency estimated cash receipts associated with the proposed tax or fee increases. The Office of Financial Management ten-year projection can be found at <http://www.ofm.wa.gov/tax/default.asp>.

## Estimates

**No Cash Receipts**
                         
  **Partially Indeterminate Cash Receipts**
                         
  **Indeterminate Cash Receipts**

<b>Name of Tax or Fee</b>	<b>Acct Code</b>												
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Agency Preparation: Kathy Cody	Phone: 360-480-7237	Date: 3/4/2025 10:58:04 am
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 3/4/2025 10:58:04 am
OFM Review: Courtney Kinney	Phone: 360 584 5705	Date: 2/16/2025 10:56:35 pm