

Individual State Agency Fiscal Note

Bill Number: 1233 HB	Title: Work programs/incarceration	Agency: 310-Department of Corrections
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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:

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.

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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.

An act relating to work programs for incarcerated persons; amending RCW 72.09.015, 72.09.100, 72.09.130, and 72.09.460; adding a new section to chapter 72.09 RCW; and creating a new section.

Section 1, a new section, states this act may be known and cited as the ending forced labor act.

Section 3(2)(b)(ii)(f) states incarcerated persons working in the class II program of correctional industries shall do so at their own choice and shall be paid for their work of a similar nature in the locality in which the industry is located and which is approved by the director of Correctional Industries (CI), provided that the payment is no less than \$1.00 per hour.

Section 3(3)(e) states that incarcerated persons who work in class III work training programs shall do so at their own choice and shall be paid for their work in accordance with a gratuity scale approved by the secretary of DOC, provided that the payment is no less than \$1.00 per hour and the monthly maximum limit on such payment is no less than \$200.

Section 4(1) states the system shall include increases or decreases in the degree of liberty granted the incarcerated persons within the programs operated by DOC, access to or withholding of privileges available within DOC, and recommended increases or decreases in the number of earned early release days that an incarcerated person can earn for good conduct and good performance, except that an incarcerated person's earned early release and other privileges may not be reduced based on the person's choice to not participate in work programs.

Section 4(2) states that an incarcerated person's earned early release days may not be reduced based on the person's choice to not participate in work programs.

Section 5(2) states an incarcerated person's choice to not participate in a work program may not result in loss of privileges pursuant to section 6 of this act.

Section 6, new section, states incarcerated persons are not required to work or otherwise participate in work programs under RCW 72.09.100, except when ordered by a court for community restitution.

Effective date is assumed 90 days after adjournment of the session in which this bill is passed.

II. B - Cash receipts Impact

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

The DOC CI assumes an indeterminate impact relating to revenue. For illustrative purposes, this proposed pay increase to class II probationary positions in the amount of \$0.20 may cause CI to raise the wages of every level by \$0.20 to make hourly wages distributed equally amongst all levels within CI class II. If this assumption is correct, this will cause a cost of production increase in the following areas including food, furniture, and lenses factories. This cost of production increase, in result, will be passed on to the consumer, which consists mostly of other state agencies. In consequence, CI consumers, including any state agencies, which includes DOC, will be financially impacted by this implementation.

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 fiscal impact of this bill is indeterminate, assumed to be greater than \$50,000 per Fiscal Year (FY).

DOC INDETERMINATE COSTS

Section 3 of this bill proposes to set minimum wages per hour for CI work classes II and III. If enacted, class II and class III will have a minimum hourly rate of \$1. Currently, all class II and III incarcerated workers are paid a minimum rate of \$1 per hour. Probationary class II incarcerated workers are paid an hourly rate of \$0.80 per hour. If this bill is enacted the impact to this proposed legislative change would increase the probationary class II pay rate by 25% to \$1 per hour.

For illustrative purposes, in FY 2024, based on four months of data provided from September to December, expanded out to 12 months, 266,313.39 hours. 81% of these hours were at the regular \$0.80 per hour rate and 19% of the hours were at an overtime rate of \$1.20 per hour.

FY 2024 Calculations

It's assumed to calculate the total annual cost of 266,313.39 hours, $266,313.39 \times 81\% = 215,714$ hours $\times \$0.80 = \$172,571$. To calculate the overtime hours, it's assumed $266,313.39 \times 19\% = 50,600 \times \$1.20 = \$60,720$. The assumed total cost for FY 2024 at the current regular hourly rate of \$0.80 is $\$60,720 + \$172,571 = \$233,291$.

FY 2026 Calculations

Assuming the hours remained the same for FY 2026, the total amount of hours for the year would be 266,313.39. 81% at the new hourly rate of \$1 and 19% at the new overtime rate of \$1.50. $266,313.39 \times 81\% = 215,714$ hours $\times \$1.00 = \$215,714$. Assumed overtime cost at the new rate is $266,313.39 \times 19\% = 50,600 \times \$1.50 = \$75,900$. Added together gives you an estimated assumed total for FY 2026 of \$291,614.

The difference from FY 2024 total \$233,291 less FY 2026 \$291,614 equals \$58,323. This would be the realized estimated cost to CI based on the rate increase proposed in this bill.

In addition, for illustrative purposes, this proposed pay increase to class II probationary positions in the amount of \$0.20 may cause CI to raise the wages of every level by \$0.20 to make hourly wages distributed equally amongst all levels within CI class II. If this assumption is correct, this will cause a cost of production increase in the following areas including food, furniture, and lenses factories. This cost of production increase, in result, will be passed on to the consumer, which consists mostly of other state agencies. In consequence, CI consumers, including any state agencies, which includes DOC, will be financially impacted by this implementation.

This bill reopens 72.09 and changes the language from "offender" to "incarcerated person throughout.

In addition, the new section makes all incarcerated work "voluntary." Work programs are voluntary, and incarcerated persons may choose to participate or refuse to participate in such programs. Notwithstanding any other provision of law, (DOC) may not issue infractions or take any other punitive, disciplinary, retaliatory actions against an incarcerated person, or have a loss of privileges, in response to the person's choice to not participate in work programs. Incarcerated persons participating in class I, II, III, or IV programs must be paid a wage or gratuity for their work as provided under RCW 72.09.100

This bill also allows incarcerated persons to refuse work programs and could impact overall DOC operations if individuals refuse to work in certain areas including the kitchen, maintenance, or janitorial type jobs. The DOC operations are not budgeted to be self-sufficient. If this concern was to become recognized, DOC would need to hire full time employees (FTEs) to fulfill these roles for a consistent work force to ensure meal productions, cleanliness, and maintenance repairs are completed timely.

For illustration purposes only, since we cannot anticipate future impacts to incarcerated persons' workforce correlating to this proposed bill, below are the individual costs if 25% of the critical workforce identified were to stop working and DOC had to hire FTEs to ensure this work was completed. The information below is an example for one facility for staffing and associated costs totaling 19.5 FTEs and \$2,105,000 for FY26 and 19.5 FTEs and \$1,968,000 for FY27 and 19.5 FTEs and \$2,013,000 in FY28 and on-going; however, DOC would anticipate this would impact all 8 major prison facilities and the 3

camps, as well.

Each major facility currently requires 1 porter per living unit. On average, each major prison has 8 living units. The assumption is that each living unit requires 1.4 FTE to cover 7 days a week. $8 \times 25\% = 2 \times 1.4 = 2.8$ FTEs

FY 2026: 2.8 Custodian 2s = \$215,494

FY 2027: 2.8 Custodian 2s = \$221,832

FY 2028: 2.8 Custodian 2s = \$228,675

FY 2029: 2.8 Custodian 2s = \$228,675

FY 2030: 2.8 Custodian 2s = \$228,675

FY 2031: 2.8 Custodian 2s = \$228,675

Each major facility requires 40 food service workers each day. The following is an assumption reflecting 25% of the necessary 40 workers.

FY 2026: 10 Cook 1s = \$714,852

FY 2027: 10 Cook 1s = \$736,945

FY 2028: 10 Cook 1s = \$759,039

FY 2029: 10 Cook 1s = \$759,039

FY 2030: 10 Cook 1s = \$759,039

FY 2031: 10 Cook 1s = \$759,039

Each major facility requires 20 Maintenance workers. The following is an assumption reflecting 25% of the necessary 20 workers.

FY 2026: 5 Maintenance Mechanic 1s = \$493,001

FY 2027: 5 Maintenance Mechanic 1s = \$525,609

FY 2028: 5 Maintenance Mechanic 1s = \$541,914

FY 2029: 5 Maintenance Mechanic 1s = \$541,914

FY 2030: 5 Maintenance Mechanic 1s = \$541,914

FY 2031: 5 Maintenance Mechanic 1s = \$541,914

If the above staffing assumptions for the single facility are realized, an additional \$459,000 will be needed for one-time and ongoing costs in FY 2026, to include office furniture, equipment, and supplies. Another \$255,000 will be required in FY 2027, and thereafter, for ongoing costs related to office supplies, staff travel, and training, etc.

If the above staffing assumptions for the single facility are realized, the indirect costs of agency administration would include 1.7 FTEs and \$172,000 in FY 2026, 1.7 FTEs and \$179,000 in FY 2027, and ongoing, for the purpose of supporting Payroll, Human Resources, Information Technology supplies, and other expenses associated with the hiring and employment of staff to implement this legislation. The approved agency indirect rate and associated cost of administration are calculated based on the salaries and benefits of staff conducting back office administrative functions, divided by all remaining salaries and benefits.

In addition, if the above staffing assumptions for the single facility are realized, \$50,000 will be needed for interagency costs in FY 2026 and on-going, to include information technology (IT) equipment and services.

This bill would have impact to DOC Policies 700.000 related to DOC Work Programs, 710.400 related to CI Work Programs, and 700.100 related to Class III work programs.

The DOC will evaluate the fiscal impacts and may submit future budget requests to cover these costs should the legislation be enacted into session law.

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

Part V: New Rule Making Required

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