

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5023 SB	<b>Title:</b> Domestic workers
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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	821,000	0	0	1,508,000	0	0	1,508,000
Office of Attorney General	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.								
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>821,000</b>	<b>0</b>	<b>0</b>	<b>1,508,000</b>	<b>0</b>	<b>0</b>	<b>1,508,000</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
Office of Attorney General	2.6	0	0	821,000	4.6	0	0	1,508,000	4.6	0	0	1,508,000
Office of Attorney General	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Human Rights Commission	1.0	885,408	885,408	885,408	2.0	1,748,476	1,748,476	1,748,476	2.0	1,748,476	1,748,476	1,748,476
Department of Labor and Industries	2.7	0	0	1,236,000	3.3	0	0	966,000	3.3	0	0	966,000
Department of Labor and Industries	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
<b>Total \$</b>	<b>6.3</b>	<b>885,408</b>	<b>885,408</b>	<b>2,942,408</b>	<b>9.9</b>	<b>1,748,476</b>	<b>1,748,476</b>	<b>4,222,476</b>	<b>9.9</b>	<b>1,748,476</b>	<b>1,748,476</b>	<b>4,222,476</b>

## Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Human Rights Commission	.0	0	0	.0	0	0	.0	0	0
Department of Labor and Industries	.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>

# Estimated Capital Budget Breakout

NONE

<b>Prepared by:</b> Courtney Kinney, OFM	<b>Phone:</b> 360 584 5705	<b>Date Published:</b> Revised 3/16/2025
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5023 SB	<b>Title:</b> Domestic workers	<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	67,000	754,000	821,000	1,508,000	1,508,000
<b>Total \$</b>	67,000	754,000	821,000	1,508,000	1,508,000

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	0.5	4.6	2.6	4.6	4.6
<b>Account</b>					
Legal Services Revolving Account-State 405-1	67,000	754,000	821,000	1,508,000	1,508,000
<b>Total \$</b>	67,000	754,000	821,000	1,508,000	1,508,000

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:

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

Legislative Contact: Susan Jones	Phone: 360-786-7404	Date: 01/09/2025
Agency Preparation: Amy Flanigan	Phone: 509-456-3123	Date: 02/06/2025
Agency Approval: Leah Snow	Phone: 360-586-2104	Date: 02/06/2025
OFM Review: Rayanna Evans	Phone: (360) 902-0553	Date: 02/07/2025

## Part II: Narrative Explanation

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

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

Section 1 – New Section. Findings.

Section 2 – New Section Definitions.

Section 3 – New Section. Requirements for a hiring entity who employs a domestic worker, including pay, overtime, meal periods, and breaks. Some exceptions are provided for. Requires written agreement for employment terms and expectations. Notification requirements and record retention requirements are also provided.

Section 4 – New Section. Prohibits a hiring entity who employs a domestic work from doing certain things, including engaging in any form of harassment.

Section 5 – New Section. Concurrent liability and fines for hiring entities that overlap. Also provides a limitation for state agencies

Section 6 – New Section. Sets out rules for domestic worker to file a complaint and the process for investigating that complaint and allows for citation assessing civil penalties and sets amounts for penalties. Also prescribes what civil penalties will be used for.

Section 7 – New Section. Appeal rights for citations. Chapter 34.05 RCW applies to appeals of citation.

Section 8 – New Section. Collections of unpaid citation under Sections 10 and 11 of this Act follow procedures in RCW 49.48.086.

Section 9 – New Section. Makes it unlawful for hiring entity to interfere with or deny the exercise of any right in this chapter. Hiring entity also prohibited from taking adverse action against domestic worker exercising these rights.

Section 10 – New Section. Complaint process for domestic workers who believe they were retaliated against by hiring entity, including department ability to investigate. Also sets out authority for the Department of Labor and Industries (L&I) if investigation finds retaliation occurred.

Section 11 – New Section. Civil penalties can be assessed for retaliation and sets out amounts. Civil penalties to be deposited to a fund dedicated to enforcing this chapter. Collections for unpaid citations follow procedure in RCW 49.48.086.

Section 12 – New Section. Reconsideration and appeal process. Chapter 34.05 RCW governs appeal process.

Section 13 – New Section. Provides for rulemaking.

Section 14 – New Section. This law is in addition to and supplements any other federal, state, or local laws.

Section 15 – New Section. The Attorney General's Office (AGO) shall develop and make available a model disclosure statement describing hiring entities obligations in at least eight of the most commonly spoken languages in Washington State (WA).

Section 16 – New Section. AGO shall develop and make available a model written agreement describing hiring entities obligations in at least eight of the most commonly spoken languages in WA.

Section 17 – New Section. Domestic worker who was injured by a violation of this act may bring civil action.

Section 18 – New Section. Sets out several actions L&I can take.

Section 19 – Amends RCW 49.46.010 adds references to this Act.

Section 20 – Amends RCW 49.60.040, adds definition for casual labor, domestic service, hiring entity, and amends definitions to employ

Section 21 – New Section added to chapter 49.60 RCW. When a person is employed in a domestic service who alleges discrimination they are entitled to the procedural and substantive rights of this chapter with a few enumerated exceptions.

Section 22 – Amends RCW 51.12.020 removes references to domestic servant.

Section 23 – New Section. Sections 1 through 18 are a new chapter in Title 49 RCW.

Section 24 – New Section. Sections 1 through 20 of this Act effective on July 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.*

Indeterminate

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 agencies are the Human Rights Commission (HUM) and the Department of Labor and Industries (L&I). The Attorney General's Office (AGO) will bill all clients for legal services rendered.

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

### **AGO AGENCY ASSUMPTIONS:**

HUM will be billed for King County rates:

FY 2027 and in each FY thereafter: \$ 618,000 for 2.0 Assistant Attorney General FTE (AAG) and 1.0 Paralegal 1 FTE (PL1), which includes direct litigation costs of \$5,650

For known costs, L&I will be billed for King County rates:

FY 2026: \$67,000 for 0.2 AAG, 0.1 Paralegal 2 (PL2), and 0.1 PL1

FY 2027 and in each FY thereafter: \$136,000 for 0.4 AAG, 0.1 PL2, and 0.1 PL1

In addition to the cash receipts identified above for L&I, the AGO's cash receipts for L&I also includes indeterminate. L&I will also be billed for costs that are unknown at this moment, which is being marked as indeterminate. For more information, please see the expenditure section below at (2) Assumptions for the AGO Labor and Industries Division's (LNI) Legal Services for L&I.

## **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 expenditure impact.

#### Attorney General's Office (AGO) Agency Assumptions:

Legal services associated with the enactment of this bill will begin on July 1, 2026 (FY 2027).

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 Civil Rights Division (CRD) Legal Services for the Human Rights Commission (HUM):

The AGO will bill HUM for legal services based on the enactment of this bill. This bill will create a new protected class under the Washington Law Against Discrimination, which HUM is assigned mandatory enforcement. The AGO assumes HUM will refer at least one matter for litigation by CRD per year. Consistent with HUM's assessment of the bill, litigation will be complex given the informal employment arrangements, live-in situations, and private household settings of domestic working relationships. Litigating one matter per year will require a team of 2.0 AAGs and 1.0 PL1. These time and staff estimates are based on CRD's experience in litigating employment discrimination enforcement matters on behalf of HUM. Litigation costs of \$5,650 per year are related to process service, witness fees, court reporter fees, deposition transcripts, and shipping/delivery costs. These estimates are based off litigation costs in *State v. Hughes Group*, an employment discrimination lawsuit litigated by CRD on behalf of HUM.

CRD: Total King County workload impact:

FY 2027 and in each FY thereafter: \$ 618,000 for 2.0 AAG and 1.0 PL1, which includes direct litigation costs of \$5,650

#### 2. Assumptions for the AGO Labor and Industries Division's (LNI) Legal Services for the Department of Labor and Industries (L&I):

The AGO will bill L&I for legal services based on the enactment of this bill. This bill will impact three separate programs within L&I: Workers Compensation, Firm Appeals, and Employment Standards (wage and hour laws). The Division of Occupational Safety and Health (DOSH) is referenced in the Office of Financial Management (OFM) assumptions but DOSH reports there will not be AGO impact from this bill.

For Employment Standards: Historically advice to implement a new law including rulemaking will require a total of 0.1 AAG beginning July 1, 2025. Additional legal work will be generated due to an increase in appeals when the law becomes effective July 1, 2026. Historically, 14 percent of complaints result in an appealable order. 700 new complaints per year are expected. 14 percent of 700 is 98 complaints per year expected to result in an appealable order (citations). There could be complexity to the appealable orders. Historically 20 percent of the appealable orders are appealed. Based on this historical average, the AGO will receive 20 additional appeals per year going to the Office of Administrative Hearings (OAH) (and litigated by the AGO). Appeals of this complexity generally require 0.2 AAG per 10 appeals. This will require a total of 0.4 AAG FTE and 0.1 Paralegal 2 FTE (PL2) related to litigation on ongoing basis. The timing of some of the legal advice work and litigation of new appeals will overlap. The 0.1 AAG for client advice will overlap with the onset of the litigation needs of 0.4 AAG. LNI will require 0.4 AAG for ongoing client advice and litigation and 0.1 PL2 for litigation support beginning January 1, 2026.

For Workers Compensation: Historically it usually takes about six months for appeals to reach our office after a new law

takes effect. LNI would expect any impact to start January 1, 2026. It is unclear how large the group of impacted workers would be. A high-end projection from L&I would result in over 10,000 new claims for L&I per year which would result in over 1,000 new cases for LNI. This would result in the need for multiple FTEs of new work for AAG and PL2 staff. The low end of projections from L&I is a small fraction of that work. With such a wide range of possibilities LNI will be submitting an indeterminate amount for this portion of the work.

For Firm Appeals: There is a similar challenge to the issue with Workers Compensation. The high-end projection is that there would be hundreds of thousands of potential new employers, which would generate around 750 new cases for our office. This would result in new work for AAG and PL2 staff. The low end of projections is a small fraction of that work. With such a wide range of possibilities LNI will be submitting an indeterminate amount for this portion of the work.

LNI: Total King County workload impact:  
 FY 2026: \$67,000 for 0.2 AAG and 0.1 PL2  
 FY 2027 and in each FY thereafter: \$136,000 for 0.4 AAG and 0.1 PL2

Total King County workload impact:  
 FY 2026: \$67,000 for 0.2 AAG, 0.1 PL2 and 0.1 PL1  
 FY 2027 and in each FY thereafter: \$754,000 for 2.4 AAG, 0.1 PL2 and 1.2 PL1, which includes direct litigation costs of \$5,650

### 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	67,000	754,000	821,000	1,508,000	1,508,000
<b>Total \$</b>			67,000	754,000	821,000	1,508,000	1,508,000

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	0.5	4.6	2.6	4.6	4.6
A-Salaries and Wages	46,000	515,000	561,000	1,030,000	1,030,000
B-Employee Benefits	14,000	153,000	167,000	306,000	306,000
C-Professional Service Contracts					
E-Goods and Other Services	7,000	81,000	88,000	162,000	162,000
G-Travel		5,000	5,000	10,000	10,000
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>	67,000	754,000	821,000	1,508,000	1,508,000

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
Assistant Attorney General-King County	139,558	0.2	2.4	1.3	2.4	2.4
Management Analyst 5	98,040	0.1	0.9	0.5	0.9	0.9
Paralegal 1-King County	74,700	0.1	1.2	0.7	1.2	1.2
Paralegal 2-King County	82,392	0.1	0.1	0.1	0.1	0.1
<b>Total FTEs</b>		0.5	4.6	2.6	4.6	4.6

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

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Civil Rights Division (CRD)		618,000	618,000	1,236,000	1,236,000
Labor & Industries Division (LNI)	67,000	136,000	203,000	272,000	272,000
<b>Total \$</b>	67,000	754,000	821,000	1,508,000	1,508,000

**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> 5023 SB	<b>Title:</b> Domestic workers	<b>Agency:</b> 120-Human Rights Commission
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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
FTE Staff Years	0.0	2.0	1.0	2.0	2.0
<b>Account</b>					
General Fund-State 001-1	0	885,408	885,408	1,748,476	1,748,476
<b>Total \$</b>	0	885,408	885,408	1,748,476	1,748,476

### Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Susan Jones	Phone: 360-786-7404	Date: 01/09/2025
Agency Preparation: Diann Lewallen	Phone: 360-407-8121	Date: 03/04/2025
Agency Approval: Barbara Harris	Phone: (360) 359-4950	Date: 03/04/2025
OFM Review: Megan Tudor	Phone: (360) 890-1722	Date: 03/14/2025

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.

SB 5023 directly expands Washington State Human Rights Commission's (WSHRC) responsibilities, leading to an increased need for resources and staffing. The bill introduces new protections for domestic workers under Washington's anti-discrimination laws (RCW 49.60), which the WSHRC is tasked with enforcing. The following provisions create additional workload requiring more staff:

1. Inclusion of Domestic Workers as a Protected Class

The bill explicitly protects domestic workers from discrimination and harassment, requiring WSHRC to: Investigate a likely increase in complaints related to discrimination, harassment, and retaliation from a previously underserved group. Provide remedies and enforcement for violations, increasing the complexity and volume of investigations.

2. Outreach and Education

The bill mandates public outreach to ensure domestic workers and their employers understand their rights and obligations: WSHRC will need to conduct educational sessions, workshops, and awareness campaigns, focusing on this newly covered workforce and their unique challenges. Developing culturally and linguistically appropriate materials for a diverse population of domestic workers.

3. Coordination with Other Agencies

As part of the enforcement and implementation process, WSHRC will need to collaborate with the Department of Labor and Industries (L&I) and other organizations: This coordination will require additional staff time to align policies, investigate overlapping claims, and ensure efficient service delivery.

4. Monitoring and Reporting

The bill includes provisions for annual reporting to the legislature on the law's implementation, requiring WSHRC to: Collect and analyze data on complaints, resolutions, and enforcement outcomes. Provide detailed feedback on the impact and any needed adjustments to the law.

5. Complexity of Cases

Domestic work often involves informal employment arrangements, live-in situations, and private household settings, which Increases the complexity of investigations, as evidence-gathering and legal analysis in these contexts can be more time-intensive. Requires specialized training for investigators to handle the nuances of cases related to domestic workers.

Why Additional Staffing is Necessary

To meet these expanded responsibilities, WSHRC will need additional Investigator 3 positions to handle: A projected increase in complaints from newly protected domestic workers. The need to provide proactive education and outreach to prevent violations and ensure compliance. Complex investigations involving private employers and culturally sensitive scenarios. Without these additional resources, WSHRC may face delays in investigations, reduced effectiveness in enforcement, and challenges meeting the legislative mandate of SB 5023.

WSHRC would be vulnerable to losing federal funding if WSHRC does not have ability to meet case investigation timelines and case closure standards set by WSHRC federal partners.

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.

WSHRC estimates it will need two Investigator 3 positions to manage the anticipated increase in workload associated with this bill. An Investigator 3 (range 60, step L) makes \$88,800 per year, plus related benefits estimated at \$29,343 per year based on current benefits rates. The agency needs 2 Investigator 3's beginning in FY27, so the salary would be \$177,600 per FY with related benefits totaling \$58,686 per year, ongoing beginning in FY27.

Goods and services for the total 2.0 Investigator 3 FTE are estimated at \$12,479 per year in FY27, ongoing. Goods and services include communications, payroll processing, training, and other staff costs. Estimates include some travel at the low cost per diem rates totaling \$4,972 per year. Also included is one time equipment costs for furniture and computers totaling \$11,170 in FY27.

The agency also assumes a need for education and outreach materials estimated at \$2,500 per year, ongoing.

Attorney General's office legal services are estimated as follows:  
FY 2027 and in each FY thereafter: \$618,000 for 2.0 AAG, 1.0 PL1 at the King County rate, which includes direct litigation costs of \$5,650.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
001-1	General Fund	State	0	885,408	885,408	1,748,476	1,748,476
Total \$			0	885,408	885,408	1,748,476	1,748,476

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years		2.0	1.0	2.0	2.0
A-Salaries and Wages		177,600	177,600	355,200	355,200
B-Employee Benefits		58,686	58,686	117,372	117,372
C-Professional Service Contracts					
E-Goods and Other Services		632,980	632,980	1,265,960	1,265,960
G-Travel		4,972	4,972	9,944	9,944
J-Capital Outlays		11,170	11,170		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	885,408	885,408	1,748,476	1,748,476

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
Investigator 3	88,800		2.0	1.0	2.0	2.0
Total FTEs			2.0	1.0	2.0	2.0

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

NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

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

NONE

**IV. C - Capital Budget Breakout**

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

NONE

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

NONE

**Part V: New Rule Making Required**

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

This bill gives domestic workers rights to freedom from discrimination and sexual harassment under RCW 49.60 by adding a section to the WSHRC statute.

The bill expands the definition of covered employees under RCW 49.60 and could create jurisdictional complaints for tens of thousands of domestic workers in Washington.

The bill also provides basic labor protections to domestic workers by amending RCW 49.46.010, 49.60.040, 51.12.020 to include health, safety, wage protections, general welfare, meal and rest breaks, clarity on what constitutes working time, sick time to care for themselves and their families, which fall under the jurisdiction of Labor and Industries (LNI) and Industrial Insurance.

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5023 SB	<b>Title:</b> Domestic workers	<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.
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### Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.9	3.6	2.7	3.3	3.3
<b>Account</b>					
Accident Account-State 608-1	581,000	465,000	1,046,000	814,000	814,000
Medical Aid Account-State 609-1	104,000	86,000	190,000	152,000	152,000
<b>Total \$</b>	685,000	551,000	1,236,000	966,000	966,000

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:

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

Legislative Contact: Susan Jones	Phone: 360-786-7404	Date: 01/09/2025
Agency Preparation: Donald Jenson Jr	Phone: 360-902-6981	Date: 02/08/2025
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 02/08/2025
OFM Review: Courtney Kinney	Phone: 360 584 5705	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.

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	581,000	465,000	1,046,000	814,000	814,000
609-1	Medical Aid Account	State	104,000	86,000	190,000	152,000	152,000
Total \$			685,000	551,000	1,236,000	966,000	966,000

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	1.9	3.6	2.7	3.3	3.3
A-Salaries and Wages	146,000	244,000	390,000	426,000	426,000
B-Employee Benefits	54,000	98,000	152,000	172,000	172,000
C-Professional Service Contracts	42,000		42,000		
E-Goods and Other Services	400,000	202,000	602,000	354,000	354,000
G-Travel	3,000	7,000	10,000	14,000	14,000
J-Capital Outlays	40,000		40,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	685,000	551,000	1,236,000	966,000	966,000

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
Administrative Regulations Analyst 4	91,068	1.0	0.3	0.7		
Customer Service Specialist 2	50,328	0.3	1.0	0.6	1.0	1.0
Fiscal Analyst 5	76,608	0.1	0.2	0.2	0.2	0.2
Industrial Relations Agent 2	71,148	0.5	2.0	1.3	2.0	2.0
Revenue Agent 2	69,396		0.1	0.1	0.1	0.1
<b>Total FTEs</b>		1.9	3.6	2.7	3.3	3.3

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

NONE

**Part IV: Capital Budget Impact**

**IV. A - Capital Budget Expenditures**

NONE

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

NONE

**IV. C - Capital Budget Breakout**

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

NONE

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

NONE

**Part V: New Rule Making Required**

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

See attached.

## **Part II: Explanation**

This bill relates to providing labor market protections for domestic workers, amending RCWs 49.46.010, 49.60.040, and 51.12.020, adding a new section to RCW 49.60, and adding a new chapter to RCW 49.

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

**Section 2** adds a new section to RCW 49, providing definitions that apply throughout this section. Included in the definitions are:

- “Department” means the Department of Labor and Industries (L&I).
- “Director” means the director of L&I.
- Also included are definitions for casual labor, domestic services, domestic worker, employer and hiring entity.

**Sections 3 and 4** add new sections to RCW 49, establishing the requirements that a hiring entity must follow when employing a domestic worker.

**Section 6** states that if a domestic worker files a complaint alleging a violation of the domestic worker rights in sections 3 with L&I, that L&I has the authority to conduct an investigation. It also gives L&I the authority to issue civil penalties.

**Section 9** prohibits the hiring entity from using a domestic worker’s exercise of any of the rights in this chapter as a negative factor in any employment action.

**Section 10** states that if a domestic worker believes they were subject to retaliation by their hiring entity, they may file a complaint with L&I. L&I has the authority to investigate the complaint.

**Section 11** gives L&I the authority to issue civil penalties for investigations outlined in sections 9 and 10.

**Section 13** gives L&I the authority to adopt rules to implement this chapter.



**Section 18** gives L&I the authority to conduct investigations to ensure compliance with this chapter.

**Section 19** amends RCW 49.46.010, excluding domestic workers from the definition of an employee in subsection 3(j).

**Section 22** amends RCW 51.12.020 to include domestic workers in workers compensation coverage by removing sections (1) and (2) from the list of employments not included in mandatory RCW 51 coverage.

**Section 24** states that sections 1 through 20 of this bill take effect July 1, 2026.

## **II. B – Cash Receipt Impact**

### **Non-Appropriated – State Fund Premiums**

As an insurance entity, L&I premium rates are intended to match premiums to claims cost projections. Therefore, for this fiscal analysis it is assumed that any incremental costs or savings will equal the incremental revenue collected.

### **Non-Appropriated – Premium Impact to Employers**

Individual changes to the Accident and Medical Aid fund do not change rate assumptions by themselves. Cost increases are only one of many components in determining rates. The high-level strategy that is used to determine if a rate change is necessary is as follows:

- Review of liabilities, or costs of the Workers' Comp System.
- Investment earnings.
- Adequate revenue (premiums + investments) based on projected costs (actuarial estimates) will determine need for a premium change.

### **Non-Appropriated – Self-Insured Employers**

If an employer chooses to be self-insured, they are responsible to pay for overall claim costs and a portion of administration costs of L&I's Self-Insurance Program and other costs of related support functions. The administrative assessment is an amount per dollar of claim benefit costs. If benefit costs are increased due to the change in removing the coverage exemption for workers in section 22 of the bill, self-insured employers would be assessed by L&I for their appropriate portion of administrative costs based on the increase. Incremental costs or savings will equal the incremental revenue collected from assessments.

### **Receivables – Operating**

Section 6 of this bill allows L&I to issue penalties of \$1,000 for each willful violation of domestic worker rights. For repeat violators, the penalty issued will be not less than \$2,000 for each willful violation, but no greater than \$20,000. It directs the penalties paid to be deposited into a domestic workers rights grant program. L&I does not currently have data predicting how many repeat violations there might be associated with this bill. Therefore, the cash receipt estimate for this section is **indeterminate**.

Section 11 of this bill allows L&I to issue penalties dealing with retaliation of not less than \$1,000 per violation, or ten percent of the total amount of unpaid wages, whichever is greater. It directs the penalties paid into a fund dedicated to enforcement of this chapter. Because the penalty amounts can vary, the cash receipt estimate for this section is **indeterminate**.

## **II. C – Expenditures**

### **Non-Appropriated – State Fund Benefits Costs**

There is indeterminate non-appropriated impact to the Accident Account, fund 608, and Medical Aid Account, fund 609. (Non-appropriated costs are not included in the Fiscal Note Summary.) The following assumptions were used to calculate the estimates:

Section 22 of the bill would increase the number of workers covered by industrial insurance, increasing both premiums and claim costs. L&I does not have data on the additional work hours that would be covered under the bill, so the impacts on premiums and claim costs are indeterminate. Some of the employers impacted by this bill may not understand their new

reporting obligations, which could lead to under reporting of workhours and premiums, and could put upward pressure on the premium rates in the domestic worker risk classification. However, over the longer term L&I expects the additional premiums to be comparable to the additional claim costs, so the net non-appropriated financial impact on State Fund would be minimal.

#### **Appropriated – Operating Costs**

The total fiscal impact of implementing this bill is indeterminate.

Section 22 of the bill repeals the current exemptions for domestic workers in a private home when the employer has less than two employees regularly employed forty or more hours a week under RCW 51.12.020(1). It also repeals the exemptions for persons employed to do gardening, maintenance, or repair work in or about a private residence under RCW 51.12.020(2). However, it does not provide any definitions or exemptions for these workers for the purposes of workers' compensation as provided under section 2 of the bill for the other rights.

Repealing these exemptions from RCW 51.12.020 makes these workers subject to mandatory workers' compensation coverage regardless of the hours worked, the casual nature of the work, the type of domestic work performed, or the familial relationship unless the workers meet the applicable independent contractor tests under RCW 51.08.195 or RCW 51.08.181.

All these new workers subject to mandatory coverage would be eligible workers' compensation benefits for any work related injury and illness and household employers would be required to establish a workers' compensation account with L&I for any work performed by a domestic worker, and provide quarterly reports to L&I.

Given the broad scope of who would be covered, L&I is unable to determine expenditures for staffing associated with workers' compensation coverage and other expenses associated with implementing this part of bill.

However, L&I is able to identify implementation costs associated with enforcement of the Employment Standards components of the bill.

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

### **Staffing**

2.0 FTE, Industrial Relations Agent 2 (IRA2), permanent, starting April 1, 2026. Duties include conducting investigations of worker complaints of noncompliance, and company reporting requirements associated with this bill. The workload is based on the following:

- There are at least 100,000 domestic workers in Washington State. (per Bureau of Labor Statistics)
- Violations of section 3 of this bill will be similar to Wage Payment Act (WPA) investigations.
- The WPA complaint rate is 0.002. (9,127 complaints in fiscal year 2024 / 3.6 million workers = 0.002)
- 200 additional complaints from section 3 are expected per fiscal year. (100,000 workers x 0.002 complaint rate = 200)
- The average IRA2 handles 200 WPA investigations per fiscal year.
- 1.0 FTE IRA2 are needed for the section 3 investigations. (200 additional complaints / 200 investigations per year = 1.0)
- Violations of section 9 of this bill will be similar to Minimum Wage Act retaliation investigations.
- The retaliation complaint rate is 0.0001. (354 complaints in fiscal year 2024 / 3.6 million workers = 0.0001)
- 10 additional complaints from section 9 are expected per fiscal year. (100,000 workers x 0.0001 complaint rate = 10)
- The average IRA2 handles 60 retaliation investigations per fiscal year.
- 0.2 FTE IRA2 are needed for the section 9 investigations. (10 additional complaints / 60 investigations per year = 0.2)
- A total of 1.2 FTE IRA2 are needed for section 3 WPA and section 9 investigations (1.0 for WPA investigations + 0.2 for retaliation investigations = 1.2)
- Non-wage requirements in section 3 such as written agreements and retention of personal effects will require additional investigations.

- Therefore, a total of 2.0 FTE IRA2s are needed.

1.0 FTE, Customer Service Specialist 2 (CSS2), permanent, starting April 1, 2026. Duties include emails, phone calls, and complaint intake. The workload is based on the following:

- One CSS2 is needed for every 300 new complaints.
- 210 new complaints are expected under this bill. (from IRA2 workload above)
- 1.0 FTE are needed based on new complaints (210 complaints / 300 complaints per CSS2 = 0.7)

0.1 FTE, Revenue Agent 2 (RA2), permanent, starting July 1, 2026. Duties include collecting citations issued under this bill. The workload is based on the following:

- 210 new complaints are expected under this bill. (from IRA2 workload above)
- Historically, 14 percent of those complaints will result in a citation.
- 29 citations will be issued each year (210 complaints x .14 = 29.4)
- The caseload for an RA2 is 300 citations/accounts.
- 0.1 FTE are needed based on new citations (29 citations / 300 citations per RA2 = 0.1)

1.0 FTE, Administrative Regulations Analyst 4, temporary, from May 1, 2025 through October 31, 2026. Duties include conducting rulemaking activities and policy development.

### **Information Technology**

The expenditure calculations in this fiscal note include changes to the hourly rates for contract technology based on an annual analysis completed by L&I. These changes include rates based on expert skill level and an inflationary factor in all categories. All expenditures in this section are for the 2025-27 biennium.

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, and integration with Front Counter.

A total of \$341,745 is needed in the 2025-27 biennium for all information technology changes.

This includes:

- IT Contractor costs – \$41,745 is needed for 363 contractor hours.
- Software – \$300,000.

#### **Printing & Translating**

\$19,075 is needed during fiscal year 2027 for printing and translation costs for the following publications:

- Pocket Guide to Worker Rights, F101-165-909.
- Your Rights as a Worker, F700-074-000.
- What are Your Rights as a Worker, F101-061-909.
- Overtime Rules Fact Sheet, F700-205-000.
- Retaliation Protections Enforced by L&I's Employment Standards Program, F700-126-000.

#### **Rule making**

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

#### **Attorney General – Legal Services**

Resources are needed for legal services. \$67,000 is needed for fiscal year 2026, and \$136,000 for each subsequent fiscal year.

#### **Administrative Hearings**

The Office of Administrative Hearings will handle the number of complaints within existing resources.

#### **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	10,000	20,000	18,000	18,000	18,000	18,000
609	Medical Aid	2,000	3,000	3,000	3,000	3,000	3,000
	Total:	\$12,000	\$23,000	\$21,000	\$21,000	\$21,000	\$21,000

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 new rules being created to address domestic workers in:

- WAC 296, Department of Labor and Industries