

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 5023 E S 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	67,000	0	0	74,000	0	0	74,000
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>67,000</b>	<b>0</b>	<b>0</b>	<b>74,000</b>	<b>0</b>	<b>0</b>	<b>74,000</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	.4	0	0	67,000	.4	0	0	74,000	.4	0	0	74,000
Human Rights Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Labor and Industries	3.4	0	0	1,420,000	4.4	0	0	1,012,000	4.4	0	0	1,012,000
Department of Social and Health Services	.0	0	0	0	.0	0	0	0	.0	0	0	0
<b>Total \$</b>	<b>3.8</b>	<b>0</b>	<b>0</b>	<b>1,487,000</b>	<b>4.8</b>	<b>0</b>	<b>0</b>	<b>1,086,000</b>	<b>4.8</b>	<b>0</b>	<b>0</b>	<b>1,086,000</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
Department of Social and Health Services	.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> Anna Minor, OFM	<b>Phone:</b> (360) 790-2951	<b>Date Published:</b> Final 3/31/2025
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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5023 E S 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	30,000	37,000	67,000	74,000	74,000
<b>Total \$</b>	30,000	37,000	67,000	74,000	74,000

### Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.3	0.4	0.4	0.4	0.4
<b>Account</b>					
Legal Services Revolving Account-State 405-1	30,000	37,000	67,000	74,000	74,000
<b>Total \$</b>	30,000	37,000	67,000	74,000	74,000

### 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: Kelly Leonard	Phone: 360-786-7147	Date: 03/14/2025
Agency Preparation: Chad Standifer	Phone: 3605863650	Date: 03/18/2025
Agency Approval: Leah Snow	Phone: 360-586-2104	Date: 03/18/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 03/19/2025

## 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. This version of this bill modifies the exception to the definition of a “hiring entity” for in-home services agencies to provide that they are not a hiring entity "if the home care agency receives funds through chapter 74.39A RCW".

Section 3: New Section. Requirements for a hiring entity who employs a domestic worker, including pay, overtime, meal periods, breaks. Some exceptions are provided for. Requires written agreement for employment terms and expectations. Notification requirements and record retention requirements are also provided. Removes reference to RCW 49.46.010.

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 6, 7, 10 through 12, and 18 of this act follow procedures in RCW 49.48.086. Adds Sections 6,7, 12, and 18 to civil penalties.

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 of the Department of Labor & 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 the supplemental pension fund established in RCW 51.44.033. 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. L&I shall develop and make available a model disclosure statement describing hiring entities obligations in at least eight of the most commonly spoken languages in WA.

Section 16: New Section. L&I 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 49.60.230. To remove employees involved in domestic service from being able to file a complaint under this statute.

Section 23: New Section. L&I to create a work group to investigate models allowing domestic workers access to industrial insurance coverage. Sets out who is on the work group.

Section 24: New Section. Sections 1 through 18 are a new chapter in Title 49 RCW.

Section 25: 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.*

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) will bill all clients for legal services rendered.

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

### **AGO AGENCY ASSUMPTIONS:**

L&I will be billed for King County rates:

FY 2026: \$30,000 for 0.1 AAG, 0.1 and 0.1 PL1

FY 2027 and in each FY thereafter: \$37,000 for 0.1 AAG, 0.1 PL2, and 0.1 PL1

## **II. C - Expenditures**

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

Attorney General's Office (AGO) Agency Assumptions:

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

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'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 adds Section 23 – New Section – L&I to create a work group to investigate models allowing domestic workers access to industrial insurance coverage. This addition changes the cost for firm appeals from indeterminate to no fiscal impact. Having removed the RCW 51 requirements L&I Employment Standards Enforcement is the only remaining fiscal impact. Historically, providing 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. 220 new complaints per year are expected. 14 percent of 220 is 31 complaints per year expected to result in an appealable order (citations). Historically 20 percent of the appealable orders are appealed. Based on this historical average, the AGO will receive six additional appeals per year going to the Office of Administrative Hearings (OAH) (and litigated by AGO). Appeals of this complexity generally require 0.2 AAG per 10 appeals. This will require a total of 0.1 AAG as well as 0.05 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 0.1 AAG FTE. Because of the ongoing advice required after the initial implementation, in total we anticipate at total of 0.1 AAG will be needed for ongoing client advice and litigation beginning January 1, 2026, and a 0.05 Paralegal beginning January 1, 2026, for litigation support.

LNI: Total workload hours:

FY 2026: 180 AAG hours

FY 2027: 180 AAG hours and 90 PL2 hours

LNI: Total King County workload impact:

FY 2026: \$30,000 for 0.1 AAG and 0.1 PL1

FY 2027 and in each FY thereafter: \$37,000 for 0.1 AAG, 0.1 PL2, and 0.1 PL1

2. The AGO Civil Rights Division (CRD) has reviewed this bill and determined it will not increase or decrease the division's workload in representing the Human Rights Commission (HUM). This bill assigns no required civil rights enforcement duties to the AGO. 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	State	30,000	37,000	67,000	74,000	74,000
	Revolving Account						
Total \$			30,000	37,000	67,000	74,000	74,000

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

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.3	0.4	0.4	0.4	0.4
A-Salaries and Wages	21,000	25,000	46,000	50,000	50,000
B-Employee Benefits	6,000	8,000	14,000	16,000	16,000
E-Goods and Other Services	3,000	4,000	7,000	8,000	8,000
<b>Total \$</b>	30,000	37,000	67,000	74,000	74,000

**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	0.1	0.1	0.1	0.1
Management Analyst 5	98,040	0.1	0.1	0.1	0.1	0.1
Paralegal 1-King County	74,700	0.1	0.1	0.1	0.1	0.1
Paralegal 2-King County	82,392		0.1	0.1	0.1	0.1
<b>Total FTEs</b>		0.3	0.4	0.4	0.4	0.4

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

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Labor & Industries Division (LNI)	30,000	37,000	67,000	74,000	74,000
<b>Total \$</b>	30,000	37,000	67,000	74,000	74,000

## 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 E S 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:

NONE

### Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

<b>Legislative Contact:</b> Kelly Leonard	<b>Phone:</b> 360-786-7147	<b>Date:</b> 03/14/2025
<b>Agency Preparation:</b> Barbara Harris	<b>Phone:</b> (360) 359-4950	<b>Date:</b> 03/20/2025
<b>Agency Approval:</b> Andreta Armstrong	<b>Phone:</b> (360) 753-2558	<b>Date:</b> 03/20/2025
<b>OFM Review:</b> Megan Tudor	<b>Phone:</b> (360) 890-1722	<b>Date:</b> 03/31/2025

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 substitute version of ES Senate Bill 5023 titled "Providing labor market protections for domestic workers," primarily impacts the Washington State Department of Labor and Industries (L&I). This agency is responsible for enforcing labor standards, including wage and hour laws, workplace safety, and employment conditions.

Key Responsibilities of L&I Under the Substitute ES SB 5023:  
Establishing Labor Standards: L&I will be tasked with developing and implementing specific labor standards tailored to domestic workers, ensuring they receive appropriate wage and hour protections.

Impact on RCW 49.60 and WSHRC:

RCW 49.60: The substitute version of ES SB 5023 does not amend or reference RCW 49.60. As a result, the definition of "employee" within this chapter remains unchanged, and domestic workers are not explicitly included under its protections against discrimination.

WSHRC would need ongoing resources (not increasing staff) - but the need to maintain the current staffing levels for education and community outreach, materials and training.

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.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

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

NONE

**IV. C - Capital Budget Breakout**

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

NONE

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

NONE

**Part V: New Rule Making Required**

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

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5023 E S 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	2.1	4.7	3.4	4.4	4.4
<b>Account</b>					
Accident Account-State 608-1	686,000	517,000	1,203,000	852,000	852,000
Medical Aid Account-State 609-1	122,000	95,000	217,000	160,000	160,000
<b>Total \$</b>	808,000	612,000	1,420,000	1,012,000	1,012,000

### 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: Kelly Leonard	Phone: 360-786-7147	Date: 03/14/2025
Agency Preparation: Donald Jenson Jr	Phone: 360-902-6981	Date: 03/18/2025
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 03/18/2025
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 03/18/2025

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	686,000	517,000	1,203,000	852,000	852,000
609-1	Medical Aid Account	State	122,000	95,000	217,000	160,000	160,000
Total \$			808,000	612,000	1,420,000	1,012,000	1,012,000

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	2.1	4.7	3.4	4.4	4.4
A-Salaries and Wages	166,000	321,000	487,000	578,000	578,000
B-Employee Benefits	61,000	127,000	188,000	232,000	232,000
C-Professional Service Contracts	42,000		42,000		
E-Goods and Other Services	486,000	154,000	640,000	182,000	182,000
G-Travel	3,000	10,000	13,000	20,000	20,000
J-Capital Outlays	50,000		50,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	808,000	612,000	1,420,000	1,012,000	1,012,000

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 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	0.3	0.2	0.3	0.3
Industrial Relations Agent 2	71,148	0.8	3.0	1.9	3.0	3.0
Revenue Agent 2	69,396		0.1	0.1	0.1	0.1
Total FTEs		2.1	4.7	3.4	4.4	4.4

**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 49.60.230, adding a new section to RCW 49.60, and adding a new chapter to RCW 49.

The difference between ESSB 5023 and SSB 5023 is:

- Amending the definition of a hiring entity in section 2(8) of the bill.

The change does not change the fiscal impact to the Department of Labor and Industries.

## 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 or 4 (1) or (3) through (7) 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, except section 4(2), 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 15** requires L&I to develop and make available model disclosure statement which describes a hiring entity's obligations and domestic worker's rights under this chapter.

**Section 16** requires L&I to develop and make available model written agreement which describes a hiring entity's obligations and domestic worker's rights under 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 23** requires L&I to convene a work group to investigate models allowing domestic workers to access industrial insurance coverage, identifies the make up of the work group, and states that the work group must report to the appropriate committees of the legislature by October 1, 2026.

**Section 25** states that sections 1 through 22 and 24 of this bill take effect July 1, 2026.

## **II. B – Cash Receipt Impact**

### **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 the supplemental pension fund. 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 the supplemental pension fund. Because the penalty amounts can vary, the cash receipt estimate for this section is **indeterminate**.

## **II. C – Expenditures**

### **Appropriated – Operating Costs**

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**

3.0 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 4(6) and (7) 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 4(6) and (7) 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 4(6) and (7) investigations. (10 additional complaints / 60 investigations per year = 0.2)
- 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 1.4 FTE IRA2 are needed for section 3 WPA and section 9 investigations (1.0 for section 3 investigations + 0.2 for section 4(6) and (7) investigations + 0.2 for section 9 investigations = 1.4)
- Non-wage requirements in section 3 such as written agreements and retention of personal effects will require additional investigations.
- Non-wage requirements in section 4 such as hostile work environments and monitoring or recording, will increase the complexity of the investigations.
- Therefore, a total of 3.0 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.
- 220 new complaints are expected under this bill. (from IRA2 workload above)
- 1.0 FTE are needed based on new complaints ( $210 \text{ complaints} / 300 \text{ complaints per CSS2} = 0.7$ )

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:

- 220 new complaints are expected under this bill. (from IRA2 workload above)
- Historically, 14 percent of those complaints will result in a citation.
- 31 citations will be issued each year ( $220 \text{ complaints} \times .14 = 30.8$ )
- The caseload for an RA2 is 300 citations/accounts.
- 0.1 FTE are needed based on new citations ( $31 \text{ citations} / 300 \text{ citations per RA2} = 0.1$ )

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**

A total of \$27,395 is needed during fiscal year 2027, based on the following:

\$19,075 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.

\$8,320 to develop and translate the model disclosure statement described in section 15 of the bill.

#### **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. \$30,000 is needed for fiscal year 2026, and \$37,000 for each subsequent fiscal year.

#### **Administrative Hearings**

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

#### **Workgroup costs**

\$150,000 is needed during the 25-27 biennium for convening the workgroup. This includes staff time to support the work group, including producing agendas and content for meetings, researching models as required by the statute, and producing the report. Several of the members of the work group will also be eligible for reimbursement for direct lived experience. All work group documents, including all communication with the workgroup, will need to be translated into Spanish, and interpretation services will be needed for the work group members.

### **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	12,000	26,000	25,000	25,000	25,000	25,000
609	Medical Aid	2,000	5,000	4,000	4,000	4,000	4,000
	Total:	\$14,000	\$31,000	\$29,000	\$29,000	\$29,000	\$29,000

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

# Individual State Agency Fiscal Note

<b>Bill Number:</b> 5023 E S SB	<b>Title:</b> Domestic workers	<b>Agency:</b> 300-Department of Social and Health Services
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## Part I: Estimates

☒ **No Fiscal Impact**

### Estimated Cash Receipts to:

NONE

### Estimated Operating Expenditures from:

NONE

### Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

<b>Legislative Contact:</b> Kelly Leonard	<b>Phone:</b> 360-786-7147	<b>Date:</b> 03/14/2025
<b>Agency Preparation:</b> Mitchell Close	<b>Phone:</b> 3600000000	<b>Date:</b> 03/24/2025
<b>Agency Approval:</b> Dan Winkley	<b>Phone:</b> 360-902-8236	<b>Date:</b> 03/24/2025
<b>OFM Review:</b> Amy Hatfield	<b>Phone:</b> (360) 280-7584	<b>Date:</b> 03/31/2025

Part II: Narrative Explanation

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

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

This proposed legislation provides labor market protections for domestic workers, including defining domestic workers, establishing requirements for hiring entities, and creating an investigation process within the Department of Labor and Industries for rights violation complaints. Passage of this legislation will not impact the Department of Social and Health Services (DSHS) workload or client benefits. Therefore, there is no fiscal impact to DSHS from this bill.

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.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.  
NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.  
NONE

IV. D - Capital FTE Detail: FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.  
  
NONE

**Part V: New Rule Making Required**

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