

Multiple Agency Fiscal Note Summary

Bill Number: 1672 S HB	Title: Employer technology use
-------------------------------	---------------------------------------

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	710,000	0	0	1,360,000	0	0	1,360,000
Office of Administrative Hearings	0	0	127,000	0	0	254,000	0	0	254,000
Department of Labor and Industries	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	837,000	0	0	1,614,000	0	0	1,614,000

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

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Administrative Office of the Courts	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Attorney General	2.3	0	0	710,000	4.2	0	0	1,360,000	4.2	0	0	1,360,000
Office of Financial Management	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Administrative Hearings	.4	0	0	127,000	.8	0	0	254,000	.8	0	0	254,000
Washington Technology Solutions	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Labor and Industries	2.0	0	0	902,000	2.1	0	0	608,000	2.1	0	0	608,000
Department of Labor and Industries	In addition to the estimate above,there are additional indeterminate costs and/or savings. Please see individual fiscal note.											
Total \$	4.7	0	0	1,739,000	7.1	0	0	2,222,000	7.1	0	0	2,222,000

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

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Administrative Office of the Courts	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.0	0	0	.0	0	0	.0	0	0
Office of Financial Management	.0	0	0	.0	0	0	.0	0	0
Office of Administrative Hearings	.0	0	0	.0	0	0	.0	0	0
Washington Technology Solutions	.0	0	0	.0	0	0	.0	0	0
Department of Labor and Industries	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

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

Estimated Capital Budget Breakout

Prepared by: Courtney Kinney, OFM	Phone: 360 584 5705	Date Published: Final 4/ 4/2025
--	-------------------------------	---

Judicial Impact Fiscal Note

Bill Number: 1672 S HB	Title: Employer technology use	Agency: 055-Administrative Office of the Courts
-------------------------------	---------------------------------------	--

Part I: Estimates

☒ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Benjamin McCarthy	Phone: 360-786-7100	Date: 02/20/2025
Agency Preparation: Chris Conn	Phone: 360-704-5512	Date: 03/05/2025
Agency Approval: Chris Stanley	Phone: 360-357-2406	Date: 03/05/2025
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 03/06/2025

203,700.00

Form FN (Rev 1/00)

1

Request # 242-1

Bill # 1672 S HB

Part II: Narrative Explanation

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

This substitute bill creates restrictions and limitations on when and how employers may electronically monitor employees. It also creates restrictions and limitations on when and how employers use automated decisions systems, especially when making employment-related decisions. It requires the Department of Labor and Industries to enforce restrictions related to electronic monitoring and automated decision systems, and grants it power to make necessary rules.

II. B - Cash Receipts Impact

None

II. C - Expenditures

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

Part III: Expenditure Detail

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

NONE

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

NONE

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

NONE

III. D - FTE Detail

NONE

III. E - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

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

NONE

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

NONE

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

NONE

IV. C - Capital Budget Breakout

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

NONE

None

Individual State Agency Fiscal Note

Bill Number: 1672 S HB	Title: Employer technology use	Agency: 100-Office of Attorney General
-------------------------------	---------------------------------------	---

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	680,000	710,000	1,360,000	1,360,000
Total \$	30,000	680,000	710,000	1,360,000	1,360,000

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.3	4.2	2.3	4.2	4.2
Account					
Legal Services Revolving Account-State 405-1	30,000	680,000	710,000	1,360,000	1,360,000
Total \$	30,000	680,000	710,000	1,360,000	1,360,000

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: Benjamin McCarthy	Phone: 360-786-7100	Date: 02/20/2025
Agency Preparation: Amy Flanigan	Phone: 509-456-3123	Date: 03/05/2025
Agency Approval: Leah Snow	Phone: 360-586-2104	Date: 03/05/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 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.

Section 1: New Section. Definitions

Section 2: New Section. Employers may not engage in electronic monitoring of employee unless certain specified requirement are met. Set our rules for when electronic monitoring is allowed.

Section 3: New Section. Requires notice prior to the use of electronic monitoring. Sets out how much notice must be given and what must be included in the notice. Requires writing be in plain, clear and concise language. Provides for limited exception for when notice is not required. If monitoring is used, employers must annually provide employees who were monitored a list of systems used.

Section 4: New Section. When electronic monitoring may not be used. Exception would be when a purpose in section two exists. Electronic monitoring cannot incorporate facial, gait or emotion recognition. Electronic monitoring of employee social networking accounts must comply with RCW 49.44.200.

Section 5: New Section. Employer cannot require employee to install any application on a personal device for purposes of electronic monitoring or wear a device for the purpose of electronic monitoring unless very specific job related situations exist.

Section 6: New Section. Prohibits use of automated decision systems in specified situations. Clarifies when these systems can be used and how to use them.

Section 7: New Section. Prior to using an automated decision system, employer shall be required to write impact assessment with specified components including potential risks and any mitigation for the risks.

Section 8: New Section. Any employer or person (on behalf of an employer) that develops, operates or maintains electronic monitoring or automated decision shall implement reasonable security procedures and practices. Sets out requirements for person who acts on behalf of an employer at termination of contract. Employer shall also provide employee with any data related to that employee if asked.

Section 9: New Section. Employer may not discharge or retaliate against employee exercised rights under this chapter.

Section 10: New Section. Employees may file complaint with the Department of Labor and Industries (L&I) for violations of this chapter. L&I will investigate unless allegation is more than three years old. Sets out what L&I will do at the conclusion of its investigation. L&I director may initiate investigation without a complaint to ensure compliance with this chapter. L&I 's authority with respect to investigations. Permits civil penalties. L&I to deposit any penalties to the supplemental pension fund under RCW 51.44.033. Also allows for collection actions for failure to pay assessments. Allows L&I to file civil action in superior court and if L&I prevails it is entitled to attorney fees and costs.

Section 11: New Section. Allows rulemaking.

Section 12: New Section. Sections 1 through 11 and 13 are a new chapter in Title 49 RCW.

Section 13: New Section. Sections 1 through 10 of this act take effect 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 Assistant Attorney General FTE (AAG) and 0.1 Paralegal 1 FTE (PL1)

FY 2027 and in each FY thereafter: \$680,000 for 2.0 AAG, 1.0 PL1, and 0.5 Paralegal 2 FTE (PL2)

II. C - Expenditures

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

Attorney General's Office (AGO) Agency Assumptions:

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

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

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

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

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

AGO will bill L&I for legal services based on the enactment of this bill. Based on experience providing advice to implement a new law including rulemaking, it will require a total of 0.1 AAG FTE beginning July 1, 2025. 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. L&I has provided a range of 492 to 1,712 new complaints per year are expected. 14 percent of complaints per year expected to result in a range of 69 to 240 appealable order (citations). Historically 20 percent of the appealable orders are appealed. Based on this historical average, the AGO will receive additional appeals per year going to Office of Administrative Hearings (OAH) (and litigated by AAGs) in the range of 14 to 48. Appeals of this complexity generally require 0.2 AAG FTE per 10 appeals. This will require a total of 0.3 to 2.0 AAG FTE as well as 0.1 to 0.5 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 FTE for client advice will overlap with the onset of the litigation needs of 0.3 to 2.0 AAG FTE. Because of the ongoing advice required after the initial implementation, in total LNI anticipates a total of 0.1 AAG FTE will be needed for ongoing client advice and litigation beginning January 1, 2026. Beginning January 1, 2027, a range of 0.3 to 2.0 AAG FTE will be needed for litigation support.

LNI: Total workload hours:
 FY 2026: 180 AAG hours
 FY 2027 and in each FY thereafter: 3,600 AAG hours and 900 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: \$680,000 for 2.0 AAG, 0.5 PL2, and 1.0 PL1

2. The AGO Labor and Personnel Division (LPD) has reviewed this bill and determined it will not increase or decrease the division's workload. Therefore, no costs are included in this request.

3. The AGO Solicitor General's Office Division (SGO) has reviewed this bill and determined it will not increase or decrease the division's workload. Therefore, no costs are included in this request.

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	30,000	680,000	710,000	1,360,000	1,360,000
Total \$			30,000	680,000	710,000	1,360,000	1,360,000

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.3	4.2	2.3	4.2	4.2
A-Salaries and Wages	21,000	464,000	485,000	928,000	928,000
B-Employee Benefits	6,000	140,000	146,000	280,000	280,000
E-Goods and Other Services	3,000	72,000	75,000	144,000	144,000
G-Travel		4,000	4,000	8,000	8,000
Total \$	30,000	680,000	710,000	1,360,000	1,360,000

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	2.0	1.1	2.0	2.0
Management Analyst 5	98,040	0.1	0.7	0.4	0.7	0.7
Paralegal 1-King County	74,700	0.1	1.0	0.6	1.0	1.0
Paralegal 2-King County	82,392		0.5	0.3	0.5	0.5
Total FTEs		0.3	4.2	2.3	4.2	4.2

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Labor & Industries Division (LNI)	30,000	680,000	710,000	1,360,000	1,360,000
Total \$	30,000	680,000	710,000	1,360,000	1,360,000

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

Bill Number: 1672 S HB	Title: Employer technology use	Agency: 105-Office of Financial Management
-------------------------------	---------------------------------------	---

Part I: Estimates

☒ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Benjamin McCarthy	Phone: 360-786-7100	Date: 02/20/2025
Agency Preparation: Keith Thunstedt	Phone: 360-810-1271	Date: 02/27/2025
Agency Approval: Jamie Langford	Phone: 360-902-0422	Date: 02/27/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 02/27/2025

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 changes included in the substitute version did not change OFM's fiscal impact assumptions from the previous version.

S HB 1672:

The bill establishes restrictions on employers' electronic monitoring of employees and the use of automated decision systems, particularly for employment-related decisions.

The bill mandates employee notification requirements and may impact collective bargaining negotiations with labor unions. It could necessitate specialized training for labor negotiators to navigate relevant systems effectively in support of negotiations. A review of WAC 357 would be required to assess its effects on existing rules. Additionally, potential statewide HR policy or guidance would be needed to ensure consistent implementation, particularly for agencies using monitoring to prevent theft or enhance safety for clients, the public, and students. Guidance on compliance would also be necessary if enterprise HR & Payroll systems are used for monitoring.

OFM assumes this workload can be absorbed within existing practices and resources. There is no fiscal impact to OFM.

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

Revised

Bill Number: 1672 S HB	Title: Employer technology use	Agency: 110-Office of Administrative Hearings
-------------------------------	---------------------------------------	--

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2026	FY 2027	2025-27	2027-29	2029-31
Administrative Hearings Revolving Account-State 484-1		127,000	127,000	254,000	254,000
Total \$		127,000	127,000	254,000	254,000

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	0.0	0.8	0.4	0.8	0.8
Account					
Administrative Hearings Revolving Account-State 484-1	0	127,000	127,000	254,000	254,000
Total \$	0	127,000	127,000	254,000	254,000

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: Benjamin McCarthy	Phone: 360-786-7100	Date: 02/20/2025
Agency Preparation: Pete Boeckel	Phone: 360-407-2730	Date: 02/28/2025
Agency Approval: Rob Cotton	Phone: 360-407-2708	Date: 02/28/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 02/28/2025

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 2 establishes a list of criteria an employer must meet before engaging in electronic monitoring of employees.

Section 3 requires employers to provide employees with 15 days' notice prior to beginning electronic monitoring.

Section 4 prohibits employers from using electronic monitoring in six specific circumstances.

Section 10 empowers employees to file complaints with the Department of Labor & Industries (L&I) if the employer violates the provisions of this bill. Appeals of the L&I's findings will be referred to the Office of Administrative Hearings.

II. B - Cash receipts Impact

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

As a central service agency, the Office of Administrative Hearings (OAH) bills referring agencies for its costs and collects the revenue into the Administrative Hearings Revolving Account. Cash receipts are assumed to equal costs. OAH will bill the Department of Labor & Industries for the costs related to this proposed legislation.

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

II. C - Expenditures

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

The Department of Labor & Industries (L&I) estimates that the proposed legislation will 31 new appeals being referred to the Office of Administrative Hearings (OAH) per fiscal year beginning in FY 2027. On average, each appeal is expected to take approximately 17 hours of Line Administrative Law Judge (ALJ) time including prehearing conferences, hearings, order writings, etc.

OAH Agency Workforce Assumptions:

- (1) 1.0 Line ALJ will include cost and FTE for 0.15 SALJ, 0.15 LALJ, 0.6 LA2 (Range 40 step L), and 0.25 administrative support represented as a MA5 (Range 64 Step L).
- (2) ALJ salary is based on the ALJ collective bargaining agreement and assumed to be at step L. (Line ALJ-range 70, Senior ALJ-range 76, Lead ALJ-range 73).
- (3) Benefit rates were analyzed by job class and projected using the latest benefit information available.
- (4) Goods and services, travel and on-going capital outlays were projected based on historical data for each of the job classifications.
- (5) Salary projections are based on the current FY 2025 salary tables.

Total workload impact beginning in FY 2027: 0.38 ALJ, 0.06 SALJ, 0.06 LALJ, 0.23 LA2, and 0.10 MA5. The total cost is rounded to \$127,000 per FY.

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

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
484-1	Administrative Hearings Revolving Account	State	0	127,000	127,000	254,000	254,000
Total \$			0	127,000	127,000	254,000	254,000

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years		0.8	0.4	0.8	0.8
A-Salaries and Wages		80,000	80,000	160,000	160,000
B-Employee Benefits		25,000	25,000	50,000	50,000
C-Professional Service Contracts					
E-Goods and Other Services		20,000	20,000	40,000	40,000
G-Travel		1,000	1,000	2,000	2,000
J-Capital Outlays		1,000	1,000	2,000	2,000
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	127,000	127,000	254,000	254,000

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

Job Classification	Salary	FY 2026	FY 2027	2025-27	2027-29	2029-31
Administrative Law Judge	113,712		0.4	0.2	0.4	0.4
Lead ALJ	122,496		0.1	0.0	0.1	0.1
Legal Assistant 2	55,584		0.2	0.1	0.2	0.2
Management Analyst 5	98,040		0.1	0.1	0.1	0.1
Senior Administrative Law Judge	131,880		0.1	0.0	0.1	0.1
Total FTEs			0.8	0.4	0.8	0.8

III. D - Expenditures By Program (optional)

Program	FY 2026	FY 2027	2025-27	2027-29	2029-31
Regulatory & Education (REG)		127,000	127,000	254,000	254,000
Total \$		127,000	127,000	254,000	254,000

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

Bill Number: 1672 S HB	Title: Employer technology use	Agency: 163-Washington Technology Solutions
-------------------------------	---------------------------------------	--

Part I: Estimates

☒ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

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

Legislative Contact: Benjamin McCarthy	Phone: 360-786-7100	Date: 02/20/2025
Agency Preparation: Kelly Moore	Phone: 360-407-8427	Date: 02/25/2025
Agency Approval: Christina Winans	Phone: 360-407-8908	Date: 02/25/2025
OFM Review: Val Terre	Phone: (360) 280-3073	Date: 02/25/2025

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.

SHB 1672 compared with HB 1672 makes the following change:

Section 1(9): Removes the state, any state institution, state agency, political subdivisions of the state, and any municipal corporation or quasi municipal corporation from the definition of employer.

Washington Technology Solutions (WaTech) assumes state agencies would not be subject to the provisions of SHB 1672, and there would be no fiscal impact to WaTech.

The following is an analysis of HB 1672:

Section 1 Provides definitions including

"Electronic monitoring" means the collection of information concerning employee activities or communication by any means other than direct, in-person observation, including through the use of a digital device, computer, telephone, wire, radio, camera, or electromagnetic, photoelectronic, or photo-optical system.

Section 2: Prohibits an employer from engaging in "electronic monitoring" of an employee unless listed requirements are met.

Section 3: Requires notice to be given to employees 15 calendar days prior to electronic monitoring, states what must be included in the notice, how the notice must be written, and exceptions to notice.

(2) The required notice required must, at a minimum, include the following information:

- (a) The specific form of electronic monitoring;
- (b) A description of the intended purpose of the electronic monitoring and why the electronic monitoring is necessary to accomplish that purpose;
- (c) A description of how any data generated by the electronic monitoring will be used;
- (d) A description of the technologies that will be used to conduct the electronic monitoring;
- (e) Whether and, if so, how the data generated by the electronic monitoring will be used to inform employment-related decisions;
- (f) The name of any person conducting electronic monitoring on the employer's behalf and any associated contract language related to the monitoring;
- (g) The name of any person, apart from the employer, who will have access to any data generated by the electronic monitoring and the reason why the person will have access to the data;
- (h) The positions within the employer that will have access to any data generated by the electronic monitoring;
- (i) When, where, and how frequently monitoring will occur;
- (j) The period of time for which any data generated by the electronic monitoring will be retained by the employer or another person and when that data will be destroyed;
- (k) Notice of how the employee may access the data generated by the electronic monitoring and the process to correct any errors in the data; and
- (l) Notice of the employee's rights pursuant to this section.

Notice of electronic monitoring provided pursuant to this section must be written in plain, clear, and concise language and provided to each employee in the employee's primary language. An employer shall provide a new, updated notice to employees if it makes any significant changes to the manner of electronic monitoring or to the way that the employer utilizes the electronic monitoring, or any data generated by it. An employer that utilizes electronic monitoring shall annually provide each of its employees with a list of all electronic monitoring systems currently in use by the employer in relation to that employee. The list must be provided in the primary language of the employee.

Section 4: Prohibits use of electronic monitoring in areas considered private, such as like bathrooms, locker rooms, etc., and restricts use of facial, gait or emotion recognition technology.

Section 5: Prohibits employers from requiring employees to install applications on personal devices or wearing or implanting devices that can be used for electronic monitoring.

Section 6: Restricts use of an automated decision system (ADS) to predict employees behavior unrelated to essential job function. Restricts use of ADS to predict employee personality. Restricts use of customer feedback as an input to an ADS.

Section 7: Requires an impact assessment before use of an ADS that includes, at a minimum:

- (a) A detailed description of the automated decision system and its purpose;
- (b) A description of the data utilized by the system;
- (c) A description of the outputs produced by the system and the types of employment-related decisions in which those outputs may be utilized;
- (d) The rationale for the use of the system, including reasons for utilizing the system to supplement nonautomated means of decision making;
- (e) A detailed assessment of the potential risks of utilizing the system, including the risk of:
 - (i) Errors;
 - (ii) Discrimination against employees on the basis of age, sex, marital status, sexual orientation, race, creed, color, national origin, citizenship or immigration status, honorably discharged veteran or military status, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability;
 - (iii) Violating employees' legal rights or chilling employees' exercise of legal rights;
 - (iv) Directly or indirectly harming employees' physical health, mental health, safety, sense of well-being, dignity, or autonomy;
 - (v) Harm to employee privacy, including through potential security breaches or inadvertent disclosure of information; and
 - (vi) Negative economic and material impacts to employees, including potential effects on compensation, benefits, work conditions, evaluations, advancement, and work opportunities;
- (f) A detailed summary of measures taken by the employer to address or mitigate the risks identified pursuant to (e) of this subsection; and
- (g) A description of any methodology used in preparing the assessment.

Section 8: Requires that any person that develops or operates electronic monitoring or an ADS on behalf of employers ensures data is secured and protected and requires the data be returned or destroyed. It also requires that an employer provide all of that data to the employee if requested.

Section 9: Prohibits retaliation against an employee who exercises their rights under the law.

Section 10: Provides for employee complaint process at Department of Labor and Industries (LNI).

Section 11: Provides rulemaking authority to LNI to implement and enforce the bill.

Section 13: Sections 1 to 10 of law take effect 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.

SHB 1672 would not have fiscal impact, and thus no cash receipt impact.

The following is an analysis of HB 1672:

The amount of revenues required is indeterminate. WaTech revenues are generated by fee-for-service programs and from

charges allocated to agencies through the central services model. It is assumed that the allocations in the central services model will be adjusted by the Legislature to ensure WaTech revenues are sufficient to support the required expenditures. Furthermore, for fee-for-service businesses, WaTech will have to increase rates for fee-for-service lines of business to generate additional fee-for-service revenue.

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.

SHB 1672 Section 1(9) definition of employer changed and does not include the state, any state institution, state agency, political subdivisions of the state, and any municipal corporation or quasi municipal corporation.

WaTech assumes state agencies would not be subject to the provisions of SHB 1672, and there would be no fiscal impact.

The following is an analysis of HB 1672:

Section 3 requires notice to be given to employees 15 calendar days prior to electronic monitoring. The required notice must include the specific form of electronic monitoring; a description of the purpose of the electronic monitoring and why the electronic monitoring is necessary, how the data will be used, a description of the technologies that will be used; whether data will be used to inform employment-related decisions; the name of any person conducting electronic monitoring on the employer's behalf and any associated contract language related to the monitoring; the name of any person who will have access to any data and the reason why the person will have access to the data; the positions of an employee that will have access to any data; when, where, and how frequently monitoring will occur; how long the data will be retained and when it will be destroyed; notice of how the employee may access the data and process to correct any errors in the data; and notice of the employee's rights.

Notice of electronic monitoring must be written in plain, clear, and concise language and provided to each employee. An employer shall provide a new, updated notice to employees if it makes any significant changes to the manner of electronic monitoring or to the way that the employer utilizes the electronic monitoring, or any data generated by it. An employer that utilizes electronic monitoring shall annually provide each of its employees with a list of all electronic monitoring systems currently in use by the employer in relation to that employee.

Assumptions:

Based on the definition electronic monitoring in section 1, WaTech assumes that the definition will include but not limited to automated log/service monitoring, availability indicators in TEAMS, GPS tracking via cell phones, availability tracking on Outlook calendar, as well as some features of cloud services such as AWS Connect.

It is further assumed that WaTech will not be providing policy, guidance or support to agencies except for WaTech provided services.

The fiscal impact for WaTech to implement the bill is indeterminate. It can range between \$673,000 to \$1,346,000 annually to support three to six FTEs. Although it is known that resources are needed to meet the requirements of Section 3 for activities such as monitoring network activity and logging/monitoring activities to identify possible cybersecurity threats beginning July 2026, there are unknown and significant factors, such as (but not limited) to the following:

- Number and volume of notifications every 15 days. There are 76,364 employees on the state's government network, utilizing directly or indirectly, the various applications that enable them to work (e.g. M365).
- Translation services for an employee's primary language. This would require a determination of employees' primary language, and as new employees are onboarded every two weeks.
- The number of employees and employees of contracted vendors that work on applications that provide technology services to the state.

- Data storage required for retention, and activities to destroy data after the retention period.
- Reporting requirement (15 days advance notification) would require changing our hiring practices and notification.
- Changing cybersecurity policies and procedures for monitoring and reporting.

At minimum, we would need the following categories of positions to meet the requirements of this bill:

IT Business Analyst(s) to maintain and update records, respond to employee requests for monitoring disclosures, employee notification distribution, handle annual reporting requirements and for data retention.

IT Security Specialist(s) (Journey) to document monitoring tools, track vendor access to monitoring data, and ensure security protocols align with legal requirements.

IT Security Specialist(s) (Journey) to maintain records of monitoring technologies and implement security-related transparency measures.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Individual State Agency Fiscal Note

Bill Number: 1672 S HB	Title: Employer technology use	Agency: 235-Department of Labor and Industries
-------------------------------	---------------------------------------	---

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

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

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years	1.9	2.1	2.0	2.1	2.1
Account					
Accident Account-State 608-1	507,000	259,000	766,000	518,000	518,000
Medical Aid Account-State 609-1	91,000	45,000	136,000	90,000	90,000
Total \$	598,000	304,000	902,000	608,000	608,000

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: Benjamin McCarthy	Phone: 360-786-7100	Date: 02/20/2025
Agency Preparation: Crystal Van Boven	Phone: 000-000-0000	Date: 03/28/2025
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 03/28/2025
OFM Review: Courtney Kinney	Phone: 360 584 5705	Date: 04/04/2025

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	507,000	259,000	766,000	518,000	518,000
609-1	Medical Aid Account	State	91,000	45,000	136,000	90,000	90,000
Total \$			598,000	304,000	902,000	608,000	608,000

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	2.1	2.0	2.1	2.1
A-Salaries and Wages	187,000	206,000	393,000	412,000	412,000
B-Employee Benefits	62,000	68,000	130,000	136,000	136,000
C-Professional Service Contracts	35,000		35,000		
E-Goods and Other Services	302,000	28,000	330,000	56,000	56,000
G-Travel	2,000	2,000	4,000	4,000	4,000
J-Capital Outlays	10,000		10,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	598,000	304,000	902,000	608,000	608,000

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	1.0	1.0	1.0	1.0
Fiscal Analyst 5	76,608	0.1	0.1	0.1	0.1	0.1
IT Business Analyst - Journey	107,148	0.8	1.0	0.9	1.0	1.0
Total FTEs		1.9	2.1	2.0	2.1	2.1

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

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 adds a new section to RCW 49 to address technology used by employers in the workplace, including electronic monitoring and automated decision systems. The bill provides enforcement and rulemaking authority for the Department of Labor and Industries (L&I) and provides a July 1, 2026 effective date.

SHB 1672 is different from HB 1672 in that it:

- Section 1: Removes state institutions, agencies, political subdivisions, and any municipal or quasi-municipal corporation from definition of “employer”.
- Section 2: Added “Subject to the prohibitions of section 4 of this act”.
- Section 4: Replaced the words "Except for" with "Notwithstanding".

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

New Section 2 provides employer requirements for engaging in the monitoring of employees.

New Section 3 directs an employer to provide notice of the electronic monitoring to each affected employee, at least 15 calendar days prior to commencing any form of electronic monitoring, which includes required information such as, frequency of monitoring, how the data collected will be used towards employment related decisions, the names of those who have access to electronic monitoring data, and the employee’s rights, except as allowed in section 5. In addition, there are exceptions for employers to monitor an employee for conduct that is illegal.

New Section 4 explains how electronic monitoring may not be used.

New Section 5 describes when an employer can install an application on an employee’s personal device or wear or physically implant a device on the employee’s clothing. Any location tracking function of an application or device shall be disabled when the employee isn’t engaged in activities necessary to accomplish essential job functions. An employer may not require an employee to physically implant a device on the employee’s body for purposes of employee monitoring.

New Section 6 describes when an employer can and cannot use an automated decision system.

New Section 7 describes written impact assessments that employers are required to do before utilizing an automated decision system. An employee can request a copy of the assessments.

New Section 8 describes security procedures an employer must take to protect employee data collected through electronic monitoring

New Section 9 prohibits retaliation for an employee's exercise of rights under this chapter.

New section 10 provides enforcement authority to L&I and outlines penalties.

New section 11 allows the department to adopt rules to carry out and enforce this chapter.

New section 12 establishes sections 1-13 of this act a new chapter in Title 49 RCW.

New section 13 establishes an effective date of July 1, 2026 for sections 1-10.

II. B – Cash Receipt Impact

Receivables – Operating

Section 10 provides for L&I to order penalties of not less than \$1,000. This section allows for a range. L&I does not have data to determine this. **Cash receipts are indeterminate.**

II. C – Expenditures

Appropriated – Operating Costs

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

L&I is expecting an increase in complaints and citations. Due to the broad impact of the bill, L&I has developed a range of potential impacts. **Expenditures are indeterminate.**

Included is a matrix to show the impact depending on the number of employees:

- High – This is determined using the total workers in the state less state and municipal employees. $(3,600,000 \text{ less } 176,772 = 3,423,228)$
- Medium – Average of High and Low

- Low – Warehouse/transit and ground transportation workers and other industries that would seem likely to utilize electronic monitoring. Warehouse/transit and ground transportation 194,424 plus other industries at 50%, 789,949, equals 984,370. This information comes from NAICS data collected by ESD.

	Low	Medium	High
Total Workers	984,370	2,203,799	3,423,228

Utilizing these assumptions, complaints and citations could be as follows:

Complaints	Complaint Rate	Low	Medium	High
Non-wage/admin requirements	0.02%	197	441	685
Personal social networking account req.	0.02%	197	441	685
Retaliation	0.01%	98	220	342
		492	1,102	1,712
Citations	14.00%	69	154	240

Staffing

2.0 - 9.0 Industrial Relations Agent 2's. Duties will be to investigate violations associated with the bill.

Industrial Relations Agent 2	Caseload	Low	Medium	High
Complaints		492	1,102	1,712
	200.0	2.46	5.51	8.56

0.0 - 2.0 Industrial Relations Agent 3's. Duties will be to act as lead agent within the IRA series, investigates complex cases, assists with creation of operational guides, processes determinations, issues and monitors stop work orders.

Industrial Relations Agent 3	Caseload	Low	Medium	High
Complaints		492	1,102	1,712
Citations - 14% of complaints		69	154	240
	200	0.30	0.80	1.20

0.25 - 1.0 Revenue Agent 2. Duties will include collections of civil penalties assessed by citations for violations of this act. In addition, evaluations of assets in connection in financial applications, business records, financial statements for long term payment plans; Liaison between WPA and Employment Standards, monitor all bankruptcy suspensions.

Revenue Agent 2	Caseload	Low	Medium	High
Complaints		492	1,102	1,712
Citations - 14% of complaints		69	154	240
	300	0.23	0.51	0.80

1.0 - 4.0 Customer Service Specialist 2. Duties include fielding emails and phone calls from the public and assisting with complaint intake.

Customer Service Specialist 2	Caseload	Low	Medium	High
Complaints		492	1,102	1,712
	300	1.64	3.67	5.71

0.0 - 2.0 Industrial Relations Agent 4. Duties include supervising within the IRA series, assigns cases, creating operational guides, acts as the subject matter expert for requirements and investigations.

		Low	Medium	High
Industrial Relations Agent 4		-	1.00	2.00

Attorney General and Administrative Hearings will be needed, which is determined by the number of estimated complaints.

The following staffing and costs will be required regardless if the complaints fall under high, medium or low.

1.0 IT Business Analyst – Journey, permanent, effective September 1, 2025. Duties include applying analytical processes to the planning, design and implementation of IT systems to meet the requirements of customer organizations, for new IT systems as well as improving existing IT systems.

1.0 Administrative Regulations Analyst 4, permanent, May 1, 2025. Duties include leading implementation, rulemaking, ongoing policy development, updates, and guidance.

Information Technology

Contract developers will modify and enhance multiple internal systems to assume a new complaint type and disposition codes that will be added to the ALiS platform using the base product configuration tool and the new complaints will be processed and dispositioned following existing standardized business processes and workflow and using existing ALiS API integration with L&I's Accounts Receivable system (ARC) for generating new account receivables and, if required, integration with Front Counter (FC) and applicable existing external facing complaint form.

A total of \$300,000 is needed in the 2025-27 biennium for all information technology changes. This includes:

- Contractor costs – \$35,305 is needed for 307 contractor hours
- Software – \$264,695

Printing & Mailing

\$4,000 is needed for printing and/or mailing costs for explanatory brochures, factsheets and web content.

Rule making

\$7,500 is needed for three rule making hearings to occur during Fall 2025 or Spring 2026.

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	10,200	11,050	11,050	11,050	11,050	11,050
609	Medical Aid	1,800	1,950	1,950	1,950	1,950	1,950
	Total:	\$12,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000

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).

Based on the information provided, bill has the following estimates based on a high-medium-low analysis.

SHB 1672 Funds					
	FY26	FY27	25-27	27-29	29-31
High	1,169,000	3,736,000	4,905,000	7,452,000	7,452,000
Medium	977,000	2,544,000	3,521,000	5,068,000	5,068,000
Low	739,000	1,188,000	1,927,000	2,376,000	2,376,000
SHB 1672 FTEs					
	FY26	FY27	25-27	27-29	29-31
High	5.10	22.40	13.75	22.40	22.40
Medium	4.10	15.50	9.80	15.50	15.50
Low	2.80	7.20	5.00	7.20	7.20

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

This legislation would result in rule changes to:

- WAC 296