

Multiple Agency Fiscal Note Summary

Bill Number: 6007 SB	Title: Grocery workers
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Estimated Cash Receipts

Agency Name	2023-25			2025-27			2027-29		
	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total	GF-State	NGF-Outlook	Total
Office of Attorney General	0	0	30,000	0	0	60,000	0	0	60,000
Office of Administrative Hearings	0	0	24,000	0	0	48,000	0	0	48,000
Department of Labor and Industries	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Total \$	0	0	54,000	0	0	108,000	0	0	108,000

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts	No fiscal impact					
Loc School dist-SPI						
Local Gov. Other	No fiscal impact					
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	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	0	0	30,000	.3	0	0	60,000	.3	0	0	60,000
Office of Administrative Hearings	.0	0	0	24,000	.1	0	0	48,000	.1	0	0	48,000
Department of Labor and Industries	1.8	679,000	679,000	679,000	2.5	679,000	679,000	679,000	2.3	634,000	634,000	634,000
Total \$	2.0	679,000	679,000	733,000	2.9	679,000	679,000	787,000	2.7	634,000	634,000	742,000

Agency Name	2023-25			2025-27			2027-29		
	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	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	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 Administrative Hearings	.0	0	0	.0	0	0	.0	0	0
Department of Labor and Industries	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	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	No fiscal impact								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Anna Minor, OFM	Phone: (360) 790-2951	Date Published: Final 1/26/2024
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Judicial Impact Fiscal Note

Bill Number: 6007 SB	Title: Grocery workers	Agency: 055-Administrative Office of the Courts
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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: Susan Jones	Phone: 360-786-7404	Date: 01/20/2024
Agency Preparation: Angie Wirkkala	Phone: 360-704-5528	Date: 01/25/2024
Agency Approval: Chris Stanley	Phone: 360-357-2406	Date: 01/25/2024
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 01/25/2024

192,179.00

Request # 131-1

Part II: Narrative Explanation

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

The bill would add a chapter to Title 49 RCW (Labor Regulations) imposing requirements on certain types of grocery store owners to protect employees when ownership changes. The bill would allow aggrieved employees to sue in Superior Court and violators would be subject to civil penalties enforceable by the Department of Labor and Industries.

II. B - Cash Receipts Impact

None

II. C - Expenditures

There is no or minimal impact to the Administrative Office of the Courts or the courts. There may be a slight increase in court filings to the extent actions are filed or judicial enforcement of penalties are sought.

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

192,179.00

Form FN (Rev 1/00)

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Request # 131-1

Bill # 6007 SB

Individual State Agency Fiscal Note

Bill Number: 6007 SB	Title: Grocery workers	Agency: 100-Office of Attorney General
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Legal Services Revolving Account-State 405-1		30,000	30,000	60,000	60,000
Total \$		30,000	30,000	60,000	60,000

Estimated Operating Expenditures from:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.3	0.2	0.3	0.3
Legal Services Revolving Account-State 405-1	0	30,000	30,000	60,000	60,000
Total \$	0	30,000	30,000	60,000	60,000

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: Susan Jones	Phone: 360-786-7404	Date: 01/20/2024
Agency Preparation: Amy Flanigan	Phone: 509-456-3123	Date: 01/25/2024
Agency Approval: Edd Giger	Phone: 360-586-2104	Date: 01/25/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/25/2024

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. Purpose.

Section 2 - New section. Definitions.

Section 3 - New section. Sets out information that must be exchanged/transferred from the incumbent grocery employer to the successor grocery employer.

Section 4 - New section. Procedures that must be followed by successor employer with respect to employees. This includes procedures if a reduction in workforce is planned.

Section 5 - New section. Requirements for compensation if an employee is not retained by successor owner. Sets out how compensation is calculated.

Section 6 - New section. Notice requirements for changes in ownership.

Section 7 - New section. Prohibits employer from taking adverse action against an employee asserting their rights.

Section 8 - New section. Provides cause of action for employee. Includes procedures and penalties. Allows rulemaking.

Section 9 - New section. Exemptions from this act.

Section 10 - New section. Rules for situations where change of ownership occurs in a location that is considered a food desert by the United States Department of Agriculture (USDA).

Section 11 - New section. Exceptions for small grocers.

Section 12 - New section. This section does not limit grocery workers ability to bring wrongful termination claim.

Section 13 - New section. This section does preempt city or county from providing greater protections.

Section 14 - New section. Severability clause.

Section 15 - Reenacts and amends RCW 49.48.082. Definitions.

Section 16 - New section. Sections 1 through 14 are a new chapter in Title 49 RCW.

This bill is assumed effective 90 days after the end of the 2024 legislative session.

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 2025 and in each FY thereafter: \$30,000 for 0.1 Assistant Attorney General FTE (AAG) and 0.1 Paralegal 1 FTE (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:

This bill is assumed effective 90 days after the end of the 2024 legislative session.

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):

The AGO will bill L&I for legal services based on the enactment of this bill. L&I expects the provisions under the act to apply to an estimated 66,786 grocery establishment workers. ($95,409 \text{ workers} \times 70 \text{ percent} = 66,786$). Using the Wage Payment Act calculation of .0002 complaints per worker affected, there will be an anticipated 134 complaints ($66,786 \text{ workers} \times .0002 = 134 \text{ complaints}$). Based on historical citation (14 percent) and appeal rates (20 percent), L&I anticipates at least four additional appeals beginning July 1, 2024. Appeals of this complexity generally require 0.1 AAG per five appeals. LNI will require a total 0.1 AAG related to litigation and client advice for implementation beginning July 1, 2024. There will be an approximate six month delay in litigation of appeals. A 0.1 AAG will be necessary for the ongoing litigatic

LNI: Total King County workload impact:

FY 2025 and in each FY thereafter: \$30,000 for 0.1 AAG and 0.1 PL1

2. The AGO Agriculture & Health Division (AHD) has reviewed this bill and determined it will not increase or decrease the division's workload in representing the Department of Commerce (Commerce). Commerce was assigned this fiscal note request for its role in estimating the impact of bills on local governments. Commerce itself would not be given any new authorities or responsibilities under this bill. Therefore, no costs are included in this request.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
405-1	Legal Services Revolving Account	State	0	30,000	30,000	60,000	60,000
Total \$			0	30,000	30,000	60,000	60,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.3	0.2	0.3	0.3
A-Salaries and Wages		21,000	21,000	42,000	42,000
B-Employee Benefits		6,000	6,000	12,000	12,000
E-Goods and Other Services		3,000	3,000	6,000	6,000
Total \$	0	30,000	30,000	60,000	60,000

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 2024	FY 2025	2023-25	2025-27	2027-29
Assistant Attorney General-Seattle	135,555		0.1	0.1	0.1	0.1
Management Analyst 5	95,184		0.1	0.1	0.1	0.1
Paralegal 1-Seattle	72,528		0.1	0.1	0.1	0.1
Total FTEs			0.3	0.2	0.3	0.3

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Labor & Industries Division (LNI)		30,000	30,000	60,000	60,000
Total \$		30,000	30,000	60,000	60,000

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: 6007 SB	Title: Grocery workers	Agency: 110-Office of Administrative Hearings
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Hearings Revolving Account-State 484-1		24,000	24,000	48,000	48,000
Total \$		24,000	24,000	48,000	48,000

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.0	0.1	0.0	0.1	0.1
Account					
Administrative Hearings Revolving Account-State 484-1	0	24,000	24,000	48,000	48,000
Total \$	0	24,000	24,000	48,000	48,000

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: Susan Jones	Phone: 360-786-7404	Date: 01/20/2024
Agency Preparation: Pete Boeckel	Phone: 360-407-2730	Date: 01/25/2024
Agency Approval: Rob Cotton	Phone: 360-407-2708	Date: 01/25/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/25/2024

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 legislation creates a new chapter in Title 49 which applies to grocery employers, successor and incumbent with a combined sum of at least 300 employees nationwide just prior to the change in control. This prerequisite impacts a limited number of covered grocery employers.

Section 4 requires successor grocery employers to retain eligible grocery workers employed by incumbent grocery employers for the first 180 days after succession, and not discharge them without cause. After the first 180 days, the successor grocery employer must retain employees on a seniority basis within their job classification, or pursuant to the terms of the effective Collective Bargaining Agreement and provide each retained employee a performance evaluation. If the successor grocery employer will own, control, or operate at least 20 grocery establishments after succession, then it must pay eligible grocery employees discharged without cause after the first 180 days a dislocated grocery worker allowance in the prescribed amount.

Section 7 prohibits retaliation against employees seeking to enforce their rights under this new chapter.

Section 8 authorizes the Department of Labor and Industries to investigate alleged violations of this new chapter, and issue citations which are appealable to OAH.

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 and 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 and Industries (L&I) estimates that the proposed legislation will result in four new appeals being referred to the Office of Administrative Hearings (OAH) per fiscal year beginning in FY 2025. On average, each evidentiary hearing is expected to take approximately 25 hours of line Administrative Law Judge (ALJ) time including prehearing conferences, hearings, order writings, etc.

OAH Agency Workforce Assumptions:

- (1) 1.0 Line ALJ will include cost and FTE for 0.15 Senior ALJ (SALJ), 0.15 Lead ALJ (LALJ), 0.6 Legal Assistant 2 (LA2) (Range 40 step L), and 0.25 administrative support represented as a Management Analyst 5 (MA5) (Range 64 Step L).
- (2) ALJ salary is based on the ALJ collective bargaining agreement and assumed to be at step L. (Line ALJ-range 70. Senior ALJ-range 74.)
- (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.

Total workload impact beginning in FY 2025: 0.07 ALJ with a rounded cost of \$24,000 per FY.

This bill is assumed effective 90 days after the end of the 2024 legislative session.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
484-1	Administrative Hearings Revolving Account	State	0	24,000	24,000	48,000	48,000
Total \$			0	24,000	24,000	48,000	48,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years		0.1	0.0	0.1	0.1
A-Salaries and Wages		15,000	15,000	30,000	30,000
B-Employee Benefits		5,000	5,000	10,000	10,000
C-Professional Service Contracts					
E-Goods and Other Services		4,000	4,000	8,000	8,000
G-Travel					
J-Capital Outlays					
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	0	24,000	24,000	48,000	48,000

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 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Law Judge	110,400		0.1	0.0	0.1	0.1
Total FTEs			0.1	0.0	0.1	0.1

III. D - Expenditures By Program (optional)

Program	FY 2024	FY 2025	2023-25	2025-27	2027-29
Regulatory and Education (REG)		24,000	24,000	48,000	48,000
Total \$		24,000	24,000	48,000	48,000

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: 6007 SB	Title: Grocery workers	Agency: 235-Department of Labor and Industries
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

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

Estimated Operating Expenditures from:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.3	3.4	1.8	2.5	2.3
Account					
General Fund-State 001-1	44,000	635,000	679,000	679,000	634,000
Total \$	44,000	635,000	679,000	679,000	634,000

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: Susan Jones	Phone: 360-786-7404	Date: 01/20/2024
Agency Preparation: Allison Kaech	Phone: 360-902-4530	Date: 01/25/2024
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 01/25/2024
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 01/26/2024

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 2024	FY 2025	2023-25	2025-27	2027-29
001-1	General Fund	State	44,000	635,000	679,000	679,000	634,000
Total \$			44,000	635,000	679,000	679,000	634,000

III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	0.3	3.4	1.8	2.5	2.3
A-Salaries and Wages	23,000	267,000	290,000	375,000	344,000
B-Employee Benefits	8,000	97,000	105,000	140,000	130,000
C-Professional Service Contracts		153,000	153,000		
E-Goods and Other Services	3,000	94,000	97,000	158,000	154,000
G-Travel		4,000	4,000	6,000	6,000
J-Capital Outlays	10,000	20,000	30,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	44,000	635,000	679,000	679,000	634,000

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 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Regulations Analyst 4	88,416	0.3	1.0	0.6	0.2	
Fiscal Analyst 5	74,376		0.2	0.1	0.2	0.1
Industrial Relations Agent 3	72,552		2.0	1.0	2.0	2.0
Revenue Agent 2	67,380		0.2	0.1	0.2	0.2
Total FTEs		0.3	3.4	1.8	2.5	2.3

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

Part II: Explanation

This bill relates to employment standards for grocery workers, reenacting and amending RCW 49.48.082, adding a new chapter to Title 49 RCW and prescribing penalties.

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

This bill adds a new chapter to RCW 49 by expanding the employment rights of grocery workers at the time of the sale or change of ownership of a grocery store. Eligible grocery workers are to be retained for at least 180 days after the grocery store is sold. In the event that a grocery worker is not retained for at least 180 days some larger grocery establishments must pay the worker an allowance equal to one week of pay for each full year the employee was employed. This bill requires a public notice to be placed in a conspicuous place within the store to announce the sale. Aggrieved employees can bring an action in superior court for violations of the law seeking remedies. This bill also amends RCW 49.48.082 to make the provisions enforceable as a wage payment requirement.

Section 7 prohibits employers from taking adverse actions against employees who seek to enforce their rights under this bill. An employer may not refuse to employ, terminate, reduce the pay of, or take any other adverse action against an employee for participating in proceedings, opposing any practices prescribed under this bill, or otherwise asserting their rights. This bill extends prohibitions against adverse actions to employees who mistakenly, but in good faith, allege their employer has not complied with the act.

Section 8 provides two ways in which aggrieved employees may seek damages for violations of their rights under this bill.

1. The aggrieved employee or employee representative can bring an action in superior court for violations of the act seeking the following remedies:
 - a. Hiring and reinstatement;
 - b. Front pay or back pay for each day the violation continues;
 - c. The value of benefits the employee would have received;
 - d. Reasonable attorneys' fees and costs to an employee or employee representative who prevails in an action.

Before an employee can bring an action in superior court the employee must provide written notice to the employer of the provisions of this bill that have allegedly been violated and the facts to support the employer has failed to cure the violation within 30 days.

2. Labor & Industries (L&I) may enforce this bill, including investigating an alleged violation. L&I is also given authority to order temporary relief to a worker pending the completion of an investigation or hearing. L&I's enforcement of this bill may include issuing a citation for employers who violate Section 8 or the filing of a civil action. Any amounts owed to an employee may be enforced as a wage payment requirement under RCW 49.48.082. The Director may also recover the following remedies on behalf of an aggrieved employee:

- a. Hiring and reinstatement;
- b. Front pay or back pay for each day the violation continues;
- c. The value of benefits the employee would have received;

Employers or their agents who violate the chapter may be subject to civil penalties of \$100 for each employee whose rights under the chapter were violated. An additional \$100 per employee may be assessed for each day the rights of an employee are violated and continuing until the violation is cured, but not to exceed \$1,000 per employee. The amounts may be collected by the Director and deposited into the supplemental pension fund under RCW 51.44.033.

Citation procedures for issuing, contesting, and enforcing judgments for citation and civil penalties issued by L&I must be the same as those set out in RCW 49.48.084 (Wage Complaints-Administrative Appeals).

If L&I brings an action to enforce this bill, the court may issue preliminary and permanent injunctive relief to protect the rights of the employee. In a civil action, L&I may seek as remedies the following:

- a. Hiring and reinstatement;
- b. Front pay or back pay for each day the violation continues;
- c. The value of benefits the employee would have received;

L&I may adopt and enforce rules and regulations and issue determinations and interpretations necessary to implement the remedies section of this bill.

Section 15 reenacts and amends RCW 49.48.082 (Definitions for Wage Payment Act) to make the provisions enforceable as a wage payment requirement.

II. B – Cash Receipt Impact

This bill requires penalties received by L&I to be deposited into the Supplemental Pension Fund, fund 881.

Civil penalties, found in Section 8, are set at \$100 per day for each employee whose rights are violated, with a maximum penalty of \$1,000 per employee. The department does not have data that will tell us the frequency of violations or how long each violation will take to cure. Cash receipts are indeterminate.

II. C – Expenditures

Appropriated – Operating Costs

This bill increases expenditures to the General Fund State account, fund 001. The following assumptions were used to estimate the resources requested to implement this bill.

Staffing

2.0 FTE, Industrial Relations Agent 3 (IRA3), permanent, effective July 1, 2024. Duties include investigating workplace rights complaints related to the protections created by this bill. Enforce the workplace rights under Sections 3, 4, 5, 6, 7 & 8 of this bill by reviewing complaints alleging violations, interviewing employees and employers, requesting and reviewing documentation, and applying the law to each investigation fact pattern. The IRA3s would create findings based upon the evidence collected during the investigation and encourage settlements between the employer and employee. If a settlement is not reached, the IRA3 would testify in hearings and other judicial proceedings as necessary to support the agency's investigative findings.

- Investigations under this bill are considered comparable in complexity and length to investigations conducted by the HealthCare overtime specialist who can investigate approximately 60 complaints per year.
- There are approximately 95,409 workers employed by Washington food and beverage retailers. However, because this bill applies to “grocery establishments” in excess of 15,000 square feet, not all food and beverage workers would be considered an eligible grocery worker. A typical Albertson’s or Safeway store ranges from 30,000 square feet to 50,000 square feet and a typical Whole Foods Market ranges from 25,000 to 50,000 square feet. However, a typical Grocery Outlet in the state of Washington covers 14,000 square feet and a Trader Joes store averages between 10,000-15,000 square feet.
- L&I estimates that approximately 70 percent of grocery store employees work in these larger footprint grocery stores.
- Taking into consideration a 30 percent reduction in employees employed by smaller grocery establishments such as Grocery Outlet and Trader Joes, this bill applies to an estimated 66,786 grocery establishment workers (95,409 workers X 70% workers in larger grocery stores = 66,786 grocery establishment workers).
- Using the Wage Payment Act calculation of .0002 complaints per worker affected, there will be an anticipated 134 complaints (66,786 grocery workers X .0002 =134 complaints).
- An IRA3 tasked with this type of investigation can be expected to complete 60 investigations per year.
- Therefore, 2.0 additional FTEs are needed (134 complaints / 60 investigations per IRA3 = 2.0 additional IRA3 FTEs).

1.0 FTE, Administrative Regulations Analyst 4, temporary, for the period of April 1, 2024 – October 1, 2025. Duties include policy development, conduct rulemaking activities, conduct public hearings, draft and update affected administrative policies, draft technical guidance, and create publications and resources for stakeholders.

0.2 FTE, Revenue Agent 2 (RA2), permanent, effective July 1, 2024. Duties include collecting civil penalties from citations. Evaluations of assets in connection in financial applications, business records, financial statements for long term payment plans and monitoring all

bankruptcy suspensions; internal liaison between wage payment act, healthcare and employment standards staff.

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 2023-25 biennium.

Contract developers will modify and enhance multiple internal systems (Wage payment complaint system, Accounts Receivable System and the Cash receipting system).

A total of \$153,135 is needed in the 2023-25 biennium for all information technology changes.

This includes:

- Contractor costs – \$153,135 is needed for 1,149 contractor hours

Rule making

\$5,000 is needed for two rule making hearings to occur during FY2025. The average cost of one rule making hearing is \$2,500. (Two hearings x \$2,500 each = \$5,000)

Attorney General – Legal Services

L&I expects this bill to apply to an estimated 66,786 grocery establishment workers (95,409 workers X 70% workers in larger grocery stores = 66,786 grocery establishment workers). Using the Wage Payment Act calculation of .0002 complaints per worker affected, there will be an anticipated 134 complaints (66,786 workers X .0002 complaints per worker affected = 134 complaints). Based on historical citation (14%) and appeal rates (20%), L&I anticipates at least four additional appeals beginning July 1, 2024. Appeals of this complexity generally require 0.1 FTE per five appeals. Using figures based on current Assistant Attorney General (AAG) FTEs for appeals, this will require an additional 0.1 AAG FTE related to litigation and client advice for implementation beginning July 1, 2024. Because there will be an approximately 6-month delay in litigation of appeals, 0.1 FTE will be sufficient in FY 2025 to cover both implementation and litigation. An ongoing 0.1 FTE will be necessary for ongoing litigation. Therefore, \$30,000 is needed each year beginning in FY 2025 for legal services.

Administrative Hearings

L&I estimates this bill will result in four new appeals being referred to the Office of Administrative Hearings (OAH) per fiscal year beginning in FY 2025. On average, each evidentiary hearing is expected to take approximately 25 hours of line Administrative Law Judge (ALJ) time including prehearing conferences, hearings, order writings, etc. Therefore, \$24,000 is needed each year beginning in FY 2025 for 0.07 FTE ALJ.

Indirect Costs

The amount included in this fiscal note for indirect is:

Fund Name		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
001	General Fund	1,000	20,000	16,000	15,000	15,000	15,000
	Total:	\$1,000	\$20,000	\$16,000	\$15,000	\$15,000	\$15,000

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

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

This legislation would result in rule changes adding new sections to:

- WAC 296-128 - Minimum Wages

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 6007 SB

Title: Grocery workers

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

Legislation Impacts:

- Cities:
 Counties:
 Special Districts:
 Specific jurisdictions only:
 Variance occurs due to:

Part II: Estimates

- No fiscal impacts.
 Expenditures represent one-time costs:
 Legislation provides local option:
 Key variables cannot be estimated with certainty at this time:

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

None

Part III: Preparation and Approval

Fiscal Note Analyst: Alice Zillah	Phone: 360-725-5035	Date: 01/23/2024
Leg. Committee Contact: Susan Jones	Phone: 360-786-7404	Date: 01/20/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/23/2024
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 01/23/2024

Part IV: Analysis

A. SUMMARY OF BILL

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

The legislation establishes employment standards for grocery workers.

Sec. 13 creates a new section. This chapter does not preempt any city, county, or city and county ordinances that provide equal or greater protection to eligible grocery workers.

B. SUMMARY OF EXPENDITURE IMPACTS

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

The legislation would have no expenditure impacts for local governments. The penalties established by the bill are civil and thus would not involve city or county prosecutors, or court-appointed defense attorneys.

C. SUMMARY OF REVENUE IMPACTS

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

The legislation would have no revenue impacts for local governments.