Multiple Agency Fiscal Note Summary

Bill Number: 5420 SB	**Title:** Veteran benefits access

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
Department of Licensing	0	0	27,416	0	0	0	0	0	0
Total $	**0**	**0**	**27,416**	**0**	**0**	**0**	**0**	**0**	**0**

Estimated Operating Expenditures

Agency Name	2025-27				2027-29				2029-31			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Office of Attorney General	Fiscal note not available											
Office of Financial Management	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Retirement Systems	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Licensing	.0	0	0	29,000	.0	0	0	0	.0	0	0	0
Military Department	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Veterans Affairs	.0	0	0	0	.0	0	0	0	.0	0	0	0
Actuarial Fiscal Note - State Actuary	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Total $	**0.0**	**0**	**0**	**29,000**	**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									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2025-27			2027-29			2029-31		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Attorney General	Fiscal note not available								
Office of Financial Management	.0	0	0	.0	0	0	.0	0	0
Department of Retirement Systems	.0	0	0	.0	0	0	.0	0	0
Department of Licensing	.0	0	0	.0	0	0	.0	0	0
Military Department	.0	0	0	.0	0	0	.0	0	0
Department of Veterans Affairs	.0	0	0	.0	0	0	.0	0	0
Actuarial Fiscal Note - State Actuary	.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									
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Arnel Blancas, OFM	Phone: (360) 000-0000	Date Published: Final 2/28/2025

FNPID 73938

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 5420 SB	Title: Veteran benefits access	Agency: 105-Office of Financial Management

Part I: Estimates

[X] **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:	William Bridges	Phone: 360-786-7367	Date: 02/05/2025
Agency Preparation:	Kathy Cody	Phone: (360) 480-7237	Date: 02/10/2025
Agency Approval:	Jamie Langford	Phone: 360-902-0422	Date: 02/10/2025
OFM Review:	Gwen Stamey	Phone: (360) 790-1166	Date: 02/10/2025

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 bill amends access to state benefits and opportunities for veterans, uniformed service members, and military spouses by
- Modifying eligibility criteria for pension and retirement benefits related to military service.
- Broadening eligibility for veterans' benefits, adding a definition for "uniformed services" to include federal commissioned corps.
- Expanding the types of military service that qualify military spouses and dependents for benefits.

OFM can incorporate these changes within routine business practices. 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

Bill Number: 5420 SB	Title: Veteran benefits access	Agency: 124-Department of Retiremen Systems

Part I: Estimates

[X] **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:	William Bridges	Phone: 360-786-7367	Date: 02/05/2025
Agency Preparation:	Candice Myrum	Phone: 360-664-7124	Date: 02/11/2025
Agency Approval:	Mark Feldhausen	Phone: 360-664-7194	Date: 02/11/2025
OFM Review:	Marcus Ehrlander	Phone: (360) 489-4327	Date: 02/12/2025

Part II: Narrative Explanation

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

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

This bill would expand the definitions used to qualify military veterans and uniformed service members for particular benefits. The proposed changes would apply to certain members of the Public Employees' Retirement System (PERS) Plan 1 and the Law Enforcement Officers' and Fire Fighters' (LEOFF) Retirement System Plan 1.

These changes do not have a fiscal impact on the Department of Retirement Systems (DRS). DRS already has the necessary systems and processes in place for allowing service credit for military time, and we only anticipate a small number of transactions.

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

Bill Number: 5420 SB	Title: Veteran benefits access	Agency: 240-Department of Licensing

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

ACCOUNT	FY 2026	FY 2027	2025-27	2027-29	2029-31
Architects' License Account-State 003-1	179		179		
Real Estate Commission Account-State 026-1	3,646		3,646		
Business and Professions Account-State 06L-1	23,322		23,322		
Funeral and Cemetery Account-State 15V-1	194		194		
Geologists' Account-State 298-1	75		75		
Total $	27,416		27,416		

Estimated Operating Expenditures from:

	FY 2026	FY 2027	2025-27	2027-29	2029-31
Account					
Architects' License Account-State 003-1	179	0	179	0	0
Real Estate Commission Account-State 026-1	3,646	0	3,646	0	0
Business and Professions Account-State 06L-1	23,322	0	23,322	0	0
Motor Vehicle Account-State 108 -1	1,584	0	1,584	0	0
Funeral and Cemetery Account-State 15V-1	194	0	194	0	0
Geologists' Account-State 298-1	75	0	75	0	0
Total $	29,000	0	29,000	0	0

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:	William Bridges	Phone: 360-786-7367	Date: 02/05/2025
Agency Preparation:	Gina Rogers	Phone: 360-634-5036	Date: 02/11/2025
Agency Approval:	Gerrit Eades	Phone: (360) 902-3931	Date: 02/11/2025
OFM Review:	Kyle Siefering	Phone: (360) 995-3825	Date: 02/11/2025

Part II: Narrative Explanation

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

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

Section 3 – Amends RCW 38.42.010(8) Amends the definition "service member" to include members of the US public health service commissioned corps or national oceanic and atmospheric administration commissioned officer corps.
Section 4 – Amends RCW 41.18.150(2) Defines "uniformed services" to include the US public health service commissioned corps or national oceanic and atmospheric administration commissioned officer corps. Includes references to uniformed as well as armed forces.
Section 7 – Amends RCW 43.24.130 (1) – (2) Includes references to the national oceanic and atmospheric administration commissioned officer corps along with other military and spouse licensing provisions.

Per RCW 43.24.086, the cost of administering professional and business licensing programs must be funded by those industry's licensing fees impacted by the proposed legislation. The expenditures will be spread between professions associated with 06L, Business and Professions, 026 Real Estate Commission
and 108, Motor Vehicle Transportation

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.

Please see attached fiscal note.

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.

Please see attached fiscal note.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2026	FY 2027	2025-27	2027-29	2029-31
003-1	Architects' License Account	State	179	0	179	0	0
026-1	Real Estate Commission Account	State	3,646	0	3,646	0	0
06L-1	Business and Professions Account	State	23,322	0	23,322	0	0
108-1	Motor Vehicle Account	State	1,584	0	1,584	0	0
15V-1	Funeral and Cemetery Account	State	194	0	194	0	0
298-1	Geologists' Account	State	75	0	75	0	0
		Total $	29,000	0	29,000	0	0

III. B - Expenditures by Object Or Purpose

	FY 2026	FY 2027	2025-27	2027-29	2029-31
FTE Staff Years					
A-Salaries and Wages					
B-Employee Benefits					
C-Professional Service Contracts					
E-Goods and Other Services	29,000		29,000		
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 $	29,000	0	29,000	0	0

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

Agency 240 – Department of Licensing

Bill Number: SB 5420 Bill Title: Access to state benefits and opportunities for veterans

Part 1: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts:

Indeterminate - Potential revenue loss from irregular license renewals due to active service

Revenue	Fund	FY 26	FY 27	25-27 Total	27-29 Total	29-31 Total
Architects' License	003	179		179	-	-
Real Estate Commission	026	3,646		3,646	-	-
Business and Professions	06L	23,322		23,322	-	-
Funeral and Cemetery	15V	194		194	-	-
Geologists'	298	75		75	-	-
	Account Totals	**27,416**	**-**	**27,416**	**-**	**-**

Per RCW 43.24.086, the cost of administering professional and business licensing programs must be funded by those industry's licensing fees. Cash receipt impacts are driven by fee increases to satisfy this requirement.

Estimated Expenditures:

Operating Expenditures	Fund	FY 26	FY 27	25-27 Total	27-29 Total	29-31 Total
Architects' License	003	179	-	179	-	-
Real Estate Commission	026	3,646	-	3,646	-	-
Business and Professions	06L	23,322	-	23,322	-	-
Motor Vehicle	108	1,584	-	1,584	-	-
Funeral and Cemetery	15V	194	-	194	-	-
Geologists'	298	75	-	75	-	-
	Account Totals	**29,000**	**-**	**29,000**	**-**	**-**

The revenue 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 the fiscal impact is **less than $50,000** per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ 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.

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	Phone: (360)	Date:
Agency Preparation: Gina Rogers	Phone: (360) 360-5036	Date: 02/10/2025
Agency Approval: Gerrit Eades	Phone: (360) 902-3931	Date: 02/10/2025

Request #	1
Bill #	5420

Part 2 – Explanation

This bill allows individuals of the National Oceanic and Atmospheric Administration (NOAA) commissioned officer corps to operate with their license similarly to those in the armed forces by:

- allowing licenses to remain in effect during service and
- allowing licenses to be placed in inactive status if requested by the licensee or their spouse/registered domestic partner.

2.A – Brief Description Of What The Measure Does That Has Fiscal Impact

Section 3 – Amends RCW 38.42.010(8) Amends the definition "service member" to include members of the US public health service commissioned corps or national oceanic and atmospheric administration commissioned officer corps.

Section 4 – Amends RCW 41.18.150(2) Defines "uniformed services" to include the US public health service commissioned corps or national oceanic and atmospheric administration commissioned officer corps. Includes references to uniformed as well as armed forces.

Section 7 – Amends RCW 43.24.130 (1) – (2) Includes references to the national oceanic and atmospheric administration commissioned officer corps along with other military and spouse licensing provisions.

Per RCW 43.24.086, the cost of administering professional and business licensing programs must be funded by those industry's licensing fees impacted by the proposed legislation. The expenditures will be spread between professions associated with 06L, Business and Professions, 026 Real Estate Commission and 108, Motor Vehicle Transportation.

2.B - Cash receipts Impact

Potential revenue loss from irregular license renewals due to active service and additional authority is needed for the IS required programing in FY26, onetime.
The Cash impacts differ from expenditures impacts from exclusion of transportation fund, 108.

Revenue	Fund	FY 26	FY 27	25-27 Total	27-29 Total	29-31 Total
Architects' License	003	179		179	-	-
Real Estate Commission	026	3,646		3,646	-	-
Business and Professions	06L	23,322		23,322	-	-
Funeral and Cemetery	15V	194		194	-	-
Geologists'	298	75		75	-	-
Account Totals		**27,416**	**-**	**27,416**	**-**	**-**

2.C – Expenditures

Assumption based on profession participation, expedited applications for military members and their spouses, 7/1/23 through 6/30/24

Licenses Processed FY24	Fund	FY24
Architects' License	003	12
Real Estate Commission	026	244
Business and Professions	06L	1,561
Motor Vehicle	108	106
Funeral and Cemetery	15V	13
Geologists'	298	5
License Totals		**1,941**

Per RCW 43.24.086, the cost of administering professional and business licensing programs must be funded by those industry's licensing fees. Cash receipt impacts are driven by fee increases to satisfy this requirement. The funds impacted by this legislation are listed in Operating Expenditure table below.

Operating Expenditures	Fund	FY 26	FY 27	25-27 Total	27-29 Total	29-31 Total
Architects' License	003	179	-	179	-	-
Real Estate Commission	026	3,646	-	3,646	-	-
Business and Professions	06L	23,322	-	23,322	-	-
Motor Vehicle	108	1,584	-	1,584	-	-
Funeral and Cemetery	15V	194	-	194	-	-
Geologists'	298	75	-	75	-	-
Account Totals		**29,000**	**-**	**29,000**	**-**	**-**

The fund distributions of expenditures are based on profession participation, expedited applications for military members and their spouses, 7/1/2023 through 6/30/24 as shown in the Licenses Processed FY24 table above.

Information Services:
The agency will use appropriated funds to hire contract programmers to accomplish this work or to support current staff implementing this legislation within the required timeline. Appropriated funds may also be used to hire agency temporary staff to support permanent staff assigned to this legislative effort.

Any change requires a process to ensure changes are correctly applied to the system. This involves Project Managers that manage the team that completes the update, business analyst that documents and reviews the system changes, architect services that analyzes how the update could have an effect on other systems or DOL processes, developers who create the change, and testers and quality assurance teams that ensure the update is working correctly.
Deloitte contracted Commercial Off the Shelf product $12,584, onetime FY26.

What IS Will Implement:
Update wording on questions on new, comity or reciprocity applications in the POLARIS application to allow for identification of qualifying applicants.

Cost Category	Description	Rate	2026	2027	2028	2029	2030	2031	Total Cost
TESTER	Test to verify individual components meet requirements; ensure that other business transactions have not been impacted.	$ 27,144	8,100	-	-	-	-	-	8,100
BUSINESS ANALYST	Determine business requirements; translate requirements into what changes are needed to various systems including account codes, inventory codes, testing considerations, etc.	$ 19,836	2,000	-	-	-	-	-	2,000
SECURITY AND ARCHITECT SERVICES	Create the conceptual model that defines the structure, behavior and framework of a computerized system including a breakdown of the system into components, the component interactions and interfaces (including with the environment, especially the user), and the technologies and resources to be used in the design.	$ 19,836	2,000	-	-	-	-	-	2,000
TRAINER	Trains business partners and employees in new system processes and capabilities.	$ 27,144	2,700	-	-	-	-	-	2,700
PROJECT CONTINGENCY	Office of the Chief Information Officer designated rate of 10%	$ 27,394	1,500	-	-	-	-	-	1,500
Totals			**16,300**	**-**	**-**	**-**	**-**	**-**	**16,300**

Per RCW 43.24.086, the cost of administering professional and business licensing programs must be funded by those industry's licensing fees impacted by the proposed legislation.

Part 3 – Expenditure Detail

Operating Expenditures	Fund	FY 26	FY 27	25-27 Total	27-29 Total	29-31 Total
Architects' License	003	179	-	179	-	-
Real Estate Commission	026	3,646	-	3,646	-	-
Business and Professions	06L	23,322	-	23,322	-	-
Motor Vehicle	108	1,584	-	1,584	-	-
Funeral and Cemetery	15V	194	-	194	-	-
Geologists'	298	75	-	75	-	-
Account Totals		**29,000**	**-**	**29,000**	**-**	**-**

The fund distributions of expenditures are based on profession participation, expedited applications for military members and their spouses, 7/1/2023 through 6/30/24 as shown in the Licenses Processed FY24 table above.

Part 4 – Capital Budget Impact

None.

Part 5 – New Rule Making Required

None.

Individual State Agency Fiscal Note

Bill Number: 5420 SB	Title: Veteran benefits access	Agency: 245-Military Department

Part I: Estimates

[X] **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:	William Bridges	Phone: 360-786-7367	Date: 02/05/2025
Agency Preparation:	Serina Roberts	Phone: 2535127388	Date: 02/10/2025
Agency Approval:	Regan Hesse	Phone: 253-512-7498	Date: 02/10/2025
OFM Review:	Gwen Stamey	Phone: (360) 790-1166	Date: 02/12/2025

Part II: Narrative Explanation

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

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

This bill expands access to state benefits and opportunities for veterans, uniformed service members, and military spouses. There is no substantial impact to the Military Department.

In several sections of the bill, the definition of armed services is expanded to include uniformed services which it defines as "member of the uniformed United States public health service commissioned corps and the national oceanic and atmospheric administration commissioned officer corps."

The bill also expands rights to spouses of active service members.

For the sections that do apply (Section 1, Section 2, Section 3, Section 6, Section 8, Section 12, Section 13), there is no substantial change as this work is already performed by Military Department employees.

Therefore, the expansions included in the bill do not have a fiscal impact on our agency.

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

Bill Number: 5420 SB	Title: Veteran benefits access	Agency: 305-Department of Veterans Affairs

Part I: Estimates

[X] **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:	William Bridges	Phone: 360-786-7367	Date: 02/05/2025
Agency Preparation:	Mirach Sebhat	Phone: (360) 451-2296	Date: 02/12/2025
Agency Approval:	Yacob Zekarias	Phone: 253-545-1942	Date: 02/12/2025
OFM Review:	Arnel Blancas	Phone: (360) 000-0000	Date: 02/12/2025

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.

Senate Bill 5420 will have no fiscal impact on the Washington Department of Veterans Affairs (WDVA).

The main intent of the bill is to enhance and clarify existing statutes regarding benefits, employment preferences, and service credit for service members, veterans, and their families. These changes primarily involve expanding definitions of uniformed services, expanded eligibility for employment preferences and pension service credits, and equitable access to existing benefits. The bill does not impose a fiscal burden on WDVA.

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

Bill Number: 5420 SB	Title: Veteran benefits access	Agency: AFN-Actuarial Fiscal Note - State Actuary

Part I: Estimates

☐ **No Fiscal Impact**

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

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

Estimated Capital Budget Impact:

NONE

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

Check applicable boxes and follow corresponding instructions:

☒ If fiscal impact is greater than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete entire fiscal note form Parts I-V.

☐ If fiscal impact is less than $50,000 per fiscal year in the current biennium or in subsequent biennia, complete this page only (Part I).

☐ Capital budget impact, complete Part IV.

☐ Requires new rule making, complete Part V.

Legislative Contact:	William Bridges	Phone: 360-786-7367	Date: 02/05/2025
Agency Preparation:	Darren Painter	Phone: 360-786-6155	Date: 02/26/2025
Agency Approval:	Sarah Baker	Phone: 3607866160	Date: 02/26/2025
OFM Review:	Marcus Ehrlander	Phone: (360) 489-4327	Date: 02/26/2025

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.

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

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

III. B - Expenditures by Object Or Purpose

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

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

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

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

NONE

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

NONE

Part V: New Rule Making Required

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

SUMMARY OF RESULTS

BRIEF SUMMARY OF BILL: This bill extends various state veteran's benefits to veterans of the federal uniformed services including expanding access to fully subsidized military service credit for pension benefits in PERS 1.

COST SUMMARY

- This bill has an **Indeterminate Cost** to PERS 1 because data was not available for members that could receive additional service credit under this bill at retirement.
- Plan costs that arise from this bill will be reflected in future PERS actuarial valuations and impact the UAAL rate described in RCW 41.45.060. UAAL rates are prescribed through Fiscal Year 2027.

HIGHLIGHTS OF ACTUARIAL ANALYSIS

- This bill increases total PERS 1 plan costs because fully subsidized service credit is provided at no cost to members with eligible uniformed service, and the resulting increase in pension benefits was not anticipated or funded during the members' careers. Other retirement systems administered by local governments may also be impacted; however, impacts to these systems are outside the scope of our analysis.
- Eligible members must claim the uniformed service credit prior to retirement to receive additional pension benefits under this bill. As of June 30, 2023, there were 506 active members and 149 terminated vested members in PERS 1. Data was not available on the amount of service or number of members that may have eligible uniformed service.
- We anticipate any additional PERS 1 plan costs resulting from this bill will have a limited impact on future UAAL rates given the relatively small number of remaining active members, the 5-year cap on additional pension service credit, the requirement of 25 years of service credit or interruption of state employment to be eligible for these benefits, and the requirement that uniformed service must have been earned during a period of war. Please see the **UAAL Contribution Rate Example Impacts** section for an example of how these costs could impact contribution rates.

WHAT IS THE PROPOSED CHANGE?

Summary of Bill

This bill impacts the following state-administered system:

- Public Employees' Retirement System (PERS) Plan 1.

This bill extends state veteran's benefits to individuals with service in the Public Health Service Commissioned Corps (PHSCC) or the National Oceanic and Atmospheric Administration Commissioned Officer Corps (NOAACOC) of the federal uniformed services. These benefits include civil protections, hiring preferences, employment & reemployment benefits, licensing benefits, and "military" service credit in state-administered and non-state administered retirement systems.

This bill impacts PERS 1 by adding uniformed service to the federal service that is eligible for military service credit benefits in the retirement system. Under this bill, members may receive up to five Years Of Service (YOS) credit in PERS 1 for eligible uniformed service in the PHSCC or NOAACOC.

Eligible uniformed service must be during a period of war as defined in the Revised Code of Washington (RCW) 41.04.005 and the member must have served honorably or been honorably discharged. Members must apply for uniformed service credit prior to retirement, and no member or employer payments are required for this service.

The bill also adds uniformed service to the federal service that is eligible for military service credit benefits in police, firefighter, and city employee retirement plans that pre-date the current state retirement systems. These plans are administered by local governments, have been closed for decades, and have no active members remaining.

Effective Date: 90 days after session

In this summary, we only include changes pertinent to our Actuarial Fiscal Note (AFN). See the legislative bill report for a complete summary of the bill.

What Is the Current Situation?

PERS 1 provides up to five years of no-cost retirement system service credit for members with eligible service in the armed forces. This service is also referred to as military service credit.

Eligible military service must be during a period of war as defined in RCW 41.04.005 and the member must have been honorably discharged. Members must have 25 YOS in PERS 1 to receive service credit for military service that occurred prior to state employment. There is no minimum plan service required for military service that interrupts state employment.

Members must apply for military service credit prior to retirement, and no member or employer payments are required for this service.

Who Is Impacted and How?

We estimate this bill could affect active and terminated vested members of PERS 1 who have eligible uniformed service by providing them additional retirement system service credit, resulting in larger pension benefits. Data was not available on the number of members who have eligible uniformed service or the amount of the service.

Members with eligible uniformed service may receive up to five years of PERS 1 service credit. The example below compares pension benefits under current law and this bill if a member with 25 years of PERS 1 service and a $75,000 Average Final Compensation (AFC) includes the full five years in their benefit calculation. As you'd expect, a 20% increase in total service credit translates to a 20% increase in annual pension benefits for this hypothetical member.

- Current Law: (25 YOS) x (2% Benefit Multiplier) x ($75,000 AFC) = $37,500 per year
- Bill: (25 YOS + 5 Years Uniformed Service) x (2% Benefit Multiplier) x ($75,000 AFC) = $45,000 per year

This bill could impact all PERS, the School Employees' Retirement System, and the Public Safety Employees' System employers through increased Unfunded Actuarial Accrued Liability (UAAL) contribution rates. This bill will not affect member contribution rates.

UAAL Contribution Rate Example Impacts

Any plan costs arising from this bill will be funded through future PERS 1 UAAL contribution rates calculated with each rate-setting Actuarial Valuation Report (AVR). To understand the potential impacts to the UAAL rate, we calculated the number of PERS 1 members receiving the maximum five years of uniformed service required to change the UAAL rate by 0.01% or 1 basis point. We relied on assumptions disclosed in the 2023 AVR and further assumed each example member has the PERS 1 average age of 71 with 25 YOS and $75,000 AFC. Based on these assumptions, we found approximately 100 members would need to receive the full five years of uniformed service credit to impact the UAAL rate by 1 basis point. As a comparison, as of June 30, 2023, there are 506 active members and 149 terminated vested members in PERS 1.

The Department of Retirement Systems shared that ten PERS 1 members from 2019-2024 received an average of 3.5 years of fully subsidized military service credit under current law plan provisions. Given the scope of eligible military service under current law compared to the uniformed service being added under this bill, we anticipate the number of members receiving fully subsidized uniformed service credit in the future will occur at a lower rate than the observed amount over the past five years for current law benefits.

In other words, we expect this bill to have a limited impact on future PERS 1 UAAL contribution rates. Additionally, while the actual amount of uniformed service credit granted may exceed these historical averages, we do not anticipate this bill to materially increase the underlying risk to the system.

ACTUARY'S CERTIFICATION

The undersigned certifies that:

1. The actuarial assumptions, methods, and data used are reasonable for the purposes of this pricing exercise. The use of another set of assumptions, methods, and data may also be reasonable and might produce different results.
2. Unless noted otherwise in this AFN, the disclosures included in the 2023 AVR regarding the methods used to determine a plan's actuarially determined contribution, and the expected outcome of those methods, apply to this pricing exercise and remain unchanged.
3. The risk analysis summarized in this AFN involves the interpretation of many factors and the application of professional judgment.
4. The models used are appropriate for the purpose of this pricing. We are not aware of any known weaknesses or limitations of the models that have a material impact on the results.
5. We prepared this AFN based on our current understanding of the bill as of the date shown in the footer. If the bill or our understanding of the bill changes, the results of a future AFN based on those changes may vary. Additionally, the results presented here may change after our next annual update of the underlying actuarial measurements.
6. We prepared this AFN and provided opinions in accordance with Washington State law and accepted Actuarial Standards of Practice as of the date shown in the footer.

We prepared this AFN to support legislative deliberations during the 2025 Legislative Session and it may not be appropriate for other purposes. We advise readers of this AFN to seek professional guidance as to its content and interpretation, and not to rely on this communication without such guidance. Please read the analysis shown in this AFN as a whole; distribution of, or reliance on, only parts of this AFN could result in its misuse and may mislead others.

The undersigned, with actuarial credentials, meets the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein. While this AFN is meant to be complete, the undersigned is available to provide extra advice and explanations as needed.



Sarah Baker, ASA, MAAA
Actuary

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LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 5420 SB	**Title:** Veteran benefits access

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

Legislation Impacts:

[X] Cities: All cities. Indeterminate increase in Unfunded Actuarial Accrued Liability (UAAL) contribution rates. Increase in administrative costs.

[X] Counties: All counties. Same as above.

[X] Special Districts: All special districts. Same as above.

[ ] Specific jurisdictions only:

[ ] Variance occurs due to:

Part II: Estimates

[ ] No fiscal impacts.

[ ] Expenditures represent one-time costs:

[ ] Legislation provides local option:

[X] Key variables cannot be estimated with certainty at this time: The number of active or retired members of the uniformed services, and their spouses that will submit a request for retirement system credits. Increase in staff workload.

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

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

Part III: Preparation and Approval

Fiscal Note Analyst: Kristine Williams	Phone: (564) 250-5931	Date: 02/27/2025
Leg. Committee Contact: William Bridges	Phone: 360-786-7367	Date: 02/05/2025
Agency Approval: Alice Zillah	Phone: 360-725-5035	Date: 02/27/2025
OFM Review: Arnel Blancas	Phone: (360) 000-0000	Date: 02/28/2025

Part IV: Analysis

A. SUMMARY OF BILL

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

This legislation extends certain hiring preferences and no-cost retirement system service credits to members of the uniformed services, and their spouses, who choose to continue public service employment in Washington state. Members of the Public Health Service Commissioned Corps, and the National Oceanic and Atmospheric Administration Commissioned Officer Corps are included in the following categories:

- protection under the Washington Service Members' Civil Relief Act (WSCRA),
- state-sponsored fire, police, and public employee retirement systems; and
- state and local civil service exams.

This legislation would take effect 90 days after adjournment of the session in which the bill is passed.

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.

This legislation would have an indeterminate expenditure impact on local governments.

The State Actuary's Office (actuary) estimates that this bill could affect active and terminated members of PERS 1 who have eligible uniformed service by providing them additional retirement system services credit, resulting in larger pension benefits. This legislation could impact all PERS, School Employees' Retirement System, and Public Safety Employees' systems through increased Unfunded Actuarial Accrued Liability (UAAL) employer contribution rates, but not member contribution rates. The Department of Veteran Affairs does not have population data available on the number of nonmilitary uniformed service members in Washington state or an estimate for the number of military members or dependents that would be impacted by this legislation. Therefore, these costs are indeterminate.

The Local Government Fiscal Note Program assumes that local governments will incur staff and training costs necessary to update human resource policies and examination procedures. These costs will vary by jurisdiction and cannot be estimated.

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.

This bill would not impact local government revenues.

SOURCES
Department of Retirement Systems FN SB 5420 (2025)
Department of Veterans Affairs
State Actuary FN SB 5420 (2025)