Workforce Train & Educ Coord Board

2025-27 Second Supplemental Budget Session

Maintenance Level - 8R - Retirement Buyout Costs

Agency Recommendation Summary

The Workforce Board has two long-time employees separating from state service in FY27. Due to limited budget availability, the agency is requesting funds for a one-time separation buyout of annual and sick leave accruals. The agency's budget is unable to accommodate these costs without additional funding.

Fiscal Summary

Fiscal Summary *Dollars in Thousands*	Fiscal Years		Biennial	Fiscal Years		Biennial
	2026	2027	2025-27	2028	2029	2027-29
Staffing						
FTEs	0.0	0.3	**0.15**	0.0	0.0	**0.0**
Operating Expenditures						
Fund 001 - 1	$0	$48	**$48**	$0	$0	**$0**
Total Expenditures	**$0**	**$48**	**$48**	**$0**	**$0**	**$0**

Decision Package Description

Leave buyouts are a mandatory cost to the agency, and two long-time employees will retire in FY27 – one retired on September 1, 2026, and the other employee is scheduled to retire on 3/1/27.

The Workforce Board is a small agency with limited resources. The Workforce Board does not have the capacity to absorb the employees' leave buyouts and requests additional funding to cover this cost.

Assumptions and Calculations

Expansion, Reduction, Elimination or Alteration of a current program or service:

This request is not an expansion, elimination, or reduction of a current program or service.

Detailed Assumptions and Calculations:

Leave buyout costs are calculated based on actual leave balances on their retirement date. Sick leave will be paid at 25 percent of the accrued hours for the employee. The agency anticipates a one-time combined leave buyout cost of **$47,700** for the accrued annual and sick leave at separation.

Employee 1 – Retirement Date 9/1/26

- Sick Leave buyout (25% of total): $1,200
- Annual Leave buyout: $13,200
- **Total: $14,400**

Employee 2 – Retirement Date 3/1/27 (estimate may vary depending on any unscheduled leave requests prior to retirement)

- Sick Leave buyout (25% of total): $9,200
- Annual Leave buyout: $24,100
- **Total: $33,300**

Workforce Assumptions:

No Workforce impacts are anticipated.

Historical Funding:

Funding for buyout costs is not in the agency's base budget.

Strategic and Performance Outcomes

Strategic Framework:

Funding the retirement buyouts supports the agency's strategic initiatives by meeting the legal requirement to pay compensated benefits without reducing the funding available for core strategic goals.

Performance Outcomes:

Not applicable

Equity Impacts

Community Outreach and Engagement:

Not applicable

Disproportional Impact Considerations:

Not applicable

Target Communities and Populations:

Not applicable

Community Inputs and Incorporation:

Not applicable

Other Collateral Connections

HEAL Act Agencies Supplemental Questions

Not applicable

Puget Sound Recovery:

Not applicable

State Workforce Impacts:

Not applicable

Intergovernmental:

Not applicable

Stakeholder Impacts:

Not applicable

State Facilities Impacts:

Not applicable

Changes from Current Law:

Not applicable

Legal or Administrative Mandates:

Collective Bargaining Agreement Requirement
Leave buyout is required per the established Collective Bargaining Agreement (CBA) of 2025-27, Article 11 and Article 12:

CBA Article 11.14 Separation
Any employee, who has been employed for at least six (6) continuous months will be entitled to payment for vacation leave credit when they:

A. Resign;

B. Retire;

C. Are laid-off; or

D. Are terminated by the Employer.

In addition, the estate of a deceased employee will be entitled to payment for vacation leave credits.

CBA Article 12.7 Sick Leave Separation Cash Out
At the time of retirement from state service or at death, an eligible employee or the employee's estate will receive cash for their total sick leave balance on a one (1) hour for four (4) hours basis.

WAC Requirements for WMS Staff
Similarly, leave buyout is required per Washington Administrative Code (WAC) 357-31-225 and WAC 357-31-150, which govern leave cash-out for Washington Management Service (WMS) and other non-represented general government employees, consistent with the treatment afforded represented staff under the 2025-27 CBA, Articles 11.14 and 12.7.

WAC 357-31-225 Vacation Leave — Payment Upon Separation
When an employee who has completed six continuous months of employment separates from service by reason of resignation with adequate notice, layoff, trial service reversion, separation, dismissal, retirement, or death, the employee is entitled to a lump sum payment of unused vacation leave.

WAC 357-31-150 Sick Leave — Payment Upon Separation
Employees who separate from state service because of retirement or death must be compensated for their total unused sick leave accumulation at the rate of twenty-five percent (one hour of pay for every four hours of accrued sick leave).

Governor's Salmon Strategy:

Not applicable

IT Addendum

Does this Decision Package include funding for any IT-related costs, including hardware, software, (including cloud-based services), contracts or IT staff?

No

Objects of Expenditure

Objects of Expenditure *Dollars in Thousands*	Fiscal Years		Biennial	Fiscal Years		Biennial
	2026	2027	2025-27	2028	2029	2027-29
Obj. A	$0	$45	**$45**	$0	$0	**$0**
Obj. B	$0	$3	**$3**	$0	$0	**$0**

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