

Multiple Agency Fiscal Note Summary

Bill Number: 6081 SB	Title: Labor and industries ombuds
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Estimated Cash Receipts

NONE

Estimated Expenditures

Agency Name	2015-17			2017-19			2019-21		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Department of Commerce	1.7	499,979	499,979	1.7	500,036	500,036	1.7	500,036	500,036
Department of Labor and Industries	.0	0	0	.0	0	0	.0	0	0
Total	1.7	\$499,979	\$499,979	1.7	\$500,036	\$500,036	1.7	\$500,036	\$500,036

Estimated Capital Budget Impact

NONE

Prepared by: Kathy Cody, OFM	Phone: (360) 902-9822	Date Published: Final 3/25/2015
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

ENPID: 41887

FNS029 Multi Agency rollup

Individual State Agency Fiscal Note

Bill Number: 6081 SB	Title: Labor and industries ombuds	Agency: 103-Department of Commerce
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	1.6	1.7	1.7	1.7	1.7
Account					
General Fund-State 001-1	249,961	250,018	499,979	500,036	500,036
Total \$	249,961	250,018	499,979	500,036	500,036

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:	Phone:	Date: 03/19/2015
Agency Preparation: Jaime Rossman	Phone: 359-725-2717	Date: 03/24/2015
Agency Approval: Nick Demerice	Phone: 360-725-4178	Date: 03/24/2015
OFM Review: Kathy Cody	Phone: (360) 902-9822	Date: 03/24/2015

Part II: Narrative Explanation

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

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

This bill establishes the Ombuds for Employers program within the Department of Commerce, and outlines duties of the program pertaining to the Department of Labor and Industries.

Section 1 provides that the Ombuds is appointed by the Governor to a six-year term, specifies exclusive causes for which the person may be removed from the position, and provides that the Ombuds reports to the Director of the Department of Commerce. The Ombuds program may be competitively contracted by the Governor pursuant to RCW 39.26, but may not be physically housed at Labor and Industries. The Ombuds must have training, experience, or both in: (1) specified programs administered by Labor and Industries; (2) the Washington legal system; and (3) dispute or problem resolution techniques. The Ombuds is directed to integrate information explaining the ombuds program, including contact information, into existing brochures and materials provided by Labor and Industries to employers.

Section 2 requires the Ombuds to: act as an advocate for employers in interactions with Labor and Industries; provide information on Labor and Industries programs to employers; identify, investigate, and facilitate resolution of employer complaints relating to Labor and Industries programs; and maintain a toll-free complaint and inquiry phone line.

Section 3 provides that good-faith communications by the Ombuds related to the requirements of the chapter are privileged and confidential, records and files related to a complaint or investigation, and the identities of complainants, witnesses, or workers remain confidential unless disclosure is authorized by the employer or their legal representative, and no disclosure may be made outside the office of the Ombuds without the consent of the employer.

Section 4 requires the Ombuds to report to the Governor by October 1, 2016, and annually thereafter, on: issues addressed during the preceding year, including brief descriptions of cases in a form that does not compromise confidentiality; an accounting of the monitoring activities of the Ombuds; an identification of deficiencies in Labor and Industries programs related to interactions with employers; and recommendations for remedial action in policy or practice.

Section 5 appropriates \$250,000 to the Ombuds program for the fiscal year ending June 30, 2016.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

NONE

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

Sections 1 through 4

Commerce assumes the Ombuds program would be co-located with other Commerce programs in Seattle and the program manager would travel frequently within the state to publicize the program and coordinate with employers.

FTE Salaries and Benefits:

Commerce estimates 1.0 FTE EMS Band 2 (Program Manager), 0.2 FTE Communications Consultant 3, and 0.2 FTE Administrative Assistant 4 in FY16 to develop, implement, and publicize the Ombuds program and 1.0 FTE EMS Band 2, 0.2 FTE Communications Consultant 3, and 0.3 FTE Administrative Assistant 4 in FY17-21 to act as an advocate for employers with the Department of Labor and Industries, provide information on department programs to employees, maintain a statewide toll-free system for receipt of complaints and inquiries, and facilitate resolution of employer complaints.

FY16: \$154,493

FY17-21: \$161,266

Professional Service Contracts:

Commerce will contract for the development and production of communication materials to promote the Ombuds program. Costs are estimated based on similar outreach efforts, and assume the ability to include Ombuds materials in existing mailings and other communication opportunities between Labor and Industries and other agencies and businesses.

FY16: \$12,500

FY17-21: \$2,000 each fiscal year

Standard Goods and Services:

FY16: \$74,118

--standard G&S \$57,030

--space and utilities \$17,088

FY17-21: \$77,902

--standard G&S \$59,593

--space and utilities \$18,309

Note: Standard goods and services costs include supplies and materials; employee development and training; mandatory state seat of government, DES, and Public and Historic Facilities charges; and Commerce agency administration. Commerce administration provides general standard governmental services including, but not limited to: budgeting, accounting, payroll, and purchasing services; personnel and employee services; internal information technology systems, desktop and network support services; facilities management services; public affairs services; policy and risk management services; and other support services.

Travel:

Commerce estimates 72 days of travel including 9,126 miles using a hybrid motor pool vehicle (\$3,274), 72 days of per diem (\$4,176), and lodging for one person for ten days (\$1,400) to promote the Ombuds program and meet

with employers.

FY16-21: \$8,850 each fiscal year

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Summary of the Estimated Costs:

FY16: \$249,961

FY17-21: \$250,018 each fiscal year

Part III: Expenditure Detail

III. A - Expenditures by Object Or Purpose

	FY 2016	FY 2017	2015-17	2017-19	2019-21
FTE Staff Years	1.6	1.7	1.7	1.7	1.7
A-Salaries and Wages	118,227	123,043	241,270	246,086	246,086
B-Employee Benefits	36,266	38,223	74,489	76,446	76,446
C-Professional Service Contracts	12,500	2,000	14,500	4,000	4,000
E-Goods and Other Services	74,118	77,902	152,020	155,804	155,804
G-Travel	8,850	8,850	17,700	17,700	17,700
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:	\$249,961	\$250,018	\$499,979	\$500,036	\$500,036

III. B - 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 2016	FY 2017	2015-17	2017-19	2019-21
Administrative Assistant 4	48,168	0.2	0.3	0.3	0.3	0.3
Communications Consultant 3	58,464	0.2	0.2	0.2	0.2	0.2
EMS Band 2 (Program Manager)	96,900	1.0	1.0	1.0	1.0	1.0
Various Administrative Services	72,800	0.2	0.2	0.2	0.2	0.2
Total FTE's	276,332	1.6	1.7	1.7	1.7	1.7

III. C - Expenditures By Program (optional)

Program	FY 2016	FY 2017	2015-17	2017-19	2019-21
Agency Administration (Indirect) (100)	54,073	56,443	110,516	112,886	112,886
External Relations (200)	195,888	193,575	389,463	387,150	387,150
Total \$	249,961	250,018	499,979	500,036	500,036

Part IV: Capital Budget Impact

NONE

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

NONE

Individual State Agency Fiscal Note

Bill Number: 6081 SB	Title: Labor and industries ombuds	Agency: 235-Department of Labor and Industries
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Part I: Estimates

☒ **No Fiscal Impact**

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:	Phone:	Date: 03/19/2015
Agency Preparation: Xia Zhan	Phone: 360-902-6985	Date: 03/23/2015
Agency Approval: Chris P Freed	Phone: 360-902-6961	Date: 03/23/2015
OFM Review: Devon Nichols	Phone: (360) 902-0582	Date: 03/25/2015

Part II: Narrative Explanation

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

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

See attached.

II. B - Cash receipts Impact

Briefly describe and quantify the cash receipts impact of the legislation on the responding agency, identifying the cash receipts provisions by section number and when appropriate the detail of the revenue sources. Briefly describe the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explain how workload assumptions translate into estimates. Distinguish between one time and ongoing functions.

None.

II. C - Expenditures

Briefly describe the agency expenditures necessary to implement this legislation (or savings resulting from this legislation), identifying by section number the provisions of the legislation that result in the expenditures (or savings). Briefly describe the factual basis of the assumptions and the method by which the expenditure impact is derived. Explain how workload assumptions translate into cost estimates. Distinguish between one time and ongoing functions.

See attached.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

NONE

None.

Part V: New Rule Making Required

Identify provisions of the measure that require the agency to adopt new administrative rules or repeal/revise existing rules.

None.

Part II: Explanation

This bill creates the ombuds for employers in the Department of Commerce. The ombuds acts as an advocate for employers in their interactions with the Department of Labor and Industries (L&I); offers and provides information about L&I programs; and identifies, investigates, and facilitates resolution of employer complaints with L&I.

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

Section 1 – Creates the ombuds for employers in the Department of Commerce. The ombuds is appointed by the governor on a personal services contract with a term of six years. The ombuds must have experience or training with L&I programs and state legal system, and have dispute resolution skills.

Section 2 – Outlines the powers and duties of the ombuds:

- (1) Act as an advocate for employers in their interactions with L&I;
- (2) Offer and provide information about L&I programs;
- (3) Identify, investigate, and facilitate resolution of employer complaints with L&I; and
- (4) Maintain a statewide toll-free telephone number for the receipt of complaints and inquiries.

Section 4 – Requires the ombuds provide an annual report to the Governor. The first annual report is due on or before October 1, 2016.

Section 5 – Appropriates \$250,000 for fiscal year 2016 from the general fund.

II. B – Cash Receipt Impact

None.

II. C – Expenditures

There is no fiscal impact because the created ombuds in the Department of Commerce will be paid from a separate appropriation from the general fund. The ombuds would frequently consult with L&I staff, especially the Small Business Liaison Office, the impact to the Small Business Liaison Office will be absorbed by existing staff.

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

None.