

Multiple Agency Fiscal Note Summary

Bill Number: 5090 S SB	Title: Wage and salary information
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Estimated Cash Receipts

Agency Name	2019-21		2021-23		2023-25	
	GF- State	Total	GF- State	Total	GF- State	Total
Department of Labor and Industries	0	960	0	960	0	960
Total \$	0	960	0	960	0	960

Local Gov. Courts						
Loc School dist-SPI						
Local Gov. Other						
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
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	.9	0	372,000	.7	0	154,000	.7	0	154,000
Total \$	0.9	0	372,000	0.7	0	154,000	0.7	0	154,000

Estimated Capital Budget Expenditures

Agency Name	2019-21			2021-23			2023-25		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
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

Estimated Capital Budget Breakout

NONE

Prepared by: Anna Minor, OFM	Phone: (360) 902-0541	Date Published: Final 3/12/2019
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Individual State Agency Fiscal Note

Bill Number: 5090 S SB	Title: Wage and salary information	Agency: 100-Office of Attorney General
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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: Susan Jones	Phone: 360-786-7404	Date: 03/01/2019
Agency Preparation: Stacia Hollar	Phone: (360) 664-0865	Date: 03/07/2019
Agency Approval: Nick Klucarich	Phone: 360-586-3434	Date: 03/07/2019
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 03/11/2019

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 legislation is not expected to generate any costs or savings for the Attorney General's Office (AGO). The AGO completed an analysis for legal services and fiscal impact from the most likely state agencies.

The AGO Labor & Industries division has reviewed this bill and determined it will not increase or decrease the division's workload in representing the Department of Labor & Industries (L&I). This bill has discretionary enforcement assumed to result in a nominal level of work. Costs are not included in this request.

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.

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.

Part III: Expenditure Detail

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.

Individual State Agency Fiscal Note

Bill Number: 5090 S SB	Title: Wage and salary information	Agency: 110-Office of Administrative Hearings
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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: Susan Jones	Phone: 360-786-7404	Date: 03/01/2019
Agency Preparation: Deborah Feinstein	Phone: 360-407-2717	Date: 03/08/2019
Agency Approval: Deborah Feinstein	Phone: 360-407-2717	Date: 03/08/2019
OFM Review: Bryan Way	Phone: (360) 902-0650	Date: 03/11/2019

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.

Section 1 of the proposed legislation allows for appeals in accordance with the Washington Administrative Procedures Act. The number of appeals is projected to be minimal.

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.

Section 1 of the proposed legislation allows for appeals in accordance with the Washington Administrative Procedures Act. The number of appeals is projected to be minimal and within normal workload fluctuations. Costs are assumed to be nominal and none are included in this fiscal note.

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.

Individual State Agency Fiscal Note

Bill Number: 5090 S SB	Title: Wage and salary information	Agency: 235-Department of Labor and Industries
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Part I: Estimates

☐

No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2020	FY 2021	2019-21	2021-23	2023-25
Supplemental Pension Account-State 881-1	480	480	960	960	960
Total \$	480	480	960	960	960

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	1.0	0.7	0.9	0.7	0.7
Account					
Accident Account-State 608-1	250,000	66,000	316,000	132,000	132,000
Medical Aid Account-State 609-1	45,000	11,000	56,000	22,000	22,000
Total \$	295,000	77,000	372,000	154,000	154,000

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: 03/01/2019
Agency Preparation: Allison Kaech	Phone: 360-902-4530	Date: 03/05/2019
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 03/05/2019
OFM Review: Anna Minor	Phone: (360) 902-0541	Date: 03/12/2019

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.

See attached.

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

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
608-1	Accident Account	State	250,000	66,000	316,000	132,000	132,000
609-1	Medical Aid Account	State	45,000	11,000	56,000	22,000	22,000
Total \$			295,000	77,000	372,000	154,000	154,000

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	1.0	0.7	0.9	0.7	0.7
A-Salaries and Wages	61,000	45,000	106,000	90,000	90,000
B-Employee Benefits	23,000	18,000	41,000	36,000	36,000
C-Professional Service Contracts	177,000		177,000		
E-Goods and Other Services	23,000	13,000	36,000	26,000	26,000
G-Travel	1,000	1,000	2,000	2,000	2,000
J-Capital Outlays	10,000		10,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	295,000	77,000	372,000	154,000	154,000

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 2020	FY 2021	2019-21	2021-23	2023-25
Fiscal Analyst 5	68,580	0.1	0.0	0.1	0.0	0.0
Industrial Relations Agent 2	60,636	0.5	0.5	0.5	0.5	0.5
IT Specialist 3	72,036	0.2		0.1		
Revenue Agent 2	65,292	0.2	0.2	0.2	0.2	0.2
Total FTEs		1.0	0.7	0.9	0.7	0.7

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.

Yes, WAC 296.126.

Part II: Explanation

This bill prohibits an employer from:

- Seeking the wage or salary history of an applicant from the applicant or a current or former employer; or
- Requiring that an applicant's prior wage or salary history meet certain criteria.

The differences in fiscal impact of SSB 5090 compared to SB 5090 include:

- Removes a requirement which can result in violations. The substitute bill would likely have fewer complaints that the Department is required to investigate compared to the original version.
- It also clarifies that filing a civil action terminates the department's processing of a complaint.

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

Section 1

(4) (a) Upon complaint by an employee, the director must investigate to determine if there has been compliance with this section and the rules adopted under this section. The director may require the testimony of witnesses and production of documents as part of an investigation.

(b) If the director determines that a violation occurred, the director may order the employer to pay to the complainant actual damages; statutory damages equal to the actual damages or five thousand dollars, whichever is greater; and interest of one percent per month on all compensation owed. The director may also order payment to the department of a civil penalty of not more than two hundred dollars for a first violation and not more than one thousand dollars for a repeat violation, payment to the department of the costs of investigation and enforcement, and any other appropriate relief. For purposes of a civil penalty for violation of this section, the violation as to each affected employee constitutes a separate violation.

(c) An appeal from the director's determination may be taken in accordance with chapter 34.05 RCW. An employee who prevails is entitled to costs and reasonable attorneys' fees.

(d) The department must deposit civil penalties paid under this subsection in the supplemental pension fund established under RCW 51.44.033.

(e) Any wages and interest owed must be calculated from the first date wages were owed to the employee.

(7) The department may adopt rules to implement this section.

II. B – Cash Receipt Impact

Receivables-Operating

The proposed bill requires penalties received by L&I to be deposited in the Supplemental Pension, fund 881. The following assumptions were made in developing the estimates:

- 34 complaints filed annually. (see expenditure assumptions)
- Based on experience, 17 percent of those, or 6, will result in a determination of violation. (34 complaints x 17% = 6 violations)
- The bill sets penalties at \$200 for first violation, and up to \$1,000 for repeat violations. It is assumed violations are first time violations.
- Annual amount assessed is \$1,200. (6 violations x \$200 per violation = \$1,200)
- Historical collection rate of these types of assessments is 40 percent.
- Annual cash receipts are \$480 beginning in fiscal year 2020. (\$1,200 in assessments x 40% collection rate = \$480)

II. C – Expenditures

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

Staffing

Collections:

0.2 permanent Revenue Agent 2 (RA2) FTE and 0.2 project Information Technology Specialist 3 (ITS3) FTE are necessary to perform the following tasks:

- The RA2 will assist with implementation of the program, process complaints, issue legal documents and take collection actions, and handle calls with employers and workers. It is assumed the average time of 200 hours for an RA2 to help add new receivables to the Accounts Receivable Collection system (ARC) program and set up collections processes and test, and then 200 hours to collect the documents the first year, increasing to 400 hours per year as more public awareness results in increased complaints filed.
(400/2088 = 0.2 FTE)
- The ITS3 will coordinate with ARC programmers and the business area regarding the business requirements, testing, producing new legal documents and validation. The new documents would need to be able to assess penalties to include the category, “Adverse action”, “Front pay”, “Interested party” or “Unfair immigration-related practice,” and also awards for treble damages and front pay. We assume it will take 400 hours to provide the Collections business analysis and requirements, add new receivables to the ARC program, set up collections processes for it, test and validate, and provide revenue agent assistance. The start date is July 1, 2019 and end date is December 31, 2019.
(400/2088 = 0.2 FTE)

Employment Standards:

0.5 permanent FTE Industrial Relations Agent 2 (IRA2), permanent, beginning July 1, 2019. Duties will include investigating alleged complaints generated from this proposed legislation. One IRA2 investigates approximately 60 cases per year. The following assumptions were made in developing the estimates:

- The requirements in the bill closely align with departmental requirements set forth under the Equal Pay Opportunity Act (EPOA). The program anticipates that the workload impacts under this bill will be similar.
- The department has received 29 EPOA complaints since the law took effect on June 7, 2018. We therefore assume that the total number of EPOA complaints received annually will be roughly 34.

- Therefore, 0.5 additional IRA2 is needed to implement this bill (34 complaints / 60 cases per IRA = 0.57).

Information Technology

\$176,686 is needed for 1,306 contractor hours to develop, test, and update IT systems:

- Add a new receivable to the accounts receivable type and collections system (ARC).
- Add a new complaint activity tracking system (CATS).
- Penalties will be assessed so a new penalty type will need to be added.
- The PARC system will need to be modified to allow payments to all receivables created in the ARC system as a result of this bill; the ARC system will be modified to handle all legal process lifecycles as well.

The expenditure calculations in this fiscal note includes 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.

Indirect Costs

The amount included in this fiscal note for indirect is:

Fund Name		FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
608	Accident	5,000	4,000	4,000	4,000	4,000	4,000
609	Medical Aid	1,000	1,000	1,000	1,000	1,000	1,000
	Total:	\$6,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000

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 56, Step G).

Part IV: Capital Budget Impact

None.

Part V: New Rule Making Required

- Rulemaking may be required for this bill.