

Multiple Agency Fiscal Note Summary

Bill Number: 1696 E S HB AMS KEIS S4116.2	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
Office of Attorney General	0	45,000	0	46,000	0	46,000
Department of Labor and Industries	0	6,800	0	6,800	0	6,800
Total \$	0	51,800	0	52,800	0	52,800

Local Gov. Courts	No fiscal impact					
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
Administrative Office of the Courts	.0	0	0	.0	0	0	.0	0	0
Office of Attorney General	.2	0	45,000	.2	0	46,000	.2	0	46,000
Office of Administrative Hearings	.0	0	0	.0	0	0	.0	0	0
Department of Labor and Industries	2.7	0	647,000	2.1	0	482,000	2.1	0	482,000
Total \$	2.9	0	692,000	2.3	0	528,000	2.3	0	528,000

Local Gov. Courts	No fiscal impact								
Loc School dist-SPI									
Local Gov. Other									
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2019-21			2021-23			2023-25		
	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

Estimated Capital Budget Breakout

NONE

Prepared by: Anna Minor, OFM	Phone: (360) 902-0541	Date Published: Final 4/29/2019
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Judicial Impact Fiscal Note

Bill Number: 1696 E S HB AMS KEIS S4116.2	Title: Wage and salary information	Agency: 055-Administrative Office of the Courts
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Part I: Estimates



No Fiscal Impact

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 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.

Legislative Contact	Joan Elgee	Phone: 360-786-7106	Date: 04/15/2019
Agency Preparation:	Sam Knutson	Phone: 360-704-5528	Date: 04/16/2019
Agency Approval:	Ramsey Radwan	Phone: 360-357-2406	Date: 04/16/2019
OFM Review:	Ramona Nabors	Phone: (360) 902-0547	Date: 04/16/2019

Request # 1696 ESHB-1

Part II: Narrative Explanation

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

Please see attached Judicial Impact Note (JIN).

II. B - Cash Receipts Impact

II. C - Expenditures

Part III: Expenditure Detail

Part IV: Capital Budget Impact

Part II: Narrative Explanation

This bill would prohibit an employer from seeking the wage or salary history of an applicant or requiring that the wage or salary history meet certain criteria. The bill would provide for certain exceptions.

Part II.A – Brief Description of what the Measure does that has fiscal impact on the Courts

Section 5 – Would provide that an employee may bring a civil action against an employer for violation of the provisions of the bill for actual damages, statutory damages, interest of one percent per month on all compensation owed, and costs and reasonable attorney's fees. Courts may also order reinstatement and injunctive relief.

II.B - Cash Receipt Impact

None.

II.C – Expenditures

Indeterminate, but expected to be minimal. It is unknown how many civil filings would result from this bill.

Judicial education would be required. This would be managed within existing resources.

Individual State Agency Fiscal Note

Revised

Bill Number: 1696 E S HB AMS KEIS S4116.2	Title: Wage and salary information	Agency: 100-Office of Attorney General
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2020	FY 2021	2019-21	2021-23	2023-25
Legal Services Revolving Account-State 405-1	22,000	23,000	45,000	46,000	46,000
Total \$	22,000	23,000	45,000	46,000	46,000

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.2	0.2	0.2	0.2	0.2
Account					
Legal Services Revolving Account-State 405-1	22,000	23,000	45,000	46,000	46,000
Total \$	22,000	23,000	45,000	46,000	46,000

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: Joan Elgee	Phone: 360-786-7106	Date: 04/15/2019
Agency Preparation: Stacia Hollar	Phone: (360) 664-0865	Date: 04/26/2019
Agency Approval: Dianna Wilks	Phone: 360-709-6463	Date: 04/26/2019
OFM Review: Gwen Stamey	Phone: (360) 902-9810	Date: 04/26/2019

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 amends RCW 49.58.005 regarding legislative intent.

Section 2 adds a new section to RCW 49.58 prohibiting employers from certain actions relating to prior salary information. An individual is entitled to the remedies in RCW 49.58.060 and .070 for violations of this section.

Section 3 adds a new section to RCW 49.58 establishes actions employers must take regarding salary information after an employee is hired. An individual is entitled to the remedies in RCW 49.58.060 and .070 for violations of this section.

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.

Cash receipts are assumed to equal the Legal Service 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 & Industries (L&I). The 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 agencies' fiscal note. Appropriation authority is necessary in the AGO budget.

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.

AGO Agency Assumptions:

1. This bill is assumed effective 90 days after the end of the 2019 legislative session.
2. This request does not include cost of living salary increases identified in the Governor's proposed 2019-21 budget.

Assumptions for the AGO Labor & Industries (LNI) Legal Services for L&I:

1. The AGO will bill L&I for legal services based on the enactment of this bill.
2. Section 2 and 3 create new requirements in RCW 49.58—limiting requests for an applicant's wage and salary information and requiring employers to provide salary information to applicants. LNI assumes violations of those provisions. Violations will lead to complaints and new investigations.

3. L&I assumes 120 new investigations beginning in 2019. The Department has a historical average of 14% of investigations proceeding to citation, so 17 cases will proceed to citation.

4. Historically, 20% of citations are appealed, so 3 cases are assumed to proceed to OAH. This will require an Assistant Attorney General (AAG) for representation. The historical average for cases of similar complexity is 0.1 FTE per 10 cases.

5. The AGO will need 0.1AAG in FY2020 for client advice on implementation, rulemaking, and ongoing investigations.

6. Beginning in FY 2021 and in each FY thereafter, the AGO will require 0.1 AAG for appeals and client advice:

7. Direct litigation costs are assumed for statewide travel for hearings. Beginning in FY 2021, \$640 is assumed for travel expenses based roundtrip airfare to each region, and lodging and meal per diem.

8. Total workload impact:

FY 2020: 0.10 AAG and 0.05 Legal Assistant (LA) at a cost of \$22,000.

FY 2021 and in each FY thereafter: 0.10 AAG and 0.05 LA at a cost of \$23,000 (this includes direct litigation costs of \$640 per FY).

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2020	FY 2021	2019-21	2021-23	2023-25
405-1	Legal Services Revolving Account	State	22,000	23,000	45,000	46,000	46,000
Total \$			22,000	23,000	45,000	46,000	46,000

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	0.2	0.2	0.2	0.2	0.2
A-Salaries and Wages	14,000	14,000	28,000	28,000	28,000
B-Employee Benefits	5,000	5,000	10,000	10,000	10,000
E-Goods and Other Services	3,000	3,000	6,000	6,000	6,000
G-Travel		1,000	1,000	2,000	2,000
Total \$	22,000	23,000	45,000	46,000	46,000

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
Assistant Attorney General	103,560	0.1	0.1	0.1	0.1	0.1
Legal Assistant 3	51,004	0.1	0.1	0.1	0.1	0.1
Total FTEs		0.2	0.2	0.2	0.2	0.2

III. D - Expenditures By Program (optional)

Program	FY 2020	FY 2021	2019-21	2021-23	2023-25
Labor & Industries Division (LNI)	22,000	23,000	45,000	46,000	46,000
Total \$	22,000	23,000	45,000	46,000	46,000

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: 1696 E S HB AMS KEIS S4116.2	Title: Wage and salary information	Agency: 110-Office of Administrative Hearings
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Part I: Estimates

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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: Joan Elgee	Phone: 360-786-7106	Date: 04/15/2019
Agency Preparation: Angie Brown	Phone: 360-407-2719	Date: 04/24/2019
Agency Approval: Deborah Feinstein	Phone: 360-407-2717	Date: 04/24/2019
OFM Review: Bryan Way	Phone: (360) 902-0650	Date: 04/24/2019

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 3 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 3 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: 1696 E S HB AMS KEIS S4116.2	Title: Wage and salary information	Agency: 235-Department of Labor and Industries
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Part I: Estimates

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No Fiscal Impact

Estimated Cash Receipts to:

ACCOUNT	FY 2020	FY 2021	2019-21	2021-23	2023-25
Supplemental Pension Account-State 881-1	3,400	3,400	6,800	6,800	6,800
Total \$	3,400	3,400	6,800	6,800	6,800

Estimated Operating Expenditures from:

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	3.2	2.1	2.7	2.1	2.1
Account					
Accident Account-State 608-1	344,000	206,000	550,000	412,000	412,000
Medical Aid Account-State 609-1	62,000	35,000	97,000	70,000	70,000
Total \$	406,000	241,000	647,000	482,000	482,000

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: Joan Elgee	Phone: 360-786-7106	Date: 04/15/2019
Agency Preparation: Teresa Zyski	Phone: 360-902-4985	Date: 04/23/2019
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 04/23/2019
OFM Review: Anna Minor	Phone: (360) 902-0541	Date: 04/25/2019

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	344,000	206,000	550,000	412,000	412,000
609-1	Medical Aid Account	State	62,000	35,000	97,000	70,000	70,000
Total \$			406,000	241,000	647,000	482,000	482,000

III. B - Expenditures by Object Or Purpose

	FY 2020	FY 2021	2019-21	2021-23	2023-25
FTE Staff Years	3.2	2.1	2.7	2.1	2.1
A-Salaries and Wages	202,000	129,000	331,000	258,000	258,000
B-Employee Benefits	79,000	51,000	130,000	102,000	102,000
C-Professional Service Contracts					
E-Goods and Other Services	91,000	57,000	148,000	114,000	114,000
G-Travel	4,000	4,000	8,000	8,000	8,000
J-Capital Outlays	30,000		30,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
Total \$	406,000	241,000	647,000	482,000	482,000

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	68,572	0.2	0.1	0.2	0.1	0.1
Industrial Relations Agent 2	60,633	2.0	2.0	2.0	2.0	2.0
Industrial Relations Agent 4	72,030	1.0		0.5		
Total FTEs		3.2	2.1	2.7	2.1	2.1

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.

See attached.

Part II: Explanation

This bill would prohibit an employer from seeking the wage or salary history of an applicant for employment; require the employer to provide wage scales or salary ranges to all new employees; and allow an employee to bring civil action against the employer.

The difference in fiscal impact of ES HB 1696 AMS KEIS 64116.2 compared to SHB 1696 include:

- Amends and adds provisions to RCW 49.58, the Equal Pay Opportunity Act (EPOA) rather than RCW 49.12, the Industrial Welfare Act.
- Under the current version of RCW 49.58, which Labor & Industries enforces, only employees have the ability to file complaints. This version would give employees and applicants the ability to file complaints.

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

Added to RCW 49.58, the Equal Pay Opportunity Act (EPOA)

Section 2 (1) Makes it unlawful for an employer to ask an applicant, or the applicant's current or former employer, for the applicant's wage or salary history. Also makes it unlawful for an employer to require that an applicant's prior wage or salary history meet certain standards--except for a few exceptions in subsection (2). Makes it lawful for employers to confirm an applicant's wage or salary history, but only if the applicant voluntarily tells the employer their wage or salary history or if the employer has made an offer of employment with compensation that has been negotiated with the applicant. (3) Entitles individuals to the remedies in RCW 49.58.060 and RCW 49.58.070.

Section 3 (1) Requires employers, upon request and after the employer has made an initial job offer to an applicant, to provide applicants with the minimum wage or salary for the job title they applied for. (2) Requires employers, upon request by an employee offered an internal transfer to

a new position or promotion, to provide the wage scale or salary range for their new job title. (3) Specifies that if no wage or salary range exists employers must disclose the minimum wage or salary expectation set by the employer in advance. (4) Specifies that this section only applies to employers with fifteen or more employees. (5) Entitles individuals to the remedies in RCW 49.58.060 and RCW 49.58.070. And specifies that wages and interest owed to the employee must be calculated from the first date wages were owed to the employee.

Section 4 Specifies that if any provisions of this act are determined to be invalid, the remainder of the act is not affected.

Section 5 Specifies that this chapter may be known and cited as the “Washington Equal Pay and Opportunities Act.”

II. B – Cash Receipt Impact

RCW 49.58.060 outlines how penalties can be charged by the director. Penalties must be deposited to the Supplemental Pension Fund, fund 881. The following assumptions were made in developing the estimates:

- 120 complaints filed annually. (see expenditure assumptions)
- Based on experience, 14 percent of those, or 17, will result in a determination of violation. (120 complaints x 14% = 17 violations)
- RCW 49.58.060 sets penalties at \$500 for first violation, and up to \$1,000 or 10% for repeat violations. It is assumed violations are first time violations.
- Annual amount assessed is \$8,500. (17 violations x \$500 per violation = \$8,500)
- Historical collection rate of these types of assessments is 40 percent.
- Annual cash receipts are \$3,400 beginning in fiscal year 2020. (\$8,500 in assessments x 40% collection rate = \$3,400)

II. C – Expenditures

This bill increases expenditures to the Accident Fund, fund 608, and the Medical Aid Fund, fund 609. The expenditure calculations in this fiscal note includes the compensation and benefit changes approved in the 17-19 Biennial Budget. The following resources are needed to carry out the functions of this legislation that impact L&I:

Operating

2.0 permanent FTE Industrial Relations Agent 2 (IRA2), permanent, beginning July 1, 2019. Duties will include investigating alleged complaints generated from this proposed legislation from both employees and the assumption of the similar number of new complaints from applicants. One IRA2 investigates approximately 60 cases per year. The following assumptions were made in developing the estimates:

- According to Employment Security Data, there are approximately 3,041,473 employees in the State of Washington.
- The complaint rate assumption on protected leave is 0.002% annually.
- It is assumed that applicants will file the same amount of complaints as employees. It is assumed that employees will file 60 complaints ($3,041,473 * 0.002\% = 60$). Adding in applicants at the same rate, a total of 120 complaints is estimated.

1.0 FTE Industrial Relations Agent 4 (IRA4), temporary, beginning July 1, 2019 through June 30, 2020. Duties would be to ensure that the policy development, AGO coordination, stakeholdering, and APA requirements are successfully met for the rulemaking.

Attorney General

The Attorney General is assuming 20% of the 17 citations, approximately 3 cases, would be sent to OAH and would require assignment. The Attorney General estimates this will require 0.1 FTE of an AAG to perform appeals and client advice on implementation, rulemaking, and ongoing investigations. Total estimate cost for FY20 is \$22,000 and \$23,000 in outgoing years.

Indirect Costs

The amount included in this fiscal note for indirect is:

Fund	Name	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
608	Accident	\$17,000	\$12,000	\$12,000	\$12,000	\$12,000	\$12,000
609	Medical Aid	\$3,000	\$2,000	\$2,000	\$2,000	\$2,000	\$2,000
	Total:	\$20,000	\$14,000	\$14,000	\$14,000	\$14,000	\$14,000

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

L&I assumes rulemaking will be required for this bill.