

Multiple Agency Fiscal Note Summary

Bill Number: 1944 HB	Title: Notice of mass layoffs
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Estimated Cash Receipts

Agency Name						
	GF- State	Total	GF- State	Total	GF- State	Total
Total \$						

Local Gov. Courts *	Fiscal note not available					
Local Gov. Other **						
Local Gov. Total						

Estimated Expenditures

Agency Name	2003-05			2005-07			2007-09		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Office of Administrator for the Courts	Fiscal note not available								
Department of Labor and Industries	Indeterminate								
Employment Security Department	.3	42,092	42,092	.3	42,092	42,092	.3	42,092	42,092
Total	0.3	\$42,092	\$42,092	0.3	\$42,092	\$42,092	0.3	\$42,092	\$42,092

Local Gov. Courts *	Fiscal note not available								
Local Gov. Other **									
Local Gov. Total									

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Prepared by: Deborah Feinstein, OFM	Phone: 360-902-0614	Date Published: Preliminary 2/27/2003
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* See Office of the Administrator for the Courts judicial fiscal note

** See local government fiscal note

Individual State Agency Fiscal Note

Bill Number: 1944 HB	Title: Notice of mass layoffs	Agency: 235-Department of Labor and Industries
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

Non-zero but indeterminate cost. Please see discussion.

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: Jill Reinmuth	Phone: 360-786-7134	Date: 02/19/2003
Agency Preparation: Joshua Swanson	Phone: 360-902-6411	Date: 02/19/2003
Agency Approval: Melanie Griffin	Phone: 360-902-6961	Date: 02/24/2003
OFM Review: Deborah Feinstein	Phone: 360-902-0614	Date: 02/27/2003

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.

New Section 1: Creates new definitions.

- 1) Covered establishment: Any industrial or commercial facility that employed 75 or more persons in the preceding 12 months
- 2) Department: The Department of Labor and Industries.
- 3) Employee: One who has worked at least six months of the 12 months preceding the date of notice.
- 4) Employer: Any employer who directly or indirectly owns and operates a “covered establishment, including parent corporations.
- 5) Layoff: a separation from employment for lack of funds or lack of work.
- 6) Mass layoff: A layoff of 40 or more employees during any 30-day period.
- 7) Relocation: The removal of all or substantially all of the industrial or commercial operations in a covered establishment to a different location 100 miles or more away.
- 8) Termination: The cessation or substantial cessation of an industrial or commercial operation in a covered establishment.

New Section 2: An employer must give 60 days written notice before ordering a mass layoff, relocation or termination at a covered establishment. The notice must be given to the affected employees; employment security department, local workforce development council, and chief elected officials of the city and county; and the legislature, both the house and the senate. The notice must include the elements defined in the department’s rule.

New Section 6: The department shall administer and investigate violations. The director has the authority to examine the books and records of an employer. The department shall adopt rules necessary to carry out this act. The rules shall be consistent with the rules specifying the content of the notice required under the federal worker adjustment and retraining act, 29 USC 2101 et seq.

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.

The impact associated with the administration and enforcement of this legislation is indeterminate.

The department would be required to investigate any mass layoffs, relocations or terminations in industrial or commercial facilities with more than 75 employees, if there were complaints that the employer did not give 60-days’ notice to the employees and to government officials. The department is required to administer this new law and investigate any violations.

We do not know how many employers this bill would affect. Currently, there is a federal law [see the federal Worker Adjustment and Retraining Notification (WARN) Act] with similar provisions that covers employers with 100 or more employees. The state of Washington has 3,651 employers with 75 or more employees. Note: This total excludes government, financial, and medical. There are probably many more employer types that would be excluded because they

may not be considered “industrial or commercial” as is required by the legislation. The department, with the assistance of stakeholders, would have to develop a definition in rule for “industrial or commercial facility” prior to estimating the number of employers who would be covered.

It would be equally difficult to estimate how many industrial or commercial facilities with 75 or more employees might layoff, relocate or terminate without 60 days’ notification.

Employers who were found to have conducted a layoff, relocation or termination without notice would be required to pay back wages to the affected employees, and upon failing to do so within three weeks, would be subject to a penalty.

This legislation requires that rules be developed. The department would require \$2,400 for one-time rulemaking costs. This would include room rental charges for two public hearings (east and west side of the state), court reporter/transcript costs, etc.

Part III: Expenditure Detail

Part IV: Capital Budget Impact

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.

New rules (consisting of a new chapter of the Washington Administrative Code) would need to be developed to implement the provisions of this legislation.

Individual State Agency Fiscal Note

Bill Number: 1944 HB	Title: Notice of mass layoffs	Agency: 540-Employment Security Department
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Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

FUND					
Total \$					

Estimated Expenditures from:

	FY 2004	FY 2005	2003-05	2005-07	2007-09
FTE Staff Years	0.3	0.3	0.3	0.3	0.3
Fund					
General Fund-State 001-1	21,046	21,046	42,092	42,092	42,092
Total \$	21,046	21,046	42,092	42,092	42,092

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: Jill Reinmuth	Phone: 360-786-7134	Date: 02/19/2003
Agency Preparation: Beverly Chandler	Phone: 360-438-3204	Date: 02/21/2003
Agency Approval: Diane Singleton	Phone: 360-902-9422	Date: 02/21/2003
OFM Review: Cheri Keller	Phone: 360-902-0553	Date: 02/24/2003

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.

HB 1944 Sec. 2. (1) (b) identifies the Employment Security Department (ESD) as an entity to recieve notice of mass layoffs, relocations, and terminations. This measure requires that the ESD be provided written notice of mass layoffs, relocations, and terminations. This written notification would require ESD to maintain records of these notices. We would estimate a maximum of 0.28 FTE to maintain said records. No other fiscal impact has been identified relative to this measure.

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

III. A - Expenditures by Object Or Purpose

	FY 2004	FY 2005	2003-05	2005-07	2007-09
FTE Staff Years	0.3	0.3	0.3	0.3	0.3
A-Salaries and Wages	14,478	14,478	28,956	28,956	28,956
B-Employee Benefits	3,615	3,615	7,230	7,230	7,230
C-Personal Service Contracts					
E-Goods and Services	2,953	2,953	5,906	5,906	5,906
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					
Total:	\$21,046	\$21,046	\$42,092	\$42,092	\$42,092

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 2004	FY 2005	2003-05	2005-07	2007-09
ES PC 111	4,216	0.3	0.3	0.3	0.3	0.3
SUPPORT STAFF	4,416	0.0	0.0			
Total FTE's		0.3	0.3	0.3	0.3	0.3

Part IV: Capital Budget Impact

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.

LOCAL GOVERNMENT FISCAL NOTE

Department of Community, Trade and Economic Development

Bill Number: 1944 HB	Title: Notice of mass layoffs
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Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

- ☐ Cities:
- ☐ Counties:
- ☐ Special Districts:
- ☐ Specific jurisdictions only:
- ☐ Variance occurs due to:

Part II: Estimates

- ☒ No fiscal impacts.
- ☐ Expenditures represent one-time costs:
- ☐ Legislation provides local option:
- ☐ Key variables cannot be estimated with certainty at this time:

Part III: Preparation and Approval

Fiscal Note Analyst: Thomas Dedrick	Phone: (360) 725-5037	Date: 02/19/2003
Leg. Committee Contact: Jill Reinmuth	Phone: 360-786-7134	Date: 02/19/2003
Agency Approval: Louise Deng Davis	Phone: (360) 725-5034	Date: 02/26/2003
OFM Review: David Ward	Phone: 360-902-0554	Date: 02/26/2003

Part IV: Analysis

A. SUMMARY OF BILL

Provide a clear, succinct description of the bill with an emphasis on how it impacts local government.

This bill applies to companies that employ a minimum of seventy-five persons, and intend to reduce their workforce by fifty or more employees during a thirty-day period; relocate their place of business one hundred miles or more away; or, cease operations.

Section (1) provides definitions used throughout the bill.

Sections (2) through (8) address the procedures to be followed by the subject business and regulatory agency tasked to monitor and enforce the provisions of the bill.

B. SUMMARY OF EXPENDITURE IMPACTS

Briefly describe and quantify the expenditure impacts of the legislation on local governments, identifying the expenditure provisions by section number, and when appropriate, the detail of expenditures. Delineate between city, county and special district impacts.

No expenditure impact identified.

C. SUMMARY OF REVENUE IMPACTS

Briefly describe and quantify the revenue impacts of the legislation on local governments, identifying the revenue provisions by section number, and when appropriate, the detail of revenue sources. Delineate between city, county and special district impacts.

No revenue impact identified.

Source:
Department of Labor and Industries