

Multiple Agency Fiscal Note Summary

Bill Number: 1940 HB	Title: Employer political speech
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Estimated Cash Receipts

NONE

Agency Name	2023-25		2025-27		2027-29	
	GF- State	Total	GF- State	Total	GF- State	Total
Local Gov. Courts	No fiscal impact					
Loc School dist-SPI						
Local Gov. Other						
Local Gov. Total						

Estimated Operating Expenditures

Agency Name	2023-25				2025-27				2027-29			
	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total	FTEs	GF-State	NGF-Outlook	Total
Administrative Office of the Courts	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Financial Management	.0	0	0	0	.0	0	0	0	.0	0	0	0
Office of Administrative Hearings	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Labor and Industries	.0	0	0	0	.0	0	0	0	.0	0	0	0
SWF Statewide Fiscal Note - OFM	Non-zero but indeterminate cost and/or savings. Please see discussion.											
Total \$	0.0	0	0	0	0.0	0	0	0	0.0	0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	No fiscal impact								
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	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 Financial Management	.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
SWF Statewide Fiscal Note - OFM	.0	0	0	.0	0	0	.0	0	0
Total \$	0.0	0	0	0.0	0	0	0.0	0	0

Agency Name	2023-25			2025-27			2027-29		
	FTEs	GF-State	Total	FTEs	GF-State	Total	FTEs	GF-State	Total
Local Gov. Courts	No fiscal impact								
Loc School dist-SPI									
Local Gov. Other	Non-zero but indeterminate cost and/or savings. Please see discussion.								
Local Gov. Total									

Estimated Capital Budget Breakout

Prepared by: Anna Minor, OFM	Phone: (360) 790-2951	Date Published: Final 1/ 9/2024
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Judicial Impact Fiscal Note

Bill Number: 1940 HB	Title: Employer political speech	Agency: 055-Administrative Office of the Courts
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Expenditures from:

NONE

Estimated Capital Budget Impact:

NONE

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 for 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: Kelly Leonard	Phone: 360-786-7147	Date: 01/02/2024
Agency Preparation: Chris Conn	Phone: 360-704-5512	Date: 01/08/2024
Agency Approval: Chris Stanley	Phone: 360-357-2406	Date: 01/08/2024
OFM Review: Gaius Horton	Phone: (360) 819-3112	Date: 01/09/2024

189,008.00

Request # 1940-1-1

Form FN (Rev 1/00)

1

Bill # 1940 HB

Part II: Narrative Explanation

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

This bill creates Employee Free Choice Act with specified exceptions. It bars covered employers from disciplining or retaliating against employees who opt out of employer's political/religious speeches/meetings. Employers must post opt-out rights and gives employees cause of action for employer violations.

II. B - Cash Receipts Impact

None

II. C - Expenditures

No fiscal impact is expected to the Administrative Office of the Courts or the courts. The bill could cause additional case filings, but the impact is expected to be minor. No changes or minimal changes are expected to superior court case management systems.

Part III: Expenditure Detail

III. A - Expenditure By Object or Purpose (State)

NONE

III. B - Expenditure By Object or Purpose (County)

NONE

III. C - Expenditure By Object or Purpose (City)

NONE

III. D - FTE Detail

NONE

III. E - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B1 - Expenditures by Object Or Purpose (State)

NONE

IV. B2 - Expenditures by Object Or Purpose (County)

NONE

IV. B3 - Expenditures by Object Or Purpose (City)

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

None.

189,008.00

Form FN (Rev 1/00)

Individual State Agency Fiscal Note

Bill Number: 1940 HB	Title: Employer political speech	Agency: 105-Office of Financial Management
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

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: Kelly Leonard	Phone: 360-786-7147	Date: 01/02/2024
Agency Preparation: Kathy Cody	Phone: (360) 480-7237	Date: 01/08/2024
Agency Approval: Jamie Langford	Phone: 360-902-0422	Date: 01/08/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/09/2024

Part II: Narrative Explanation

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

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

HB 1940 outlines criteria for employees who may choose not to attend or participate in a meeting where the primary purpose of the meeting is to communicate the employer's opinion concerning religious or political matters.

OFM assumes this bill will not impact the State Human Resources program and therefore will not have a fiscal impact.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1940 HB	Title: Employer political speech	Agency: 110-Office of Administrative Hearings
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

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: Kelly Leonard	Phone: 360-786-7147	Date: 01/02/2024
Agency Preparation: Pete Boeckel	Phone: 360-407-2730	Date: 01/05/2024
Agency Approval: Pete Boeckel	Phone: 360-407-2730	Date: 01/05/2024
OFM Review: Val Terre	Phone: (360) 280-3973	Date: 01/08/2024

Part II: Narrative Explanation

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

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

No fiscal impact. This legislation will not increase the appeal workload for the Office of Administrative Hearings. Recourse of issues in this bill are directed through the Superior Court.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

Individual State Agency Fiscal Note

Bill Number: 1940 HB	Title: Employer political speech	Agency: 235-Department of Labor and Industries
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

NONE

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: Kelly Leonard	Phone: 360-786-7147	Date: 01/02/2024
Agency Preparation: Allison Kaech	Phone: 360-902-4530	Date: 01/05/2024
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 01/05/2024
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 01/07/2024

Part II: Narrative Explanation

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

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

This bill protects the rights of workers who refrain from attending meetings or listening to their employer's speech on political or religious matters and instead chooses to perform their job duties. This bill adds new sections to chapter 49.44 RCW; and creates a new section.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

None

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

Enforcement of the bill is through private right of action. Labor & Industries (L&I) does not have any enforcement or notification obligations. This bill does not have fiscal impact for L&I.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

NONE

III. B - Expenditures by Object Or Purpose

NONE

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.

LOCAL GOVERNMENT FISCAL NOTE

Department of Commerce

Bill Number: 1940 HB

Title: Employer political speech

Part I: Jurisdiction-Location, type or status of political subdivision defines range of fiscal impacts.

Legislation Impacts:

Cities: Costs to post employee rights notices; costs for trainings on new law; costs to implement new approaches to discussing local government business; costs due to increased legal liability.

Counties: Same as above.

Special Districts: Same as above.

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: Costs to change current practices related to discussing elections and proposals to change legislation and regulations; costs due to increased legal liability.

Estimated revenue impacts to:

None

Estimated expenditure impacts to:

Non-zero but indeterminate cost and/or savings. Please see discussion.

Part III: Preparation and Approval

Fiscal Note Analyst: Alice Zillah	Phone: 360-725-5035	Date: 01/08/2024
Leg. Committee Contact: Kelly Leonard	Phone: 360-786-7147	Date: 01/02/2024
Agency Approval: Allan Johnson	Phone: 360-725-5033	Date: 01/08/2024
OFM Review: Anna Minor	Phone: (360) 790-2951	Date: 01/08/2024

Part IV: Analysis

A. SUMMARY OF BILL

Description of the bill with an emphasis on how it impacts local government.

Sec. 2 adds a new section to RCW 49.44. Any employer may not subject or threaten to subject any employee to discipline or discharge, or otherwise penalize or take any adverse employment action against an employee on account of the employee's refusal to:

- Attend or participate in an employer-sponsored meeting with the employer or its agent, representative, or designee, the primary purpose of which is to communicate the employer's opinion concerning religious or political matters; or
- Listen to speech or view communications, including electronic communications, the primary purpose of which is to communicate the employer's opinion concerning religious or political matters.

This section does not:

- Prohibit an employer or its agent, representative, or designee from communicating to its employees any information that the employer is required by law to communicate, but only to the extent of the legal requirement; or
- Limit the rights of an employer to offer meetings, forums, or other communications about religious or political matters for which attendance or participation is strictly voluntary.

An aggrieved employee may bring a civil action in superior court to enforce this section no later than 90 days after the date of the alleged violation.

An employer subject to this section must post a notice of employee rights under this section in a place normally reserved for employment-related notices and in a place commonly frequented by employees.

"Political matters" means matters relating to elections for political office, political parties, proposals to change legislation, proposals to change regulations, and the decision to join or support any political party or political, civic, community, fraternal, or labor association or organization. "Religious matters" means matters relating to religious affiliation and practice, and the decision to join or support any religious organization or association.

B. SUMMARY OF EXPENDITURE IMPACTS

Expenditure impacts of the legislation on local governments with the expenditure provisions identified by section number and when appropriate, the detail of expenditures. Delineated between city, county and special district impacts.

The legislation would result in indeterminate, but likely significant, costs for cities, counties, and special districts.

There are 1,375 special purpose districts which have independent governing bodies, excluding school districts, in Washington State, according to the Municipal Research and Services Center. The state has 281 cities and 39 counties.

The Local Government Fiscal Note Program assumes that each of these bodies would see costs associated with posting notices about employee rights and training employees and elected officials on the new law. As one example, if reviewing and posting a notice required one hour of time from a city or county administrator, and equivalent position at each special purpose district, the costs would total \$179,670. The average hourly cost for a city and county administrator, with benefits, is approximately \$106 per hour, according to the Association of Washington Cities (AWC) Salary and Benefit Survey for 2023. (1,695 total governing bodies x \$106/hour = \$179,670.)

Cities, counties and special districts would also see increased legal costs for consultation about the new law. According to AWC and the Washington State Association of Counties, city and county staff and elected officials frequently discuss matters relating to elections for political office, proposals to change legislation, and proposals to change regulations. Changing practices in regard to these discussions would require both training and new approaches to local government business. The full costs needed to implement these changes, and the risks of increased legal liability, cannot be calculated.

C. SUMMARY OF REVENUE IMPACTS

Revenue impacts of the legislation on local governments, with the revenue provisions identified by section number, and when appropriate, the detail of revenue sources. Delineated between city, county and special district impacts.

The legislation would have no revenue impacts for local governments.

SOURCES:

Association of Washington Cities

Washington State Association of Counties

Municipal Research and Services Center

Individual State Agency Fiscal Note

Bill Number: 1940 HB	Title: Employer political speech	Agency: SWF-SWF Statewide Fiscal Note - OFM
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Part I: Estimates

No Fiscal Impact

Estimated Cash Receipts to:

NONE

Estimated Operating Expenditures from:

Non-zero but indeterminate cost and/or savings. Please see discussion.

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: Kelly Leonard	Phone: 360-786-7147	Date: 01/02/2024
Agency Preparation: Kathy Cody	Phone: 360-480-7237	Date: 01/08/2024
Agency Approval: Jamie Langford	Phone: (360) 870-7766	Date: 01/08/2024
OFM Review: Cynthia Hollimon	Phone: (360) 810-1979	Date: 01/08/2024

Part II: Narrative Explanation

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

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

Sec. 1 adds a new section to RCW 49.44 that protects workers from retaliation by certain employers when the worker chooses to perform their job duties instead of listening to the employer's speech on political or religious matters.

Sec. 2 (1) states that an employer, including the state, may not subject or threaten to subject any employee to discipline or discharge, or otherwise penalize or take any adverse action against an employee if the employee refuses to attend or participate in an employer-sponsored meeting with the employer or its agent, when the primary purpose is to communicate the employer's opinion concerning religious or political matters; or listen to speech or view communications when the primary purpose is to communicate the employer's opinion concerning religious or political matters.

Sec. 2 (2) clarifies that Sec. 2 does not prohibit an employer from communicating to its employees any information that the employer is required by law to communicate or limit the rights of an employer to offer meetings, forums, or other communications about religious or political matters for which attendance or participation is strictly voluntary.

Sec. 2 (3) further clarifies impacted employers - the provisions of this section do not apply to a religious corporation, entity, association, educational institution, or society that is exempt from the requirements of Title VII of the civil rights act of 196

Sec. 2 (4) states that an aggrieved employee may bring a civil action in superior court to enforce this section no later than 90 days after the date of the alleged violation.

Sec. 2 (5) requires impacted employers to post notice of these employee rights.

Sec. 2 (6) defines political matters as relating to elections for political office, political parties, proposals to change legislation, proposals to change regulations, and the decisions to join or support any political party or political, civic, community, fraternal, or labor association or organization. Religious matters that relate to religion affiliation and practice, and the decision to join or support any religious organization or association.

II. B - Cash receipts Impact

Cash receipts impact of the legislation on the responding agency with the cash receipts provisions identified by section number and when appropriate, the detail of the revenue sources. Description of the factual basis of the assumptions and the method by which the cash receipts impact is derived. Explanation of how workload assumptions translate into estimates. Distinguished between one time and ongoing functions.

II. C - Expenditures

Agency expenditures necessary to implement this legislation (or savings resulting from this legislation), with the provisions of the legislation that result in the expenditures (or savings) identified by section number. Description of the factual basis of the assumptions and the method by which the expenditure impact is derived. Explanation of how workload assumptions translate into cost estimates. Distinguished between one time and ongoing functions.

It is unknown (though expected to be minimal) the number of state employees that may seek protections authorized through this bill or how many would be successful receiving an award from the court. In addition, there may be minimal impact associated with Sec. 2 (5) which requires employers to post notice of employee rights associated with Employee Free Choice Act.

In addition, the definition of 'Political Matters' in Sec. 2 (6)(a) may interfere with the normal job functions of some state employees, in particular the parts of the definition regarding proposals to change legislation and regulations.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. B - Expenditures by Object Or Purpose

Non-zero but indeterminate cost and/or savings. Please see discussion.

III. C - Operating FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part I and Part IIIA.*

NONE

III. D - Expenditures By Program (optional)

NONE

Part IV: Capital Budget Impact

IV. A - Capital Budget Expenditures

NONE

IV. B - Expenditures by Object Or Purpose

NONE

IV. C - Capital Budget Breakout

Acquisition and construction costs not reflected elsewhere on the fiscal note and description of potential financing methods.

NONE

IV. D - Capital FTE Detail: *FTEs listed by classification and corresponding annual compensation. Totals agree with total FTEs in Part IVB.*

NONE

Part V: New Rule Making Required

Provisions of the bill that require the agency to adopt new administrative rules or repeal/revise existing rules.