

# Multiple Agency Fiscal Note Summary

<b>Bill Number:</b> 1905 HB	<b>Title:</b> Equal pay/protected classes
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## Estimated Cash Receipts

NONE

## 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
Office of Attorney General	Fiscal note not available											
Office of Administrative Hearings	Fiscal note not available											
Human Rights Commission	.0	0	0	0	.0	0	0	0	.0	0	0	0
Department of Labor and Industries	5.9	0	0	1,616,000	8.5	0	0	2,174,000	8.5	0	0	2,174,000
<b>Total \$</b>	<b>5.9</b>	<b>0</b>	<b>0</b>	<b>1,616,000</b>	<b>8.5</b>	<b>0</b>	<b>0</b>	<b>2,174,000</b>	<b>8.5</b>	<b>0</b>	<b>0</b>	<b>2,174,000</b>

## Estimated Capital Budget Expenditures

Agency Name	2023-25			2025-27			2027-29		
	FTEs	Bonds	Total	FTEs	Bonds	Total	FTEs	Bonds	Total
Office of Attorney General	Fiscal note not available								
Office of Administrative Hearings	Fiscal note not available								
Human Rights Commission	.0	0	0	.0	0	0	.0	0	0
Department of Labor and Industries	.0	0	0	.0	0	0	.0	0	0
<b>Total \$</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>	<b>0.0</b>	<b>0</b>	<b>0</b>

## Estimated Capital Budget Breakout

NONE

**Prepared by:** Anna Minor, OFM

**Phone:**  
(360) 790-2951

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# Individual State Agency Fiscal Note

<b>Bill Number:</b> 1905 HB	<b>Title:</b> Equal pay/protected classes	<b>Agency:</b> 120-Human Rights Commission
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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: Trudes Tango	Phone: 360-786-7384	Date: 01/02/2024
Agency Preparation: Justinian Cariasini	Phone: (360) 753-4837	Date: 01/09/2024
Agency Approval: Justinian Cariasini	Phone: (360) 753-4837	Date: 01/09/2024
OFM Review: Amy Hatfield	Phone: (360) 280-7584	Date: 01/09/2024

*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.*

*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.*

*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

<b>Bill Number:</b> 1905 HB	<b>Title:</b> Equal pay/protected classes	<b>Agency:</b> 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:

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.6	9.2	5.9	8.5	8.5
<b>Account</b>					
Accident Account-State 608-1	326,000	1,047,000	1,373,000	1,848,000	1,848,000
Medical Aid Account-State 609-1	58,000	185,000	243,000	326,000	326,000
<b>Total \$</b>	<b>384,000</b>	<b>1,232,000</b>	<b>1,616,000</b>	<b>2,174,000</b>	<b>2,174,000</b>

### 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: Trudes Tango	Phone: 360-786-7384	Date: 01/02/2024
Agency Preparation: Rachel Reed	Phone: 360-902-4552	Date: 01/09/2024
Agency Approval: Trent Howard	Phone: 360-902-6698	Date: 01/09/2024
OFM Review: Anna Minor	Phone: (360) 790-2951	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.

See attached.

### 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.

See attached.

## Part III: Expenditure Detail

### III. A - Operating Budget Expenditures

Account	Account Title	Type	FY 2024	FY 2025	2023-25	2025-27	2027-29
608-1	Accident Account	State	326,000	1,047,000	1,373,000	1,848,000	1,848,000
609-1	Medical Aid Account	State	58,000	185,000	243,000	326,000	326,000
<b>Total \$</b>			<b>384,000</b>	<b>1,232,000</b>	<b>1,616,000</b>	<b>2,174,000</b>	<b>2,174,000</b>

### III. B - Expenditures by Object Or Purpose

	FY 2024	FY 2025	2023-25	2025-27	2027-29
FTE Staff Years	2.6	9.2	5.9	8.5	8.5
A-Salaries and Wages	193,000	684,000	877,000	1,256,000	1,256,000
B-Employee Benefits	72,000	254,000	326,000	470,000	470,000
C-Professional Service Contracts					
E-Goods and Other Services	26,000	277,000	303,000	424,000	424,000
G-Travel	3,000	17,000	20,000	24,000	24,000
J-Capital Outlays	90,000		90,000		
M-Inter Agency/Fund Transfers					
N-Grants, Benefits & Client Services					
P-Debt Service					
S-Interagency Reimbursements					
T-Intra-Agency Reimbursements					
9-					
<b>Total \$</b>	<b>384,000</b>	<b>1,232,000</b>	<b>1,616,000</b>	<b>2,174,000</b>	<b>2,174,000</b>

### 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 2024	FY 2025	2023-25	2025-27	2027-29
Administrative Regulations Analyst 4	88,416	0.3	1.0	0.6	1.0	1.0
Communications Consultant 5	90,624	0.4	0.6	0.5		
Customer Service Specialist 2	48,864	0.3	1.0	0.6	1.0	1.0
Fiscal Analyst 5	74,376	0.2	0.6	0.4	0.5	0.5
Industrial Relations Agent 3	72,552	1.3	5.0	3.1	5.0	5.0
Industrial Relations Agent 4	78,120	0.3	1.0	0.6	1.0	1.0
<b>Total FTEs</b>		<b>2.6</b>	<b>9.2</b>	<b>5.9</b>	<b>8.5</b>	<b>8.5</b>

**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.*

See attached.

## **Part II: Explanation**

This bill expands RCW 49.58 Washington Equal Pay and Opportunities Act (EPOA) protections from discrimination on account of a person's gender to additional protected classes.

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

**Section 1** includes the addition of “other membership in a protected class” to expand existing EPOA protections from discrimination on account of a person's gender to also include protections based on membership in other protected classes.

**Section 2** adds a definition of “protected class” which means a person's age, sex, marital status, sexual orientation, race, creed, color, national origin, citizenship or immigration status, honorably discharged veteran or military status, or the presence of any sensory, mental, or physical disability or the use of a trained dog guide or service animal by a person with a disability, as those terms are defined in RCW 49.60.040.

**Section 3** expands protections so that that any employer in this state who discriminates in any way in providing compensation based on a person's gender or membership in a protected class between similarly employed employees of the employer is guilty of a misdemeanor. If any employee receives less compensation because of discrimination on account of the person's gender or membership in a protected class in violation of this section, that employee is entitled to the remedies in RCW 49.58.060 and 49.58.070.

**Section 4** expands protections so that an employer may not, on the basis of a person's gender or other membership in a protected class, limit or deprive an employee of career advancement opportunities that would otherwise be available.

### **II. B – Cash Receipt Impact**

None.

### **II. C – Expenditures**



### **Appropriated – Operating Costs**

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

### **Staffing**

6 FTE, 5 FTE Industrial Relations Agent 3 (IRA3) and 1 FTE Industrial Relations Agent 4 (IRA4), permanent starting April 1, 2024. IRA3 duties include investigating complaints, assisting with outreach, and process development. IRA4 duties include all of the above as well as supervising, assisting in development of policies, publications, and outreach materials. The IRA4 would also act as the statewide contact for questions regarding bill compliance.

- Total possible affected employees is 3,520,246 workers, the total number of workers in Washington. The bill provides examples of several protected classes, including classes that are comprised of all workers in the state (see Section II.A).
- Approximately 352 new complaints will be received by L&I per year based on current workload indicators for the EPOA. (3,520,246 affected employees x .0001 EPOA complaint rate = 352 complaints)
- The average IRA can complete approximately 60 cases per year.
- 6 IRAs will be needed to investigate complaints and provide outreach (352 new complaints / 60 cases per IRA = 6 IRAs)
- One of these IRAs will need to be an IRA4 to serve a supervisory role.

1 FTE, Customer Service Specialist 2 (CSS2), permanent starting April 1, 2024. Duties include intake of phone calls, forms and emails, and responding to complaints.

- Total possible affected employees is 3,520,246 workers, the total number of workers in Washington. The bill provides examples of several protected classes, including classes that are comprised of all workers in the state (see Section II.A).
- Approximately 352 new complaints will be received by L&I per year based on current workload indicators for the EPOA. (3,520,246 affected employees x .0001 EPOA complaint rate = 352 complaints)
- Approximately one CSS2 is needed for every 300 additional complaints.

- 1 CSS2 FTE is needed to respond to additional complaints. (352 new complaints / 300 complaints per CSS2 FTE = 1 CSS2 FTE)

1 FTE, Administrative Regulations Analyst 4 (ARA4), permanent starting April 1, 2024. Duties include policy development and rulemaking.

- An ARA4 FTE will be needed to conduct initial rulemaking activities, public hearings, draft and update affected administrative policies, draft technical guidance, and create publications and resources for stakeholders.
- Based on the scope and complexity of these protections and the resulting investigations, the ARA4 will be needed on an ongoing basis to meet policy, interpretation, and guidance needs.

1 FTE, Communications Consultant 5, from February 1, 2024 to January 31, 2025. Duties include coordinating outreach communication efforts to both workers and employers, including updates to and creation of publications, outreach materials, and website information.

- L&I will need to notify approximately 3.5 million workers and 260,000 employers about the new rights and responsibilities resulting from this bill.

### **Printing & Translation**

\$50,000 is needed for advertising, printing and translating updates to multiple worker-rights printed posters, printed pamphlets and online publications, in multiple languages such as *Your Rights as a Worker*, *Employee Rights to Equal Pay and Opportunities*, *Isolated Worker Employee Concerns*, *New Employee Packet*, *Pocket Guide to Worker Rights*, and others.

### **Travel**

\$5,000 is needed for statewide outreach travel (i.e., accommodations, gas, and other travel expenses).

### **Specialized Training**

\$1,200 is needed for specialized advanced investigator training for the six IRAs that will need to be trained. (\$200 per IRA employee x 6 IRAs = \$1,200)

### **Rule making**

\$7,500 is needed for three rule making hearings to occur during fiscal year 2024. The average cost of one rule making hearing is \$2,500. (3 hearings x \$2,500 each = \$7,500)

### **Attorney General – Legal Services**

- \$59,000 is needed annually for legal services starting in fiscal year 2025. The following assumptions were used to calculate the estimates:
  - Legal services associated with the enactment of this bill will begin on July 1, 2024 (fiscal year 2025).
  - The Office of the Attorney General (AGO) will bill L&I for legal services based on the enactment of this bill.
  - Total possible affected employees is 3,520,246 workers, the total number of workers in Washington. The bill provides examples of several protected classes, including classes that are comprised of all workers in the state (see Section II.A).
  - Approximately 352 new complaints will be received by L&I per year based on current workload indicators for the EPOA. (3,520,246 affected employees x .0001 EPOA complaint rate = 352 complaints)
  - An estimated 49 new complaints will go to citation per year based on the historical citation average where approximately 14 percent of complaints result in an appealable order. (352 complaints x .14 = 49 citations)
  - Approximately 10 cases per year will go to the Office of Administrative Hearings (OAH) and be litigated by Assistant Attorneys General (AAGs) based on a historical appeal rate of 20 percent. (49 complaints go to citation x .20 = 10 cases)
  - Appeals of this complexity generally require 0.2 FTE per 10 appeals. In addition, AAGs will also need to provide immediate complex legal advice for implementation, policymaking, and rulemaking.
  - L&I believes this will require a total 0.2 AAG FTE related to implementation and litigation beginning July 1, 2024 and implementation and client advice for investigations will begin immediately. There will be a slight delay in when additional appeals will be received and the most significant implementation work will conclude by July 1, 2025.

- However, the ongoing work on these complex matters will require an ongoing 0.2 AAG FTE to address litigation because of the complexity of the cases.
- The Department of Labor and Industries (L&I) will be billed for non-King County rates:
  - Fiscal year 2025 and in each fiscal year thereafter: \$59,000 for 0.2 Assistant Attorney General FTE (AAG), 0.1 Paralegal FTE (PL).

**Administrative Hearings**

\$70,000 is needed for an estimated 10 annual administrative rule hearings starting in fiscal year 2025.

**Indirect Costs**

The amount included in this fiscal note for indirect is:

Fund Name		FY 2024	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
608	Accident	13,341	45,947	43,074	43,074	43,074	43,074
609	Medical Aid	2,354	8,107	7,601	7,601	7,601	7,601
	Total:	\$15,695	\$54,054	\$50,675	\$50,675	\$50,675	\$50,675

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 59, Step G).

**Part IV: Capital Budget Impact**

None.

**Part V: New Rule Making Required**

This legislation would result in rule changes to:

- RCW 49.58: Washington Equal Pay and Opportunities Act