

Multiple Agency Fiscal Note Summary

| | |
|-------------------------------|---|
| Bill Number: 5894 S SB | Title: Equal pay/protected classes |
|-------------------------------|---|

Estimated Cash Receipts

| Agency Name | 2023-25 | | | 2025-27 | | | 2027-29 | | |
|------------------------------------|--|-------------|---------------|----------|-------------|----------------|----------|-------------|----------------|
| | GF-State | NGF-Outlook | Total | GF-State | NGF-Outlook | Total | GF-State | NGF-Outlook | Total |
| Office of Attorney General | 0 | 0 | 61,000 | 0 | 0 | 122,000 | 0 | 0 | 122,000 |
| Office of Administrative Hearings | 0 | 0 | 0 | 0 | 0 | 140,000 | 0 | 0 | 140,000 |
| Department of Labor and Industries | Non-zero but indeterminate cost and/or savings. Please see discussion. | | | | | | | | |
| Total \$ | 0 | 0 | 61,000 | 0 | 0 | 262,000 | 0 | 0 | 262,000 |

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 | .2 | 0 | 0 | 61,000 | .4 | 0 | 0 | 122,000 | .4 | 0 | 0 | 122,000 |
| Office of Administrative Hearings | .0 | 0 | 0 | 0 | .5 | 0 | 0 | 140,000 | .5 | 0 | 0 | 140,000 |
| Human Rights Commission | Fiscal note not available | | | | | | | | | | | |
| Department of Labor and Industries | 1.9 | 0 | 0 | 663,000 | 8.8 | 0 | 0 | 2,249,000 | 8.5 | 0 | 0 | 2,178,000 |
| Total \$ | 2.1 | 0 | 0 | 724,000 | 9.7 | 0 | 0 | 2,511,000 | 9.4 | 0 | 0 | 2,440,000 |

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 | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Office of Administrative Hearings | .0 | 0 | 0 | .0 | 0 | 0 | .0 | 0 | 0 |
| Human Rights Commission | Fiscal note not available | | | | | | | | |
| 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

| | | |
|-------------------------------------|---------------------------------|---|
| Prepared by: Anna Minor, OFM | Phone: (360) 790-2951 | Date Published: Preliminary 2/ 6/2024 |
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Individual State Agency Fiscal Note

| | | |
|-------------------------------|---|---|
| Bill Number: 5894 S SB | Title: Equal pay/protected classes | Agency: 100-Office of Attorney General |
|-------------------------------|---|---|

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

| ACCOUNT | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|---|---------|---------|---------|---------|---------|
| Legal Services Revolving Account-State 405-1 | | 61,000 | 61,000 | 122,000 | 122,000 |
| Total \$ | | 61,000 | 61,000 | 122,000 | 122,000 |

Estimated Operating Expenditures from:

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|---|---------|---------|---------|---------|---------|
| FTE Staff Years | 0.0 | 0.4 | 0.2 | 0.4 | 0.4 |
| Account | | | | | |
| Legal Services Revolving Account-State 405-1 | 0 | 61,000 | 61,000 | 122,000 | 122,000 |
| Total \$ | 0 | 61,000 | 61,000 | 122,000 | 122,000 |

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: Susan Jones | Phone: 360-786-7404 | Date: 01/31/2024 |
| Agency Preparation: Cassandra Jones | Phone: 360-709-6028 | Date: 02/05/2024 |
| Agency Approval: Edd Giger | Phone: 360-586-2104 | Date: 02/05/2024 |
| OFM Review: Val Terre | Phone: (360) 280-3973 | Date: 02/06/2024 |

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.

Bill Summary:

Section 1 - Amends RCW 49.58.005. Adds references to workers in other protected classes to legislative findings.

Section 2 - Amends RCW 49.58.010. Adds a definition of protected class.

Section 3 - Amends RCW 49.58.020. Expands the prohibition on discrimination in providing compensation to include discrimination based on membership in a protected class. Extends the right to remedies to an employee who received less compensation because of discrimination based on membership in a protected class.

Section 4 - Amends RCW 49.58.030. Modifies legislative findings and adds a provision prohibiting deprivation of career advancement opportunities based on a person’s membership in a protected class.

Section 5 - New section. Provides an effective date of July 1, 2025.

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.

Cash receipts are assumed to equal the Legal Services 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 and Industries (L&I). The Attorney General’s Office (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 agency’s fiscal note. Appropriation authority is necessary in the AGO budget.

AGO AGENCY ASSUMPTIONS:

L&I will be billed for King County rates:
FY 2025 and in each FY thereafter: \$61,000 for 0.2 Assistant Attorney General FTE (AAG) and 0.1 Paralegal 1 FTE (PL1)

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.

Attorney General’s Office (AGO) Agency Assumptions:

Legal services associated with the enactment of this bill will begin on July 1, 2024.

Location of staffing is assumed to be in a King County office building.

Total workload impact in this request includes standard assumption costs for goods & services, travel, and capital outlays for all FTE identified.

Agency administration support FTE are included in the tables. The Management Analyst 5 FTE (MA) is used as a representative classification. An example ratio is for every 1.0 Assistant Attorney General FTE (AAG), the AGO includes 0.5 Paralegal 1 FTE (PL1) and 0.4 MA.

1. Assumptions for the AGO Labor and Industries Division’s (LNI) Legal Services for the Department of Labor and Industries (L&I):

The AGO will bill L&I for legal services based on the enactment of this bill.

LNI estimates approximately 352 new complaints per year based on current workload indicators for Equal Pay and Opportunities Act (EPOA). Based on historical citation average, approximately 14 percent will result in an appealable order. This would result in 49 going to citation per year. With a historical appeal rate of 20 percent, approximately 10 cases per year will go to Office of Administrative Hearings (OAH) and be litigated by AAGs. These complex appeals require 0.2 AAG per 10 appeals. In addition, AAGs will also need to provide immediate complex legal advice for implementation, policymaking, and rulemaking. Using figures based on current FTE for employment standards and including additional advice, LNI will require 0.2 AAG related implementation and litigation beginning July 1, 2024, for 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.

LNI: Total King County workload impact:
FY 2025 and in each FY thereafter: \$61,000 for 0.2 AAG and 0.1 PL

2. The AGO Civil Rights Division (CRD) has reviewed this bill and determined it will not increase or decrease the division’s workload. The enactment of this bill will not impact CRD’s provision of legal services to the AGO because the bill assigns no required civil rights enforcement duties to the AGO. Therefore, no costs are included in this request.

3. The AGO Criminal Justice Division (CRJ) has reviewed this bill and determined it will not increase or decrease the division’s workload. The bill’s provisions are not specifically related to CRJ cases and functions. Therefore, no costs are included in this request.

4. The AGO Labor and Personnel Division (LPD) has reviewed this bill and determined it will not increase or decrease the division’s workload. The enactment of this bill will not impact the provision of legal services to state agencies because LPD already advises agencies on pay equity issues, including ways to ensure that there are not pay inequities based on protected classes. While there may be some initial limited advice about this law, it is assumed it would not generate additional advice needs beyond what the division already provides. Therefore, no costs are included in this request.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

| Account | Account Title | Type | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|----------|-------------------------------------|-------|---------|---------|---------|---------|---------|
| 405-1 | Legal Services Revolving Account | State | 0 | 61,000 | 61,000 | 122,000 | 122,000 |
| Total \$ | | | 0 | 61,000 | 61,000 | 122,000 | 122,000 |

III. B - Expenditures by Object Or Purpose

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|----------------------------|---------|---------|---------|---------|---------|
| FTE Staff Years | | 0.4 | 0.2 | 0.4 | 0.4 |
| A-Salaries and Wages | | 42,000 | 42,000 | 84,000 | 84,000 |
| B-Employee Benefits | | 13,000 | 13,000 | 26,000 | 26,000 |
| E-Goods and Other Services | | 6,000 | 6,000 | 12,000 | 12,000 |
| Total \$ | 0 | 61,000 | 61,000 | 122,000 | 122,000 |

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 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|------------------------------------|---------|---------|---------|---------|---------|---------|
| Assistant Attorney General-Seattle | 135,555 | | 0.2 | 0.1 | 0.2 | 0.2 |
| Management Analyst 5 | 95,184 | | 0.1 | 0.1 | 0.1 | 0.1 |
| Paralegal 1-Seattle | 72,528 | | 0.1 | 0.1 | 0.1 | 0.1 |
| Total FTEs | | | 0.4 | 0.2 | 0.4 | 0.4 |

III. D - Expenditures By Program (optional)

| Program | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|---|---------|---------|---------|---------|---------|
| Licensing & Administrative Law Division (LAL) | | 61,000 | 61,000 | 122,000 | 122,000 |
| Total \$ | | 61,000 | 61,000 | 122,000 | 122,000 |

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: 5894 S SB | Title: Equal pay/protected classes | Agency: 110-Office of Administrative Hearings |
|-------------------------------|---|--|

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

| ACCOUNT | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|---|---------|---------|---------|---------|---------|
| Administrative Hearings Revolving Account-State 484-1 | | | | 140,000 | 140,000 |
| Total \$ | | | | 140,000 | 140,000 |

Estimated Operating Expenditures from:

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|---|---------|---------|---------|---------|---------|
| FTE Staff Years | 0.0 | 0.0 | 0.0 | 0.5 | 0.5 |
| Account | | | | | |
| State Treasurer's Service Account-State 404-1 | 0 | 0 | 0 | 140,000 | 140,000 |
| Total \$ | 0 | 0 | 0 | 140,000 | 140,000 |

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: Susan Jones | Phone: 360-786-7404 | Date: 01/31/2024 |
| Agency Preparation: Pete Boeckel | Phone: 360-407-2730 | Date: 02/02/2024 |
| Agency Approval: Rob Cotton | Phone: 360-407-2708 | Date: 02/02/2024 |
| OFM Review: Val Terre | Phone: (360) 280-3973 | Date: 02/02/2024 |

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.

Section 3 adds an employee’s membership in a protected class as a prohibited basis for employer discrimination in compensation under RCW 49.58.020. Violations are subject to the administrative remedies set out in RCW 49.58.060.

Section 4 adds an employee’s membership in a protected class as a prohibited basis for employer discrimination in career advancement under RCW 49.58.030, which also provides for administrative enforcement action.

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.

As a central service agency, the Office of Administrative Hearings (OAH) bills referring agencies for its costs and collects the revenue into the Administrative Hearings Revolving Account. Cash receipts are assumed to equal costs. OAH will bill the Department of Labor and Industries for the costs related to this proposed legislation.

These cash receipts represent the OAH’s authority to bill and are not a direct appropriation to OAH. Appropriation authority is necessary in OAH’s budget.

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.

The Department of Labor & Industries (L&I) estimates that the proposed legislation will result in 10 new appeals being referred to the Office of Administrative Hearings (OAH) per fiscal year beginning in FY 2025. On average, each appeal is expected to take approximately 30 hours of line Administrative Law Judge (ALJ) time including prehearing conferences, hearings, order writings, etc.

OAH Agency Workforce Assumptions:

- (1) 1.0 Line ALJ will include cost and FTE for 0.15 Senior ALJ (SALJ), 0.15 Lead ALJ (LALJ), 0.6 Legal Assistant 2 (LA2) (Range 40 step L), and 0.25 administrative support represented as a Management Analyst 5 (MA5) (Range 64 Step L).
- (2) ALJ salary is based on the ALJ collective bargaining agreement and assumed to be at step L. (Line ALJ-range 70. Senior ALJ-range 74.)
- (3) Benefit rates were analyzed by job class and projected using the latest benefit information available.
- (4) Goods and services, travel and on-going capital outlays were projected based on historical data for each of the job classifications.

Total workload impact:

FY 2025: No Fiscal Impact.

FY 2026 and in each FY thereafter: 0.21 ALJ, 0.03 SALJ, 0.03 LALJ, 0.13 LA2 and 0.05 MA5. The total cost is rounded to \$70,000 per FY.

These projected costs do not include approved COLA salary increases approved effective July 1, 2024.

Legal services associated with the enactment of this bill will begin on July 1, 2025.

Part III: Expenditure Detail

III. A - Operating Budget Expenditures

| Account | Account Title | Type | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|----------|-----------------------------------|-------|---------|---------|---------|---------|---------|
| 404-1 | State Treasurer's Service Account | State | 0 | 0 | 0 | 140,000 | 140,000 |
| Total \$ | | | 0 | 0 | 0 | 140,000 | 140,000 |

III. B - Expenditures by Object Or Purpose

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--------------------------------------|---------|---------|---------|---------|---------|
| FTE Staff Years | | | | 0.5 | 0.5 |
| A-Salaries and Wages | | | | 88,000 | 88,000 |
| B-Employee Benefits | | | | 28,000 | 28,000 |
| C-Professional Service Contracts | | | | | |
| E-Goods and Other Services | | | | 22,000 | 22,000 |
| G-Travel | | | | | |
| J-Capital Outlays | | | | 2,000 | 2,000 |
| M-Inter Agency/Fund Transfers | | | | | |
| N-Grants, Benefits & Client Services | | | | | |
| P-Debt Service | | | | | |
| S-Interagency Reimbursements | | | | | |
| T-Intra-Agency Reimbursements | | | | | |
| 9- | | | | | |
| Total \$ | 0 | 0 | 0 | 140,000 | 140,000 |

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 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|---------------------------------|---------|---------|---------|---------|---------|---------|
| Administrative Law Judge | 110,400 | | | | 0.2 | 0.2 |
| Lead ALJ | 118,932 | | | | 0.0 | 0.0 |
| Legal Assistant 2 | 52,964 | | | | 0.1 | 0.1 |
| Management Analyst 5 | 95,184 | | | | 0.1 | 0.1 |
| Senior Administrative Law Judge | 128,400 | | | | 0.0 | 0.0 |
| Total FTEs | | | | | 0.5 | 0.5 |

III. D - Expenditures By Program (optional)

| Program | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|------------------------------|---------|---------|---------|---------|---------|
| Regulatory & Education (REG) | | | | 140,000 | 140,000 |
| Total \$ | | | | 140,000 | 140,000 |

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: 5894 S SB | Title: Equal pay/protected classes | Agency: 235-Department of Labor and Industries |
|-------------------------------|---|---|

Part I: Estimates

☐ No Fiscal Impact

Estimated Cash Receipts to:

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

Estimated Operating Expenditures from:

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|---------------------------------|---------|---------|---------|-----------|-----------|
| FTE Staff Years | 0.3 | 3.5 | 1.9 | 8.8 | 8.5 |
| Account | | | | | |
| Accident Account-State 608-1 | 37,000 | 526,000 | 563,000 | 1,912,000 | 1,852,000 |
| Medical Aid Account-State 609-1 | 7,000 | 93,000 | 100,000 | 337,000 | 326,000 |
| Total \$ | 44,000 | 619,000 | 663,000 | 2,249,000 | 2,178,000 |

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: Susan Jones | Phone: 360-786-7404 | Date: 01/31/2024 |
| Agency Preparation: Rachel Reed | Phone: 360-902-4552 | Date: 02/05/2024 |
| Agency Approval: Trent Howard | Phone: 360-902-6698 | Date: 02/05/2024 |
| OFM Review: Anna Minor | Phone: (360) 790-2951 | Date: 02/06/2024 |

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.

See attached.

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 | 37,000 | 526,000 | 563,000 | 1,912,000 | 1,852,000 |
| 609-1 | Medical Aid Account | State | 7,000 | 93,000 | 100,000 | 337,000 | 326,000 |
| Total \$ | | | 44,000 | 619,000 | 663,000 | 2,249,000 | 2,178,000 |

III. B - Expenditures by Object Or Purpose

| | FY 2024 | FY 2025 | 2023-25 | 2025-27 | 2027-29 |
|--------------------------------------|---------|---------|---------|-----------|-----------|
| FTE Staff Years | 0.3 | 3.5 | 1.9 | 8.8 | 8.5 |
| A-Salaries and Wages | 23,000 | 277,000 | 300,000 | 1,304,000 | 1,256,000 |
| B-Employee Benefits | 8,000 | 99,000 | 107,000 | 487,000 | 470,000 |
| C-Professional Service Contracts | | | | | |
| E-Goods and Other Services | 3,000 | 155,000 | 158,000 | 434,000 | 428,000 |
| G-Travel | | 8,000 | 8,000 | 24,000 | 24,000 |
| J-Capital Outlays | 10,000 | 80,000 | 90,000 | | |
| M-Inter Agency/Fund Transfers | | | | | |
| N-Grants, Benefits & Client Services | | | | | |
| P-Debt Service | | | | | |
| S-Interagency Reimbursements | | | | | |
| T-Intra-Agency Reimbursements | | | | | |
| 9- | | | | | |
| Total \$ | 44,000 | 619,000 | 663,000 | 2,249,000 | 2,178,000 |

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 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 | | 0.5 | 0.3 | 0.3 | |
| Customer Service Specialist 2 | 48,864 | | 0.3 | 0.1 | 1.0 | 1.0 |
| Fiscal Analyst 5 | 74,376 | | 0.2 | 0.1 | 0.6 | 0.5 |
| Industrial Relations Agent 3 | 72,552 | | 1.3 | 0.6 | 5.0 | 5.0 |
| Industrial Relations Agent 4 | 78,120 | | 0.3 | 0.1 | 1.0 | 1.0 |
| Total FTEs | | 0.3 | 3.5 | 1.9 | 8.8 | 8.5 |

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; amending RCW 49.58.005, 49.58.010, 49.58.020, and 49.58.030; and providing an effective date.

SSB 5894 is different from SB 5894 in that it:

- Adds a new section stating this act takes effect July 1, 2025.

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.

Section 5 states that this act takes effect July 1, 2025.

II. B – Cash Receipt Impact

There is not collection authority granted under RCW 49.58 and final citations would be sent to a private collection agency. Penalties allow for \$500 the first violation and \$1,000 for repeat violations. The department does not have data to estimate first and repeat violations and also does not know how much will be collected of the assessed penalties. This section is indeterminate.

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, 2025. 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, 2025. 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.
- This ARA4 will help lead the implementation of the bill and will need to start as soon as possible to lead those efforts. In addition, public hearings are anticipated to occur in fall 2024. Prior to the public hearings and beginning on April 1, 2024, the ARA4 will need to write the draft rules and the rest of the rule package documents. These documents need to be completed before L&I conducts the public hearings.
- 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 January 1, 2025 to December 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.

Outreach, Printing & Translation

\$50,000 is needed in fiscal year 2025 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 in fiscal year 2025 (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 in fiscal year 2025. ($\$200 \text{ per IRA employee} \times 6 \text{ IRAs} = \$1,200$)

Rule making

\$7,500 is needed for three rule making hearings to occur during fall 2024. The average cost of one rule making hearing is \$2,500. ($3 \text{ hearings} \times \$2,500 \text{ each} = \$7,500$)

Attorney General – Legal Services

- \$61,000 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. ($3,520,246 \text{ affected employees} \times .0001 \text{ EPOA complaint rate} = 352 \text{ complaints}$)

- 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.
- L&I will be billed for non-King County rates:
 - Fiscal year 2025 and in each fiscal year thereafter: \$61,000 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 2026.

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 | 989 | 17,201 | 45,902 | 43,074 | 43,074 | 43,074 |
| 609 | Medical Aid | 175 | 3,036 | 8,100 | 7,601 | 7,601 | 7,601 |
| | Total: | 1,164 | 20,237 | 54,002 | 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