

Fiscal Estimate Narratives

DWD 4/17/2017

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|---|-----------|---------------------|--------|---------------|----------|
| LRB Number | 17-2183/2 | Introduction Number | SB-142 | Estimate Type | Original |
| Description prohibiting an employer from relying on or inquiring about a prospective employee's current or prior compensation and from restricting an employee's right to disclose compensation information and providing a penalty | | | | | |

Assumptions Used in Arriving at Fiscal Estimate

This bill prohibits certain employer conduct related to compensation information of current and perspective employees. The bill prohibits an employer from doing the following to current employees: relying on or soliciting information about the perspective employee's current or prior compensation; requiring perspective employee's current or prior compensation meet certain criteria for that employee to be considered for employment; and refusing to hire the employee for exercising his or her rights relating to compensation information.

This bill also prohibits employers from discharging or discriminating against current employees for disclosing details of the employee's compensations, discussing compensation of other employees, asking employees for details regarding their compensation, and taking actions to enforce an employee's rights under the bill. Finally, the bill requires employers to post notices regarding employee's and prospective employees rights under the bill, while providing a penalty for an employer's failure to do so.

Under this bill, any employee or perspective employee who is refused employment, terminated, discharged, or otherwise discriminated against under this new law may file a complaint with the Department of Workforce Development's Equal Rights Division. If a violation of the law has occurred, as determined by DWD, the department may order the employer to take actions to remedy the violation. This could include employee reinstatement, the provision of compensation in lieu of reinstatement, providing back pay accrued before the complaint was filed, and paying the reasonable actual cost of attorney fees.

The Department of Workforce Development estimates that this legislation would create 200 additional complaints annually that cannot be fielded, investigated, or resolved at current staffing levels within the Department's Division of the Equal Rights. To meet this increased workload, 1.0 FTE Equal Rights Officers would need to be hired at an added annual cost of \$69,000 GPR. There would be a one-time GPR start-up cost of \$3,500 to staff the position. Finally, additional one-time GPR costs of \$5000 are needed to update and print existing documentation relating to the law changes.

Long-Range Fiscal Implications

Fiscal Estimate Worksheet - 2017 Session

Detailed Estimate of Annual Fiscal Effect

Original
 Updated
 Corrected
 Supplemental

| | | |
|--|--------------------------------------|-----------|
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| Description prohibiting an employer from relying on or inquiring about a prospective employee's current or prior compensation and from restricting an employee's right to disclose compensation information and providing a penalty | | |
| I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect): There would be a one-time GPR start-up cost of \$3,500 to staff the position. Finally, additional one-time GPR costs of \$5000 are needed to update and print existing documentation relating to the law changes. | | |
| II. Annualized Costs: | | |
| Annualized Fiscal Impact on funds from: | | |
| | Increased Costs Decreased Costs | |
| A. State Costs by Category | | |
| State Operations - Salaries and Fringes | \$50,500 | |
| (FTE Position Changes) | (1.0 FTE) | |
| State Operations - Other Costs | 18,500 | |
| Local Assistance | | |
| Aids to Individuals or Organizations | | |
| TOTAL State Costs by Category | \$69,000 | |
| B. State Costs by Source of Funds | | |
| GPR | 69,000 | |
| FED | | |
| PRO/PRS | | |
| SEG/SEG-S | | |
| III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.) | | |
| | Increased Rev Decreased Rev | |
| GPR Taxes | \$ \$ | |
| GPR Earned | | |
| FED | | |
| PRO/PRS | | |
| SEG/SEG-S | | |
| TOTAL State Revenues | \$ \$ | |
| NET ANNUALIZED FISCAL IMPACT | | |
| | <u>State</u> <u>Local</u> | |
| NET CHANGE IN COSTS | \$69,000 \$ | |
| NET CHANGE IN REVENUE | \$ \$ | |
| Agency/Prepared By Authorized Signature Date | | |
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