

**EXECUTIVE AGENCY  
FISCAL NOTE**

AGENCY'S ESTIMATES

Date Prepared: February 23, 2017

Agency Submitting: Business and Industry, Office of Labor Commission

Items of Revenue or Expense, or Both	Fiscal Year 2016-17	Fiscal Year 2017-18	Fiscal Year 2018-19	Effect on Future Biennia
Payroll (Expense)		\$124,691	\$169,554	\$339,108
Travel (Expense)		\$2,704	\$2,704	\$5,408
Operating (Expense)		\$8,330	\$9,425	\$18,850
Furniture (Expense)		\$14,886		
Computer, IT and EITS (Expense)		\$27,815	\$22,851	\$45,702
AG Cost Allocation (Expense)		\$15,500	\$15,500	\$31,000
Total	0	\$193,926	\$220,034	\$440,068

Explanation

(Use Additional Sheets of Attachments, if required)

Assembly Bill (AB) 106 creates a new statutory responsibility and program for the Office of the Labor Commissioner (OLC) with annual monitoring. AB 106 requires the OLC to issue a "Certificate of Pay Equity Compliance" (Certificate) to employers with 50 or more employees before they can be awarded a government contract. It also provides that a governing body may refuse to enter into a contract with an employer of 50 or less unless the Certificate is issued by the OLC.

The OLC would be required to develop forms, regulations, procedures, etc., by which employers could file an application and evidence satisfying the requirements for the issuance of the Certificate. It also provides for the issuance of a "Provisional Certificate" pending a review of the affidavits and evidence submitted. A "Provisional Certificate" can be denied or cancelled without appeal rights. If the OLC refuses to issue a Certificate, cancels a Provisional Certificate, or whose Certificate is cancelled or revoked for other reasons may be entitled to a hearing.

In order to implement this new program as set forth in AB 106, the Office of the Labor Commissioner anticipates that three (3) new staff will need to be added to support the program. A Compliance Audit Investigator II (CI 2), to investigate the affidavits and documents submitted in support of the application. A Program Officer I (PO 1), to establish the program, develop forms, draft regulations, provide training to governing bodies, contractors, subcontractors, etc. And finally, an Administrative Assistant II (AA 2), to provide support to the CI 2 and PO 1.

The number of contracts and employers impacted by AB 106 could be in the thousands (528 PWP #s issued by OLC in Calendar Year 2016). Potential delays to projects could also have fiscal impacts.

The Administrative Costs are estimated at \$500-\$1000 for dedicated email, printing, postage, etc. An increase in the AG assessment due to hearings and appeals is also likely.

Name Shannon M. Chambers

Title Labor Commissioner

**DEPARTMENT OF ADMINISTRATION'S COMMENTS**

Date Friday, February 10, 2017

The agency's response appears reasonable.

Name Susan Brown

Title Executive Budget Officer

Date: 2/9/17 10:51 AM  
 Budget Period: 2017-2019 Biennium (FY18-19)  
 Budget Account: 3900 B&I - LABOR COMMISSIONER  
 Version: W01 BDR 27-295  
 Department: 74 DEPARTMENT OF BUSINESS AND INDUSTRY  
 Division: 752 B&I - LABOR COMMISSION  
 Function: 025 COMMERCE & INDUSTRY  
 Sub-Function: 035 DEPT OF BUSINESS & INDUSTRY  
 Fund: 101 GENERAL FUND

DU	Grp	Catg	GL	Description	Year 1	Year 2	Schedule
E230	000	01	5100	SALARIES	85,566	117,455	PAYROLL
E230	000	01	5200	WORKERS COMPENSATION	2,029	2,498	PAYROLL
E230	000	01	5300	RETIREMENT	12,407	17,030	PAYROLL
E230	000	01	5400	PERSONNEL ASSESSMENT	752	780	PAYROLL
E230	000	01	5500	GROUP INSURANCE	20,061	26,673	PAYROLL
E230	000	01	5700	PAYROLL ASSESSMENT	254	249	PAYROLL
E230	000	01	5750	RETIRED EMPLOYEES GROUP INSURANCE	2,276	2,995	PAYROLL
E230	000	01	5800	UNEMPLOYMENT COMPENSATION	106	170	PAYROLL
E230	000	01	5840	MEDICARE	1,240	1,704	PAYROLL
		<b>01 Total</b>			<b>124,691</b>	<b>169,554</b>	
E230	000	03	6200	PER DIEM IN-STATE	920	920	- None -
E230	000	03	6210	FS DAILY RENTAL IN-STATE	272	272	- None -
E230	000	03	6240	PERSONAL VEHICLE IN-STATE	112	112	- None -
E230	000	03	6250	COMM AIR TRANS IN-STATE	1,400	1,400	- None -
		<b>03 Total</b>			<b>2,704</b>	<b>2,704</b>	
E230	000	04	7020	OPERATING SUPPLIES	400	500	- None -
E230	000	04	7040	NON-STATE PRINTING CHARGES	200	200	- None -
E230	000	04	7050	EMPLOYEE BOND INSURANCE	5	5	PAYROLL
E230	000	04	7054	AG TORT CLAIM ASSESSMENT	296	291	PAYROLL
E230	000	04	705A	NON B&G-PROP. &CONT. INSURANCE	4	5	BUILDING RENT NON-BUILDINGS AND GROUNDS
E230	000	04	7110	NON-STATE OWNED OFFICE RENT	6426	7711	BUILDING RENT NON-BUILDINGS AND GROUNDS
E230	000	04	7255	B & G LEASE ASSESSMENT	74	103	BUILDING RENT NON-BUILDINGS AND GROUNDS
E230	000	04	7292	EITS 18-19 ELIM (OLD EITS VOICEMAIL)	128	128	EITS
E230	000	04	7295	EITS 18-19 ELIM (OLD EITS STATE PHONE LI	482	482	EITS
E230	000	04	7460	EQUIPMENT PURCHASES < \$1,000	270	0	EQUIPMENT
E230	000	04	8241	NEW FURNISHINGS <\$5,000 - A	45	0	EQUIPMENT
		<b>04 Total</b>			<b>8330</b>	<b>9425</b>	
E230	000	05	8241	NEW FURNISHINGS <\$5,000 - A	14,886	0	EQUIPMENT
		<b>05 Total</b>			<b>14,886</b>	<b>0</b>	
E230	000	26	7511	EITS DATABASE ADMINISTRATOR	4,063	4,063	EITS
E230	000	26	7533	EITS EMAIL SERVICE	525	524	EITS
E230	000	26	7554	EITS INFRASTRUCTURE ASSESSMENT	588	635	PAYROLL
E230	000	26	7556	EITS SECURITY ASSESSMENT	283	386	PAYROLL
E230	000	26	7558	EITS 18-19 ELIM (OLD EITS VIRTUAL SERVEI	17,229	17,243	EITS
E230	000	26	7771	COMPUTER SOFTWARE <\$5,000 - A	990	0	EQUIPMENT
E230	000	26	8371	COMPUTER HARDWARE <\$5,000 - A	4,137	0	EQUIPMENT
		<b>26 Total</b>			<b>27,815</b>	<b>22,851</b>	
E230	000	89	7391	AG COST ALLOCATION	15,500	15,500	- None -
		<b>89 Total</b>			<b>15,500</b>	<b>15,500</b>	
		<b>Grand Total</b>			<b>193,926</b>	<b>220,034</b>	