



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2023 Biennium

Bill #	SB0289
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Title:	Revise employment application by eliminating reference to criminal record
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Primary Sponsor:	Hoven, Brian
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Status:	As Introduced
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- Significant Local Gov Impact
 Needs to be included in HB 2
 Technical Concerns
 Included in the Executive Budget
 Significant Long-Term Impacts
 Dedicated Revenue Form Attached

FISCAL SUMMARY

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$16,223	\$15,496	\$15,756	\$15,992
Revenue:				
General Fund	\$0	\$0	\$0	\$0
State Special Revenue	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance:	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal impact: This bill restricts employers from inquiring about an applicant's conviction or criminal history on employment applications except under certain conditions. Under the amendment to the bill, the Department of Labor & Industry (DLI) may investigate complaints and impose penalties of \$250 for first time violations and \$500 for subsequent violations. Fines must be deposited in a state special revenue account and transferred to the general fund on a semiannual basis. The transfers may be reduced by 10% to cover the costs of investigations.

FISCAL ANALYSIS

Assumptions:

Department of Labor and Industry (DoLI)

1. The department anticipates needing 0.25 FTE Compliance Specialist to investigate complaints. This would include personal services of \$14,274 per year for this position. An inflationary factor of 1.5% is applied in FY 2024 and FY 2025.
2. The department's indirect cost rate will also be charged to these positions, for a total of \$1,249 per year.

3. The employee will need a desk and computer. The department anticipates new employee costs of \$700.
4. The bill allows the department to collect fines of \$500 for a first offense and \$1,000 for subsequent offenses. The department can retain 10% of those fines to pay for investigations. The remainder would be revenue to the general fund. At this point, the department does not know how many violations would be found, and therefore is unable to estimate this revenue.
5. It is assumed that any expenses not covered by revenue from fines, as well as any non-investigation costs, will be paid by the general fund.

Department of Administration

6. SB 289 prohibits an initial application from including questions regarding criminal history.
7. The Department of Administration is already doing this in its recruitment application process for state employees.

	<u>FY 2022</u> <u>Difference</u>	<u>FY 2023</u> <u>Difference</u>	<u>FY 2024</u> <u>Difference</u>	<u>FY 2025</u> <u>Difference</u>
<u>Fiscal Impact:</u>				
FTE	0.25	0.25	0.25	0.25
<u>Expenditures:</u>				
Personal Services	\$14,274	\$14,247	\$14,488	\$14,705
Operating Expenses	<u>\$1,949</u>	<u>\$1,249</u>	<u>\$1,268</u>	<u>\$1,287</u>
TOTAL Expenditures	<u><u>\$16,223</u></u>	<u><u>\$15,496</u></u>	<u><u>\$15,756</u></u>	<u><u>\$15,992</u></u>
<u>Funding of Expenditures:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	<u>\$16,223</u>	<u>\$15,496</u>	<u>\$15,756</u>	<u>\$15,992</u>
TOTAL Funding of Exp.	<u><u>\$16,223</u></u>	<u><u>\$15,496</u></u>	<u><u>\$15,756</u></u>	<u><u>\$15,992</u></u>
<u>Revenues:</u>				
General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TOTAL Revenues	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>

Net Impact to Fund Balance (Revenue minus Funding of Expenditures):

General Fund (01)	\$0	\$0	\$0	\$0
State Special Revenue (02)	(\$16,223)	(\$15,496)	(\$15,756)	(\$15,992)
Federal Special Revenue (03)	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0

Technical Notes:

1. The bill proposes to be codified in Title 39, Chapter 2. That chapter does not define the term “department,” and the chapter is not generally under the regulatory or enforcement authority of the Department of Labor & Industry. However, it appears that the intention of the bill is for DoLI rulemaking and enforcement.



Sponsor's Initials

Date


Budget Director's Initials

Date

