

Fiscal Impact Statement for Referendum 88 (repeal of Initiative 1000)

FISCAL IMPACT SUMMARY

Initiative 1000 was enacted in the 2019 legislative session, but has not gone into effect because the voters submitted petitions to refer the measure to the November 2019 general election ballot. If the voters approve the referendum, Initiative 1000 would go into effect and the total costs to the state in the 2019–21 biennium and ongoing would be \$1.5 million. There are no known state or local revenue impacts that would result from the passage of this measure.

SUMMARY

Referendum 88 would place Initiative 1000 onto the ballot for approval or rejection by the voters.

Initiative 1000 permits the state to adopt policies that allow an individual's race, sex, ethnicity, national origin, age, the presence of any sensory, mental, or physical disability, and honorably discharged veteran or military status to be factors considered in the selection of qualified applicants for opportunities in public education, public employment, and public contracting. Initiative 1000 does not allow an individual's race, color, sex, ethnicity, national origin, age, sexual orientation, the presence of any sensory, mental or physical disability, and honorably discharged veteran or military status to be used as the sole qualifying factor to select a lesser qualified candidate over a more qualified candidate for a public education, public employment or public contracting opportunity.

Initiative 1000 creates the Governor's Commission on Diversity, Equity, and Inclusion (Commission). The Commission is responsible for planning, directing, monitoring and enforcing each state agency's compliance with the initiative. The Commission is required to publish an annual report on the progress of all state agencies in achieving diversity, equity and inclusion in public education, public employment, and public contracting. The Governor appoints some commission members, who serve four-year terms. Other members are the directors or chairs of 25 state agencies, councils, or boards. The Commission also includes two state senators, one from each of the two largest caucuses, appointed by the president of the Senate, and two members of the state House of Representatives, appointed by the speaker of the House of Representatives. Legislative members serve two-year terms.

GENERAL ASSUMPTIONS

- The effective date of the referendum if approved is December 5, 2019.
- Estimates use the state's fiscal year of July 1 through June 30. Fiscal year 2020 is July 1, 2019, to June 30, 2021.
- The Governor's Office of Diversity, Equity, and Inclusion will hold six meetings in Olympia, three meetings in Seattle, and three meetings in Eastern Washington.

REVENUE

The referendum has no known state or local revenue impact.

EXPENDITURES

A vote to approve the referendum would result in costs for state government for the creation of the Governor's Office of Diversity, Equity and Inclusion and for implementation of the policies allowed under Initiative 1000.

Costs related to creating an office and conducting commission activities are estimated to be \$582,000 for the 2019–21 biennium and ongoing. These include salaries and benefits for a full-time policy analyst and a part-time administrative assistant to staff the commission to make appointment recommendations to the Governor, plan monthly commission meetings and pay for meeting rental charges, legal services, and travel costs for commission staff.

Costs related to commission meetings for agencies required to participate in the commission and expected to pay their own travel costs are approximately \$3,000 per agency, when counting only the travel costs, and up to \$38,000 per agency when the cost of staff is included. This cost would be ongoing.

Costs related to reporting and compliance at state agencies and universities depend upon the level of tracking and reporting each agency now has in place. For the institutions of higher education, expanding the current non-discrimination categories and protected classes will add program, tracking, and reporting work. For example, the University of Washington Business Diversity and Equity, which has responsibility for the university's equity policy, reports that it will need two additional program coordinators per year at a cost of approximately \$483,000 in the 2019–21 biennium. There are likely to be similar, yet-to-be-determined costs at the other state colleges and universities and state agencies related to programming, tracking and reporting each entity's progress on diversity, equity and inclusion goals.