HOUSE BILL 1264

State of Washington 67th Legislature 2021 Regular Session

By Representatives Thai, Morgan, Senn, Berry, Valdez, Simmons, Ramel, Ortiz-Self, Davis, Peterson, Wylie, Callan, Lekanoff, Macri, Bronoske, Slatter, Ramos, Berg, Harris-Talley, Pollet, Gregerson, and Riccelli

Read first time 01/18/21. Referred to Committee on State Government & Tribal Relations.

- 1 AN ACT Relating to establishing an equity impact statement for
- 2 legislative proposals; adding a new chapter to Title 43 RCW; and
- 3 creating a new section.
- 4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:
- 5 <u>NEW SECTION.</u> **Sec. 1.** The legislature finds that the health,
- 6 safety, and productivity of all Washington communities, including
- 7 historically marginalized communities, is of the utmost importance.
- 8 All Washingtonians are harmed by unintended disparities created by
- 9 legislation. Therefore, the legislature intends to create a tool to
- 10 provide legislators with aggregated and disaggregated demographical
- 11 data and other information to help legislators proactively identify
- 12 possible disparate impacts on historically marginalized communities,
- 13 and thus make better informed and intentional decisions or
- 14 legislative proposals. The legislature also intends for the office of
- 15 equity to provide agency training on completing an equity impact
- 16 statement, in order to support the important work that the office of
- 17 financial management is tasked with under this act, and to provide
- 18 legislators with an effective tool to aid in their decision making.
- The legislature finds that health impact reviews provide valuable
- 20 information that helps legislators make informed decisions. However,
- 21 given the nature of health impact reviews, the time required to

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1 complete a health impact review can be lengthy. As a result, it is a challenge to complete health 2 impact reviews on all proposed 3 legislation where objective, nonpartisan, data-driven information about the equity impacts of the proposed legislation would be useful 4 in the legislative decision-making process. It is not the intent of 5 6 the legislature to replace health impact reviews, but rather it is the intent of the legislature to establish a tool that can be applied 7 to a greater number of legislative proposals, thereby enabling 8 legislators to assess the equity impacts for a large number of 9 measures. If further information about the equity impacts of proposed 10 11 legislation is warranted, requesting a health impact review would be 12 one possible path forward.

- NEW SECTION. Sec. 2. The definitions in this section apply throughout this chapter unless the context clearly requires otherwise.
- 16 (1) "Agency" means every state executive office, agency, 17 department, or commission, and the offices of statewide elected 18 officials.
- 19 (2) "Communities" means a group of people who share some or all 20 of the characteristics listed in RCW 49.60.030, and also includes 21 language access and socioeconomic status.
- 22 (3) "Disaggregated data" means data that has been broken down by appropriate subcategories.

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- (4) "Socioeconomic status" means the position or social standing of an individual or group relative to others as determined by a combination of social and economic factors. Social and economic factors may include, but are not limited to, income, occupation, and education.
- (5) "Statutory commission" means the Washington state commission on African American affairs established in chapter 43.113 RCW, the Washington state commission on Asian Pacific American affairs established in chapter 43.117 RCW, the Washington state commission on Hispanic affairs established in chapter 43.115 RCW, the Washington state women's commission established in chapter 43.119 RCW, the Washington state LGBTQ commission established in chapter 43.114 RCW, and the human rights commission established in chapter 49.60 RCW.
- NEW SECTION. Sec. 3. IMPLEMENTATION PHASE 1. (1) In consultation with the governor's interagency council on health

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- disparities, the office of equity, and appropriate legislative committees and legislative staff, the office of financial management shall establish procedures for providing an equity impact statement for legislative proposals on which a fiscal note is requested or at the request of a legislator if a fiscal note is not requested. The procedures established pursuant to this subsection must include at a minimum the following:
 - (a) A requirement that equity impact statements be provided prior to or at the time the legislative proposal is first heard by the committee of reference in the house of origin;

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- (b) A requirement that the office of financial management file copies of the equity impact statement with:
- (i) The chair and staff of the committee to which the legislative proposal was referred upon introduction in the house of origin;
- (ii) The requesting legislator, if the equity impact statement is being completed upon the request of that legislator;
- 17 (iii) The senate committee on ways and means, or its successor; 18 and
 - (iv) The house committee on appropriations, house committee on capital budget, or house committee on finance, whichever is appropriate, or their successors; and
 - (c) A requirement that a copy of an equity impact statement that has been prepared for a legislative proposal be placed in the bill books or otherwise attached to the legislative proposal and must remain with the legislative proposal throughout the legislative process insofar as possible.
 - (2) In consultation with the governor's interagency council on health disparities and the office of equity, the office of financial management shall:
 - (a) Establish format and content requirements for the equity impact statement. At a minimum, the equity impact statement must describe the expected impact of the legislative proposal on communities; and
 - (b) Provide guidance for agencies on best practices, such as appropriate data and literature review standards, for completing an equity impact statement that is based on the best available empirical information and professional assumptions available to the agency within the time required for completing the equity impact statement.
- 39 (3) By November 15, 2021, and in compliance with RCW 43.01.036, 40 the office of financial management shall submit a report to the

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- governor, the governor's office of Indian affairs, statutory commissions, the senate state government and elections committee or its successor, and the house of representatives state government and tribal relations committee or its successor, that details:
 - (a) The procedure for providing an equity impact statement for legislative proposals, established pursuant to subsection (1) of this section;
- 8 (b) The format and content requirements for the equity impact 9 statement, established pursuant to subsection (2) of this section;
 - (c) A plan to implement section 4 of this act; and

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- 11 (d) Recommendations on any policy changes needed to implement 12 chapter ..., Laws of 2021 (this act).
 - NEW SECTION. Sec. 4. IMPLEMENTATION PHASE 2. (1) Beginning January 1, 2022, and consistent with the procedures and requirements established pursuant to section 3 of this act, the office of financial management shall provide an equity impact statement on legislative proposals that create new statutory provisions, or amend existing statute, on housing or health care policies. This section only applies to legislative proposals on which a fiscal note is requested or at the request of any legislator for proposals on which a fiscal note is not requested. The equity impact statement must, at a minimum, describe the expected impact of the legislative proposal on communities.
 - (2) Within 10 days after the adjournment sine die of the 2022 regular legislative session, the office of financial management shall send a survey to all of the members of the house of representatives and the senate. The survey must include inquiries into the following:
 - (a) Whether the member reviewed the equity impact statements;
- 29 (b) How helpful the equity impact statements were to inform a 30 member's decision process on legislative proposals;
 - (c) Recommendations members may have on improvements to the content of an equity impact statement or process of providing an equity impact statement; and
 - (d) Other feedback the member wishes to provide.
 - (3) By July 31, 2022, and in compliance with RCW 43.01.036, the office of financial management shall submit a report to the governor, the governor's office of Indian affairs, statutory commissions, the senate state government and elections committee or its successor, and

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- the house of representatives state government and tribal relations committee or its successor, that details:
- 3 (a) Feedback from agencies that completed an equity impact 4 statement pursuant to this section, on the implementation of this 5 section;
- 6 (b) A summary of the feedback received from the survey conducted 7 under subsection (2) of this section;
- 8 (c) Plans, if any, to amend the procedures or requirements 9 established pursuant to section 3 of this act;
 - (d) A plan to implement section 5 of this act; and

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- 11 (e) Recommendations on any policy changes needed to implement 12 chapter ..., Laws of 2021 (this act).
- 13 NEW SECTION. Sec. 5. IMPLEMENTATION PHASE 3. (1) Beginning January 1, 2024, the office of financial management shall provide 14 15 equity impact statements for legislative proposals in six additional 16 policy areas of its choosing, in accordance with the procedures and 17 requirements established pursuant to section 3 of this act. This section only applies to legislative proposals on which a fiscal note 18 is requested or at the request of a legislator if a fiscal note is 19 20 not requested. The equity impact statement must describe the expected 21 impact of the legislative proposal on communities.
- 22 (2) By July 31, 2024, and in compliance with RCW 43.01.036, the 23 office of financial management shall submit a report to the governor, 24 the governor's office of Indian affairs, statutory commissions, the 25 senate state government and elections committee or its successor, and 26 the house of representatives state government and tribal relations 27 committee or its successor, that details:
- 28 (a) Feedback from agencies that completed an equity impact 29 statement pursuant to this section, on the implementation of this 30 section;
- 31 (b) Plans, if any, to amend the procedures or requirements 32 established pursuant to section 3 of this act;
 - (c) A plan to implement section 6 of this act; and
- 34 (d) Recommendations on any policy changes needed to implement 35 chapter ..., Laws of 2021 (this act).
- NEW SECTION. Sec. 6. IMPLEMENTATION PHASE 4. (1) Beginning January 1, 2025, the office of financial management shall provide an equity impact statement on any legislative proposal on which a fiscal

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note is requested or at the request of any legislator for proposals on which a fiscal note is not requested, in accordance with the procedures and requirements established pursuant to section 3 of this act. The equity impact statement must, at a minimum, describe the expected impact of the legislative proposal on communities.

- (2) Within 10 days after the adjournment sine die of the 2025 regular legislative session, the office of financial management shall send a survey to all of the members of the house of representatives and the senate. The survey must include inquiries into the following:
 - (a) Whether the member reviewed the equity impact statements;
- (b) How helpful the equity impact statements were to inform a member's decision process on legislative proposals;
- (c) Recommendations members may have on improvements to the content of an equity impact statement or process of providing an equity impact statement; and
 - (d) Other feedback the member wishes to provide.
- (3) By November 15, 2025, and in compliance with RCW 43.01.036, the office of financial management shall submit a report to the governor, the governor's office of Indian affairs, statutory commissions, the senate state government and elections committee or its successor, and the house of representatives state government and tribal relations committee or its successor, that summarizes the feedback received from the survey conducted under subsection (2) of this section.
- NEW SECTION. Sec. 7. (1) In accordance with the office of equity's training responsibilities under RCW 43.06D.040, the office of equity shall provide training to the appropriate agency employees on how to complete an effective equity impact statement.
- (2) The office of financial management shall coordinate with all appropriate agencies to prepare the equity impact statement.
- (3) When coordinating with the office of financial management in preparing an equity impact statement, agencies shall use:
- (a) Any available assessment tools and standards for the analysis and reporting of disaggregated data developed pursuant to RCW 43.06D.040(1), to the extent practicable; and
- 36 (b) Guidance, procedures, and content and format requirements, 37 established by the office of financial management pursuant to section 38 3 of this act.

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NEW SECTION. Sec. 8. Nothing in this chapter shall prevent either house of the legislature from acting on any legislative proposal before it as otherwise provided by the state Constitution, by law, and by the rules and joint rules of the senate and house of representatives, nor shall the lack of any equity impact statement as provided in this chapter or any error in the accuracy thereof affect the validity of any measure otherwise duly passed by the legislature.

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- Sec. 9. Beginning July 1, 2025, and annually 8 NEW SECTION. thereafter, the office of financial management must provide data 9 10 requested by the office of equity regarding equity impact statements. 11 The office of equity shall include the data provided by the office of 12 financial management in the annual report to the governor and the 13 agency compliance with office standards legislature on and performance measures, as required under RCW 43.06D.040(2). 14
- NEW SECTION. Sec. 10. Sections 2 through 9 of this act constitute a new chapter in Title 43 RCW.

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