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## State Government & Tribal Relations Committee

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### HB 1264

**Brief Description:** Establishing an equity impact statement for legislative proposals.

**Sponsors:** 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.

#### Brief Summary of Bill

- Requires that, by November 15, 2021, the Office of Financial Management (OFM) establish procedures, guidelines, and content and format requirements for the Equity Impact Statement (EIS).
- Requires that, by January 1, 2022, the OFM provide an EIS on certain legislative proposals that create or amend housing or health care policies.
- Requires that, by January 1, 2024, the OFM provide an EIS on certain legislative proposals in six additional policy areas.
- Requires that, by January 1, 2025, the OFM provide an EIS on any legislative proposal on which a fiscal note is requested or at the request of a legislator.

**Hearing Date:** 1/25/21

**Staff:** Desiree Omli (786-7105).

**Background:**

Racial and Ethnic Impact Statements.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not part of the legislation nor does it constitute a statement of legislative intent.*

Racial and Ethnic Impact Statements (REISs) are a tool sometimes used by policymakers to evaluate potential disproportional racial and ethnic impacts of proposed legislation or other proposals prior to adoption and implementation. They may include statistical analyses of the impact of proposed legislation on certain populations, and other information.

In the 2016 Supplemental Operating Budget, the Legislature directed the Caseload Forecast Council (CFC) to report to the Governor and the Legislature on recommendations for procedures and tools for providing cost-effective REISs for forecasts produced by the CFC in the areas of criminal justice, human services, and education. The CFC reviewed four states that have implemented REISs into their legislative process and proposals in several other states. Based on their findings, the CFC recommended an incremental approach to the production of REISs, starting with a criminal justice pilot project before expanding REISs to other program areas.

#### Other Impact Reviews.

Certain state agencies have issued impact reviews, impact statements, or disparity studies, which evaluate the impact of an action or proposal on certain communities. For example, the Washington State Board of Health conducts Health Impact Reviews (HIRs), which must consider the direct impact on health disparities as well as changes in the social determinants of health. A Health Impact Review is an evidence-based tool that provides the Governor and legislators with information about how proposed legislation may impact health and health equity.

#### **Summary of Bill:**

Using a phased-in approach, the Office of Financial Management (OFM) will be required to provide an Equity Impact Statement (EIS) on certain legislative proposals in coordination with the appropriate agencies. The EIS must, at minimum, describe the expected impact of the legislative proposals on communities, or groups of individuals who share the same race, creed, national origin, citizenship or immigration status, sex, honorably discharged veteran or military status, sexual orientation, certain disability status, language access status, or socioeconomic status.

#### Phase 1 — Development of Procedures and Processes.

In phase one, the OFM must consult with the Governor's Interagency Council on Health Disparities (Council), the Office of Equity (Office), and appropriate legislative committees and legislative staff to establish procedures for providing an EIS 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 must, at minimum, require that:

- The EIS be provided prior to or at the time the legislative proposal is first heard by the committee of reference in the house of origin.
- The OFM file copies of the EIS with specified entities or individuals.
- A copy of the EIS be attached to the legislative proposal and remain with the legislative proposal throughout the legislative process.

Also in phase one, the OFM must consult with the Council and Office to:

- establish format and content requirements for the EIS; and
- provide guidance for agencies on best practices, such as appropriate data and literature review standards, for completing an EIS that is based on the best available empirical information and professional assumptions available to an agency.

By November 15, 2021, the OFM must submit a report to the Governor, the Governor's Office of Indian Affairs (GOIA), certain statutory commissions, and specified legislative committees. The report must detail:

- the procedure established by the OFM for providing an EIS for legislative proposals;
- the format and content requirements established by the OFM for the EIS;
- a plan to implement phase 2 of the act; and
- recommendations on any policy changes needed to implement the act.

### Phase 2 — Implementation of Equity Impact Statements for Legislative Proposals on Housing and Healthcare Policies.

Beginning January 1, 2022, for legislative proposals for which a fiscal note is requested, or at the request of a legislator, the OFM must provide an EIS on legislative proposals that create new statutory provisions or amend existing statute on housing or health care policies.

Within 10 days after the adjournment sine die of the 2022 regular legislative session, the OFM must survey all members of the Senate and House of Representatives to inquire into:

- whether members reviewed the EIS;
- how helpful the EIS was to inform a member's decision on legislative proposals; and
- recommendations and other feedback the members may have to improve the content or process of the EIS.

By July 31, 2022, the OFM must submit a report to the specified state entities that detail:

- feedback from agencies that completed an EIS;
- a summary of the member survey conducted by the OFM;
- plans to amend the procedures, content, or format of the EIS; and
- recommendations on any policy changes needed to implement the act.

### Phase 3 — Implementation of Equity Impact Statements for Six Additional Policy Areas.

Beginning January 1, 2024, for legislative proposals for which a fiscal note is requested, or at the request of a legislator, the OFM must provide an EIS for legislative proposals in six additional policy areas of its choosing.

By July 31, 2024, the OFM must submit a report to specified state entities that details:

- feedback from agencies that completed an EIS;
- plans to amend the procedures, content, or format of the EIS;
- a plan to implement phase four of the act; and
- recommendations on policy changes needed to implement the act.

Phase 4 — Statewide Implementation of EIS.

Beginning January 1, 2025, the OFM must provide an EIS on any legislative proposal on which a fiscal note is requested, or at the request of a legislator.

Within 10 days after the adjournment sine die of the 2025 regular legislative session, the OFM must conduct a second survey, similar to the one conducted in phase two, of all the members of the Senate and House of Representatives.

By November 15, 2025, the OFM must submit a report to certain state entities that summarizes the feedback received from the survey of legislative members.

Agency Responsibilities.

As part of its statutory training responsibilities, the Office must provide training to the appropriate agency employees on how to complete an effective equity impact statement.

Agencies are required to use any available assessment tools and standards for the analysis and reporting of disaggregated data developed by the Office. Agencies are also required to use the guidance, procedures, and content and format requirements, established by the OFM.

Annual Report.

Beginning July 1, 2025, and annual thereafter, the OFM must provide data as requested by the Office regarding the EIS. The Office must include this data in its annual report to the Governor and Legislature on agency compliance with standards and performance measures established by the Office, developed in accordance with its statutory requirements.

**Appropriation:** None.

**Fiscal Note:** Preliminary fiscal note available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.