

Government of the District of Columbia
Office of the Chief Financial Officer



Jeff DeWitt
Chief Financial Officer

MEMORANDUM

TO: The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

FROM: Jeff DeWitt
Chief Financial Officer 

DATE: November 12, 2014

SUBJECT: Fiscal Impact Statement – “Wage Transparency Amendment Act of 2014”

REFERENCE: Bill 20-257, Committee Print as provided to the Office of Revenue Analysis on November 5, 2014

Conclusion

Funds are sufficient in the FY 2015 through FY 2018 budget and financial plan to implement the bill.

Background

The bill prohibits District employers from banning discussion among employees about one’s salary or wages. Additionally, employers may not discipline or retaliate against employees who engage in discussions about their salaries. However, employers may prohibit employees with access to information about employee salaries, such as human resource personnel, from disclosing salary information. The bill does not require employees to disclose salary information.

Any employer that fails to comply with the requirements of the bill may face fines of \$1,000 for the first violation, \$2,500 for the second violation and \$5,000 for each subsequent violation. The bill grants the Mayor authority to establish rules to implement the legislation.

Financial Plan Impact

Funds are sufficient in the FY 2015 through FY 2018 budget and financial plan to implement the bill.

The administration of the requirements of the bill will fall on the Department of Employment Services (DOES). DOES at present does not consider these types of complaints a part of its enforcement responsibilities, so the bill will expand the agency’s responsibilities. It is unknown

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how many wage transparency cases may be expected as a result of this legislation. Wage transparency protections exist under federal law and some labor contracts, and the District government has not seen any cases over the last several years. Based on this experience, no additional resources will likely be required for DOES to enforce the provisions of the bill. However, if wage transparency is an extensive problem in the District, and many cases are brought forth, the agency would need additional resources to handle the work in a timely manner.