Department of Planning and Budget 2025 General Assembly Session State Fiscal Impact Statement

PUBLISHED: 1/29/2025 3:40 PM

ORIGINAL

Bill Number:HB 2098 H1Patron:MaldonadoBill Title:Labor and employment provisions; application of law, payment of wages, definition of
employer

Bill Summary: Clarifies that the exemption for the Commonwealth or any of its agencies, institutions, or political subdivisions, or any public body under Title 40.1 does not apply when expressly provided otherwise. The bill provides a definition of "public body" for Title 40.1. Additionally, the bill provides that for the purposes of certain requirements related to the payment of wages, and for regulations adopted by the Safety and Health Codes Board, "employer" includes the Commonwealth and its agencies, institutions, and political subdivisions, school boards, or any public body.

Budget Amendment Necessary: Yes Items Impacted: 350 (DOLI)

Explanation: The bill will create additional expenditures for which the Department of Labor and Industry (DOLI) in not currently appropriated, and an indeterminate impact on other agencies and localities.

Fiscal Summary: It is anticipated that this bill will result in a general fund expenditure impact of \$0.4 million with an additional indeterminate general fund impact. See fiscal analysis, below.

General Fund Expenditure Impact:

Agency	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
DOLI	-	\$439,673	\$439,673	\$439,673	\$439,673	\$439,673

Fiscal Analysis: The bill extends certain health and safety regulations and requirements for the payment of wages to all agencies, institutions, and localities within the Commonwealth. Currently, only private employers are covered. According to the Department of Human Resource Management, the bill would create an indeterminate impact due to the risk of increased litigation. If the Office of Attorney General is required to increase staffing levels in response, each additional position would create an additional expense of \$144,160 each year.

The Department of Labor and Industry is responsible for enforcing the provisions of this bill. The agency currently has jurisdiction over the employers of approximately 3 million employees, resulting in approximately 1,400 cases per year. This bill would increase that population by approximately 20 percent. The agency

Department of Planning and Budget 2025 General Assembly Session State Fiscal Impact Statement

currently has one lead compliance officer, four compliance officers, and two administrative specialists who are working with a case backlog of approximately 60 days and are unable to absorb additional workload. It is anticipated that additional resources to support one lead compliance officer (\$178,522), one compliance officer (\$123,080) and one administrative specialist (\$115,271) will be needed. Additionally, DOLI anticipates an annual cost of \$22,800 related to translation services for inquiries and documents.

Other: None.