

Department of Planning and Budget
2026 General Assembly Session
State Fiscal Impact Statement

employee for reporting any possible or actual violation of any federal or state law or regulation, to the public, a governmental body, or the employer.

As amended, this bill states that the Commissioner or the OAG may investigate, institute administrative proceedings, and bring a civil action against an employer for a violation of this section in accordance with procedures established in statute related to nonpayment of wages. An individual who alleges a violation of this section may also bring a civil action, and the Commissioner or the OAG may also bring action and seek injunctive relief to restrain continued violation of this section. Any action under this section must be brought within two years. The number of inquiries that DOLI may receive, complaints that it will investigate, and enforcement actions taken by the department are currently unknown. Depending on the workload volume for the agency resulting from this bill, the agency may require up to three Legal Services Officer positions at an ongoing general fund cost of \$185,365 each. According to DOLI, each attorney position can handle approximately 87 to 88 cases annually, including legal analysis, settlement negotiations, hearings, and litigation support. It is anticipated that the OAG may have an indeterminate increase in workload impact as a result of this bill; however, it is anticipated that the OAG can absorb this increase within existing resources.

DOLI anticipates that it may also require an anti-retaliation workstream within the agency's existing system of record at a one-time cost of \$991,487, with costs estimates based on previous modernization projects completed by the agency related to payment of wage complaints. According to the department, \$45,000 in ongoing system maintenance costs may also be required. Additionally, DOLI anticipates that this bill may result in an increase in client contacts and cases at the agency, and estimates an additional \$2,925 in language services cost per year may be required. DOLI's hourly rate for use of these services in 2016 is \$117.

Budget amendments adopted by the House provide \$6.5 million in general fund support in FY 2027 and \$3.6 million in FY 2028, and 25 positions, for the department to hire additional personnel for labor law enforcement activities and develop a comprehensive case management system. An additional amendment provides the OAG with \$509,864 in general fund support in FY 2027 and \$409,864 in FY 2028, and three positions, to implement legislation passed by the House.

Other: This bill is similar to SB644.

HB238, as Engrossed by the House, expands investigative and enforcement capabilities handled by DOLI related to misclassification of workers, processing and payment of overtime wages, and prevailing wage compliance. The fiscal impact statement for this bill states that a number of positions may be needed to implement the bill's provisions, including six Legal Services Officer positions. According to DOLI, if both bills are passed, the six Legal Services Officer positions described in the fiscal impact statement for HB238 EH1 would be able to fulfill the provisions of that bill and this bill, and three Legal Services Officer positions would be needed to implement this legislation as a stand-alone bill. According to DOLI, the workload created by this bill as stand-alone legislation would constitute a new and distinct enforcement function, including responsibilities such as investigation retaliation allegations, developing evidentiary records, litigating contested matters, and providing administrative support, which would necessitate three positions. If HB238 were also enacted,

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however, retaliation enforcement would function as an iterative component within the larger wage compliance framework, and there would be overlap in legal resources.