

February 20, 2025

The Honorable Sean Tarwater, Chairperson
House Committee on Commerce, Labor and Economic Development
300 SW 10th Avenue, Room 346-S
Topeka, Kansas 66612

Dear Representative Tarwater:

SUBJECT: Fiscal Note for HB 2239 by House Committee on Commerce, Labor and Economic Development

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2239 is respectfully submitted to your committee.

HB 2239 would require employers to provide meal and rest periods for employees as specified in the bill dependent on the length of work periods. Employers would also be required to post notices provided by the Secretary of Labor regarding the meal and rest period requirements. If the full required meal period was not provided, the employer would be required to pay the employee for the entire meal period time. The bill would require employers to establish undue hardship for exemption from the meal period requirements and would still require adequate paid periods for the employee to rest, consume a meal, and use the restroom. The bill would include an exception to the rest period requirement if certain conditions were met. The bill would also make related definitions and include provisions related to modification by collective bargaining agreements and waiver of the requirements by employees. The bill would include penalties for violations of the requirements and would allow for the assessment of civil penalties up to \$2,000, which would be deposited in the State General Fund.

According to the Kansas Department of Labor, enactment of HB 2239 would increase expenditures by \$300,000, all from the State General Fund, beginning in FY 2026. This is based on the assumption that wage claims would double. Current wage claim operations total \$300,000 annually and include 3.00 positions. The agency anticipates an additional 3.00 positions would be necessary to handle the increased workload and all other operational costs would also increase. The agency was unable to estimate new revenue related to the bill's provisions as it would be dependent on the findings of each case, although any new revenue would be deposited in the State General Fund.

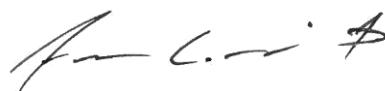
The Department of Administration states that while there are currently no statewide policies on meal and rest breaks, many agencies already follow the provisions of this bill with

respect to those subjects as part of their normal practices. The agency would need to develop, implement, and conduct training on statewide policies consistent with the requirements of the bill, and would also need to develop a consistent tracking method for meal and rest breaks within the state's payroll system since the bill places the burden of proof to show that they were required on the employer. While these projects would require staff time and effort to complete, the agency anticipates they could be accomplished within existing staffing and funding resources. The agency notes the bill would significantly restrict employees' ability to have a flexible work schedule, which is a benefit utilized by many state agencies.

The Board of Regents states that enactment of the bill would not result in a fiscal effect for the agency or postsecondary educational institutions. The Kansas Department of Education states that some schools may be affected by enactment as the bill if teachers do not receive a full 30 continuous minutes for lunch. School Districts would need to consider plan time, lunch, and potential breaks and how those all fit in the workday to ensure compliance with the bill's provisions. Legislative Administrative Services reports there would be no fiscal effect for the Legislature or the Legislative Coordinating Council. The Judicial Branch does not anticipate a significant effect on expenditures and states there would be no effect on revenues, although the collection of civil penalties could increase revenue to the State General Fund. Any fiscal effect associated with HB 2239 is not reflected in *The FY 2026 Governor's Budget Report*.

The League of Kansas Municipalities reports enactment of the bill could have a fiscal effect on cities, but a total estimate could not be provided. The Kansas Association of Counties states there could be an impact on counties as employers, dependent on if there would need to be changes made to shift operations.

Sincerely,

A handwritten signature in black ink, appearing to read "Adam C. Proffitt", followed by a stylized flourish or symbol.

Adam C. Proffitt
Director of the Budget

cc: Dawn Palmberg, Department of Labor
Samir Arif, Department of Administration
Trisha Morrow, Judiciary
Tom Day, Legislative Services
Becky Pottebaum, Board of Regents
Jay Hall, Kansas Association of Counties
Wendi Stark, League of Kansas Municipalities
Gabrielle Hull, Department of Education