

February 24, 2020

The Honorable Sean Tarwater, Chairperson
House Committee on Commerce, Labor and Economic Development
Statehouse, Room 151D-S
Topeka, Kansas 66612

Dear Representative Tarwater:

SUBJECT: Fiscal Note for HB 2637 by Representative Neighbor

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2637 is respectfully submitted to your committee.

HB 2637 would prohibit employers and employment agencies from screening applicants based on their compensation histories. The bill would also prohibit employers and employment agencies from seeking an applicant's compensation history from either the applicant or a current or former employer for the purposes of setting the compensation to be offered to the applicant. Employers or employment agencies and applicants would not be prohibited from discussing or negotiating compensation provided the applicant's compensation history is not requested.

The Kansas Department of Labor indicates that enforcing the new employment standards contained in HB 2637 would increase the number of claims handled by the Department. However, the fiscal effect from the additional claims is unknown because the Department is unable to estimate the number of claims that would result from passage of the bill.

The Department of Administration indicates the agency would incur programming costs from updating State of Kansas employment applications. The Department would also have to provide instruction to state agencies on the requirements of the bill and establish policies to prohibit violations. Additionally, all contracted employment agencies would have to be notified of the bill's requirements. The Department estimates all costs associated with the bill could be absorbed within existing resources. Any fiscal effect associated with HB 2637 is not reflected in *The FY 2021 Governor's Budget Report*.

Sincerely,



Larry L. Campbell
Director of the Budget

cc: Dawn Palmberg, Department of Labor
Jeff Scannell, Department of Administration