

The fiscal impact of SB 18 SCS on local governments as employers is indeterminable but likely to be moderate. Employers participating in an ongoing study conducted by the Job Accommodation Network, a service of the U.S. Department of Labor’s Office of Disability Employment, reported in 2017 that providing workplace accommodations resulted in retention of valuable employees, improved productivity and morale, reduced workers’ compensation and training costs, and improved company diversity. Those employers in the study reporting cost data indicated that 59% of accommodations cost nothing to make, while the rest typically cost \$500. The report did not specify the types of disabilities accommodated by participating employers.

Cities and counties would incur some costs to update their personnel policies and may incur costs of training to implement new policies for supervisors and human resources personnel. The Kentucky League of Cities (KLC) states that the requirement in the bill that cities with eight or more employees update their personnel policies with the new language in KRS 344.030 regarding discrimination against employees based on pregnancy, child birth or related medical conditions would apply to approximately half of all cities. The requirement that cities with 15 or more employees update their policies with the new language in KRS 344.030 regarding accommodation requirements would apply to about one-third of cities.

Local government employers would have to provide notice to employees regarding additional rights provided in SB 18 SCS, that they have a right to be free from discrimination based on pregnancy, childbirth, and related medical conditions and they have the right to reasonable accommodation unless doing so would impose an undue hardship on the employer. This notice would need to be provided to:

- All new employees as soon as they are hired (could be included in the personnel policy);
- All existing employees within 30 days of the effective date of this bill (include in update to personnel policy); and
- Specific employees within 10 days of employer being notified of pregnancy of an employee.

Local government employers would also need to post notices in a conspicuous place (where labor law posters are hanging); the state EEOC office would update the poster so they would only need to post it. Local governments may have to afford affected employees time off or longer breaks as an accommodation; they may have to cover for absent employees by hiring a temp or assigning others to those duties. Reasonable accommodations are required unless they pose an undue hardship on the employer. “Undue hardship” is defined at KRS 344.030(9).

Part III: Differences to Local Government Mandate Statement from Prior Versions

SB 18 SCS removes the language that an employee is “not required to accept an accommodation” if another reasonable accommodation can be provided. The Senate Committee Substitute would not change the fiscal impact on local governments.

Data Source(s): Kentucky League of Cities; LRC Staff

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