



April 1, 2026

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 2597 by Representative Osman, et al.

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2597 is respectfully submitted to your committee.

HB 2597 would require that all employees working in Kansas have the right to paid sick leave as specified in the bill. Effective January 1, 2027, all employers in Kansas would be required to provide each employee with paid sick leave as outlined in the bill. The Secretary of Labor would be required to adopt rules and regulations necessary to implement provision of the bill. Each employee would earn a minimum of at least two hours of paid sick leave for every 30 hours worked and would be entitled to earn or use at least 40 hours of paid sick leave each year. The bill would make related definitions, outline all requirements and exemptions, and detail when accrued paid sick leave would have to be granted.

According to the Kansas Department of Labor, enactment of HB 2597 would increase State Fund expenditures by at least \$161,332 annually beginning in FY 2027 for 1.50 FTE positions and overhead to manage new workload related to implementation of the bill's provisions. Staff would develop and oversee related rules and regulations. The agency notes that the ongoing workload would be uncertain, but development of rules and regulations would require extensive research, including reviewing similar programs in other states.

The Kansas Department of Administration reports that HB 2597 would provide sick leave to temporary, non-benefits eligible employees, which do not currently accrue any type of leave. There are currently 977 such employees in Executive Branch agencies under the Governor's jurisdiction, and the average hourly rate of pay for these employees is \$26.00. If each of these employees were to use the full 40 hours of sick leave authorized by the bill, it would result in an additional annual cost of \$1.0 million from all funding sources, since these employees would be recording pay for hours that they currently do not. The amount of additional expenditures from the State General Fund would depend on the mix of funding for any particular agency. The

Department also notes that the bill would expand the reasons allowed for use of sick leave beyond those currently allowed in KAR 1-9-5, which establishes the sick leave policy for employees in Executive Branch agencies under the Governor's jurisdiction. This expansion would allow employees to use sick leave for situations that they currently are not able to, which would likely increase the number of hours of sick leave utilized by such employees, resulting in additional expenditures and loss of productivity, but the exact amount cannot be accurately estimated.

The Department notes the legislation would also require clarification on two points in order to determine if there would be additional fiscal impact. The first of these is the requirement that sick leave must be used in increments of no greater than one hour. This conflicts with current provisions regarding the use of leave by employees in FLSA exempt positions, who record such leave in half and full day increments. If the legislation requires such employees to record leave in hourly increments, this would require changes to regulations, policies, and the state's human resources information system, also known as SHARP. Any changes made to the SHARP system could result in unanticipated programming costs. The second point of clarification needed would be with respect to the provision that states that an employer may require reasonable documentation that sick leave was used as authorized by the legislation if an employee uses leave for four or more consecutive workdays. This is currently allowed under KAR 1-9-5 at an appointing authority's discretion, so if the language is interpreted to mean that documentation can only be requested after an employee is absent for four consecutive days, this would be a change from current policy and would require changes to regulations and policies. Since this bill allows for sick leave to be carried forward from year to year and would continue to apply to all new employees, the fiscal effect would be ongoing.

The Kansas Office of Judicial Administration reports that enactment of HB 2597 would require updates to Kansas Court Personnel Rules to align with the bill's provisions. Any resulting fiscal effect would be handled with existing resources. The bill would not result in a fiscal effect on revenues to the Judicial Branch or the State General Fund. The State Treasurer's Office notes that sick leave and family leave policies of the Office mirrors the general Department of Administration policies and Executive Orders applicable to agencies under the Governor's jurisdiction. While the policies don't align precisely with the requirements of the bill, there is overlap. The cost estimate per employee would be similar to the rate calculated by Department of Administration but a fiscal effect cannot be estimated.

The Office of the Kansas Attorney General anticipates that enactment of the bill could result in increased State General Fund expenditures of \$140,083 in FY 2027 and \$145,546 in FY 2028 to implement the program as described in the bill. Some employees that are part-time or exempt would gain paid sick leave benefits and be able to accrue time for sick leave, therefore additional funds would be necessary.

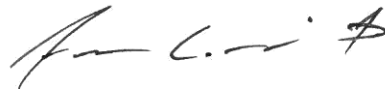
Legislative Administrative Services reports that HB 2597 would have a negligible fiscal effect for the Legislature and Legislative Coordinating Council. Any fiscal effect would be handled within existing resources. The agency reports that full-time employees currently accrue 3.7 hours of paid sick leave for an 80-hour work week. The language of the bill would imply full-time state employees should earn 4.4 hours paid sick leave in an 80-hour workweek. However, with maximum accrual in the first year of 40 hours in HB 2597, a full-time employee could accrue 96.2 hours under the current State sick leave accrual policy. Sick leave for full-time employees

does not have a maximum accrual threshold. Although the bill requires 2.0 hours sick leave for every 30 hours worked, on an annual basis full-time employees accrue more sick leave than the bill requires. Part-time session employees for the Legislature accrue 3.0 days leave for the session, at a rate of 4.0 hours leave time for 80-hour workweek.

The Kansas State Department of Education states that all agency staff are currently under the sick leave requirements of the bill but there could be some part-time employees newly eligible for sick leave under the bill. The fiscal effect for school districts is discussed below. The Kansas Board of Regents states the bill would not have any effect for the postsecondary education system, as sick leave is already offered above the requirements of the bill. The Secretary of State reports that any resulting fiscal effect would be negligible. The Kansas Department of Insurance does not anticipate a fiscal effect. Any fiscal effect associated with HB 2597 is not reflected in *The FY 2027 Governor's Budget Report*.

The Kansas Association of Counties reports that enactment of HB 2597 would have a fiscal effect on any counties not currently providing sick leave and the costs would be ongoing. The League of Kansas Municipalities states that enactment of the bill would have a negligible fiscal effect on cities. The Kansas Association of School Boards reports that enactment of the bill would result in an increase in expenditures for school districts as sick leave would be required for employees who otherwise would not be entitled to it under current policies. The total fiscal effect for school districts cannot be estimated and the amount would vary by district.

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
Gabrielle Hull, Department of Education
Becky Pottebaum, Board of Regents
Wendi Stark, League of Kansas Municipalities
Bruce Chladny, Kansas Association of Counties
Angie Stallbaumer, Kansas Association of School Boards
Tom Day, Legislative Services
Trisha Morrow, Judiciary
Jennifer Cook, Office of the Secretary of State
Kyle Strathman, Department of Insurance
John Hedges, Office of the State Treasurer
Matt Bingesser, Office of the Attorney General