

# OFFICE OF FISCAL ANALYSIS

Legislative Office Building, Room 5200  
Hartford, CT 06106 ◊ (860) 240-0200  
<http://www.cga.ct.gov/ofa>

sHB-6536

AN ACT REQUIRING EMPLOYERS TO PROVIDE EMPLOYEES WORKING FROM HOME CERTAIN EQUIPMENT OR REIMBURSEMENT FOR CERTAIN NECESSARY EXPENDITURES.

## **OFA Fiscal Note**

### **State Impact:**

Agency Affected	Fund-Effect	FY 22 \$	FY 23 \$
Labor Dept.	GF - Cost	230,230	254,857
State Comptroller - Fringe Benefits <sup>1</sup>	GF - Cost	92,855	102,819
Labor Dept.	GF - Potential Revenue Gain	Minimal	Minimal
All	Various - Potential Cost	Minimal	Minimal

Note: GF=General Fund; Various=Various

### **Municipal Impact:**

Municipalities	Effect	FY 22 \$	FY 23 \$
Various Municipalities	Potential Cost	Minimal	Minimal

### **Explanation**

The bill, which requires employers to reimburse employees for certain costs directly related to services performed for the employer, results in: 1) a General Fund cost of \$323,085 in FY 22 and \$357,676 in FY 23, 2) a potential minimal revenue gain to the extent there are violations found and civil penalties levied, and 3) a potential minimal cost to the state and municipalities as employers.

<sup>1</sup>The fringe benefit costs for most state employees are budgeted centrally in accounts administered by the Comptroller. The estimated active employee fringe benefit cost associated with most personnel changes is 41.3% of payroll in FY 22 and FY 23.

The Department of Labor would incur salary and fringe benefit costs of \$317,685 in FY 22 and \$351,776 in FY 23 for two Wage Enforcement Agents and one part-time Staff Attorney to enforce the bill's provisions, which apply to approximately 110,000 employers and 1.6 million workers in the state. There are also associated overhead costs estimated at \$5,400 for FY 22 and \$5,900 for FY 23 for computers, office supplies, etc.

The bill also results in a potential cost to the state and municipalities as employers to reimburse employees for costs related to working from home. Any cost would depend on the types of supplies and equipment employees request reimbursement for. A state agency or municipality that currently reimburses workers for work-from-home expenses would only incur a cost to the extent that the bill expands the type of expenses such state agency or municipality must reimburse. These potential expenses are anticipated to be minimal.

### ***The Out Years***

The annualized ongoing cost impacts identified above would continue into the future subject to inflation; the ongoing revenue impact would continue into the future subject to the number of violations found.