



[SF 485](#) – Pregnancy and Childbirth, Reasonable Employment Accommodations (LSB1744SV)
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Fiscal Note Version – New

Description

[Senate File 485](#) requires employers to provide reasonable accommodations to employees based on pregnancy or childbirth and tasks the Labor Commissioner with adopting rules to administer employment inspections and enforce the Bill. An employer who violates the Bill is subject to a civil penalty of up to \$750. The Bill is effective July 1, 2021.

Background

The office of the Labor Commissioner, created in Iowa Code section [91.1](#), controls the Division of Labor Services under the Iowa Department of Workforce Development (IWD) and is responsible for the activities of the Division, including disseminating safety and wage information to businesses and employees, administering education programs on worker safety, licensing businesses and equipment, and enforcing wage and child labor standards.

State employment policies regarding pregnancy and childbirth are covered under Iowa Code section [216.6](#), which received a hearing through the Iowa Supreme Court in [McQuiston v. City of Clinton](#). The federal Family and Medical Leave Act (FMLA), detailed in [29 U.S.C. 28](#), outlines federal policies regarding pregnancy and childbirth and received a hearing through the U.S. Supreme Court in [Young v. United Parcel Serv., Inc.](#)

Assumptions

- The Bill will require the Division of Labor to implement and enforce a new program to write rules, perform inspections, and assess civil penalties.
- The Bill will require 2.0 additional full-time equivalent (FTE) positions to administer the program beginning in FY 2022. These positions include an Attorney 2 and an Investigator 2.
- Hiring of FTE positions will not take place, on average, until October 1, 2021. The estimated cost for salaries and benefits for FY 2022 is \$118,000 and \$161,000 for FY 2023.
- Operating costs are estimated at \$10,000 annually, including travel, postage, and other administrative costs.
- Capital outlay includes desks, computers, chairs, and other costs of creating two new positions within the IWD.
- At \$750 per citation, the IWD expects to collect \$5,000 annually in penalty fees. The fiscal impact is shown in **Table 1** below.
- Inflation is calculated at 2.1% in FY 2023 for salary and benefits.
- There will be seven penalty citations collected each fiscal year by the Division of Labor.

Fiscal Impact

Senate File 485 is estimated to increase the cost to the IWD by \$135,000 in FY 2022, and \$166,000 in FY 2023 and subsequent fiscal years. The cost for salaries and benefits will grow at 2.1% in the out-years. Funding is expected to come from the General Fund.

Table 1: Estimated Costs, Senate File 485

Agency	Category	FTEs	Est. Cost	
			FY 2022	FY 2023
Iowa Workforce Development (IWD)	Salary and Benefits	2.0	\$ 118,000	\$ 161,000
	Capital Outlay	-	12,000	-
	Operating Costs	-	10,000	10,000
	Penalty Fees	-	-5,000	-5,000
Total		2.0	\$ 135,000	\$ 166,000

Sources

Legislative Services Agency
Iowa Department of Workforce Development
Iowa Civil Rights Commission

/s/ Holly M. Lyons

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The fiscal note for this Bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.

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