

March 6, 2017

The Honorable Julia Lynn, Chairperson
Senate Committee on Commerce
Statehouse, Room 445-S
Topeka, Kansas 66612

Dear Senator Lynn:

SUBJECT: Fiscal Note for SB 212 by Senate Committee on Assessment and Taxation

In accordance with KSA 75-3715a, the following fiscal note concerning SB 212 is respectfully submitted to your committee.

SB 212 would require the Kansas Department of Labor to write and submit a state plan that provides for safe and healthful employment that is at least as effective as the standards set by the Occupational Safety and Health Administration (OSHA). The Department would be required submit the state plan to the federal government by September 1, 2017. The Secretary of Labor would be required to submit a report to the President of the Kansas Senate and the Speaker of the Kansas House of Representatives on or before January 8, 2018. The report would include the proposed state plan, a list of changes in statutes and rules and regulations required by the federal government as part of the proposed state plan, a list of additional staff and positions required to implement the proposed state plan, and a projected date that the cooperative agreement could be executed. The bill would allow the State of Kansas to enter into partnerships with other states and the federal government to carry out the objectives of the state plan, but the cooperative agreement would not become effective unless authorized by the Legislature.

Estimated State Fiscal Effect				
	FY 2018 SGF	FY 2018 All Funds	FY 2019 SGF	FY 2019 All Funds
Revenue	--	--	--	--
Expenditure	\$250,000	\$250,000	\$2,748,132	\$2,748,132
FTE Pos.	--	--	--	26.00

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Page 2—SB 212

The Department of Labor estimates that it would cost \$250,000 from the State General Fund in FY 2018 to start implementing the provisions of SB 212. The Department indicates that it would hire a contracted expert to write and submit the state OSHA plan with an estimated cost of \$250,000 in FY 2018. The expenses are expected to increase to approximately \$2,748,132 from the State General Fund in FY 2019 to fund salary and wages of 26.00 new FTE positions, start-up costs, rent, travel, and other overhead expenses. Future ongoing expenses are estimated to be \$2,427,632 to implement the state OSHA plan once it is approved. The Department of Labor indicates that the State General Fund would be required to fund the state plan for the first three years because the state does not have authority to implement fines and penalties until the state OSHA plan is approved. Each subsequent year, the federal government would contribute 50.0 percent of the operational costs to implement the state plan and revenues would be generated to fund the state plan in the form of fees assessed for OSHA inspection violations. Any fiscal effect associated with SB 212 is not reflected in *The FY 2018 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Shawn Sullivan", with a long horizontal line extending to the right.

Shawn Sullivan,
Director of the Budget

cc: Dawn Palmberg, Department of Labor