

February 18, 2015

The Honorable Mark Hutton, Chairperson
House Committee on Commerce, Labor and Economic Development
Statehouse, Room 521-E
Topeka, Kansas 66612

Dear Representative Hutton:

SUBJECT: Fiscal Note for HB 2299 by House Committee on Appropriations

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2299 is respectfully submitted to your committee.

HB 2299 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, 2015, and would reference the preliminary study authorized by 2014 HB 2616. 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 11, 2016. 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 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 2015 SGF	FY 2015 All Funds	FY 2016 SGF	FY 2016 All Funds
Revenue	--	--	--	--
Expenditure	--	--	\$1,102,446	\$1,102,446
FTE Pos.	--	--	--	10.00

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The Department of Labor estimates that it would cost \$1,102,446 from the State General Fund in FY 2016 to implement the provisions of HB 2299. The Department of Labor indicates that writing and submitted a state OSHA plan would require it to hire 10.00 FTE positions at a cost of \$859,979 in FY 2016. The Department would also spend \$242,467 in administrative costs for the new positions in FY 2016, including rent, equipment, overhead, and travel expenses. The expenses are expected to increase to approximately \$3,209,312 in both FY 2017 and FY 2018 to implement the state OSHA plan once it is approved. The Department indicates that would hire an additional 16.00 FTE positions in both FY 2017 and FY 2018 for a total of 26.00 for both fiscal year to implement the state OSHA plan. 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.

Sincerely,

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

Shawn Sullivan,
Director of the Budget

cc: Dawn Palmberg, Labor