

March 31, 2021

The Honorable Rick Billinger, Chairperson
Senate Committee on Ways and Means
Statehouse, Room 545-S
Topeka, Kansas 66612

Dear Senator Billinger:

SUBJECT: Fiscal Note for SB 134 by Senator Pittman

In accordance with KSA 75-3715a, the following fiscal note concerning SB 134 is respectfully submitted to your committee.

SB 134 would require each state agency to draft and implement a staffing plan that would provide for adequate, appropriate, and high-quality delivery of public services; promotes public safety; allows the safe operations of each state agency or facility and provides necessary staff resources to respond to emergency situations in patient care or inmate environments; and establishes a minimum staffing level to maintain operations at each state agency or facility. The plans would have to be implemented by July 1, 2022. Each state agency secretary or agency head would be responsible for requesting and allocating sufficient funding to maintain staffing at the minimum level or above the minimum level.

Staffing plans would be considered public records and would be available upon request. As outlined in the bill, state agencies would be required to submit staffing level reports, which would be posted on the Department of Administration website. Any state agency that fails to maintain its minimum staffing level for two or more consecutive months would be required to complete and implement a recruitment and retention plan within 15 days of the end of the second month of failing to maintain its minimum staffing level.

Any state agency failing to maintain its minimum staffing level for three or more consecutive months would be required to issue a press release on the website of the Governor notifying citizens of the understaffing and any public health and safety risk created by the understaffing. Any state agency failing to maintain its minimum staffing level for six or more consecutive months would petition the National Institute for Occupational Safety and Health (NIOSH) to perform a safety inspection of the facility. The state agency would be required to cooperate fully with the inspection and allow NIOSH inspectors full access to facilities, records, and employees. The inspection findings and results, along with the state agency plan to address any safety issues or deficiencies discovered in the NIOSH findings would be provided to certain individuals specified in the bill. The bill's provisions would only apply to Executive Branch state agencies.

The Department of Administration states enactment of SB 134 could be implemented with a negligible fiscal effect on Department operations for itself; however, the Department states there

would likely be a fiscal effect to the agency from assisting other agencies with the implementation of the bill's provisions. The Department indicates staff would be required to devote additional time to ensure that agencies accurately update and maintain position information in order to provide for timely and accurate data for the reports the bill would require.

The Department of Administration states that given the scope and diversity of the agencies covered by the bill, the coding would be an extremely complex task that would likely require a significant amount of time and effort. In fact, it is possible that the Department would be required to purchase additional modules from PeopleSoft or possibly even contract for additional software and/or systems from another vendor in order to provide the staffing data required of this bill.

According to the Department, implementation would be even more complex if the universities are covered by this bill. While they are clearly within the Executive Branch, they are often treated differently than the other Executive Branch agencies, so the Department is unclear as to whether they were anticipated to be included in this bill or not. The universities do not use the SHARP system as their primary payroll and staffing system, so integrating them into any solution would incur additional challenges and expenses.

If it is determined that the requirements of the bill could be met by the SHARP system, without additional modules, it is probable that the Department would be required to fill a position on the SHARP team that it was otherwise not planning to refill at a minimum annual cost of \$60,000. The remaining cost would be in the form of lost productivity as multiple staff would be required to spend significant time on this project at the expense of others that had been previously scheduled. Delays to those other projects could cause the loss of projected savings.

If additional modules would be required to be purchased for the SHARP system, or it was determined that other software or system(s) would be required to implement the provisions of this bill, the one-time cost of those purchases would likely be in the hundreds of thousands of dollars.

The Department states this bill would have a fiscal effect on many other state agencies, particularly those with 24-hour operations and mandated staffing requirements. In addition to the hours spent developing, implementing, and monitoring the requirements of this bill, several agencies could have objections to making all of the data required to be made public by this bill for legal and/or security reasons, according to the Department.

Moreover, several agencies have implemented agency-specific software and/or systems involving staffing, so it is possible that they would have additional expenses in order to comply with the requirements of this bill, according to the Department. Also, if the state universities are in fact covered by this bill, they would likely have additional expenses of their own and because the universities have each implemented different systems, the fiscal effect would likely vary from one to the next.

The Kansas Department of Transportation indicates enactment of the bill would require additional State Highway Fund expenditures of \$768,066 in FY 2022. Of that amount, \$700,000 would be to hire consultants to develop the required staffing plan; \$66,866 would be for an additional 1.00 FTE position to assist the consultants in developing the staffing plan and to meet the reporting requirements of the bill after the plan is completed; and \$1,200 would be for ongoing other operating expenditures.

The Department of Commerce states enactment of the bill would require additional expenditures of \$25,000 from the State General Fund for the salary and wages for an additional 0.50 FTE position in FY 2022 to implement the bill's provisions.

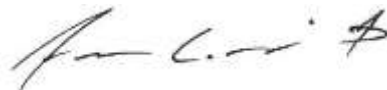
The Department for Children and Families states enactment of the bill would result in additional expenditures of \$206,544 from all funding sources, including \$156,478 from the State General Fund and \$50,066 from federal funds, along with 3.00 FTE positions for FY 2022 to implement the bill's provisions. Of the above amount, \$188,559 would be for salaries and wages and \$17,985 would be for other operating expenditures.

The Department of Corrections indicates additional expenditures of \$910,052 from the State General Fund would be required in FY 2022, along with 11.00 FTE positions. Each of the eight correctional facilities, the juvenile correctional facility, the Central Office, and the Parole Program would receive an additional 1.00 FTE position to carry out the bill's provisions. Of the above amount, \$869,737 would be for salaries and wages and \$40,315 would be for other one-time operating expenditures.

The Kansas Department for Aging and Disability Services estimates additional expenditures of \$297,364 from the State General Fund, along with 4.00 FTE positions in FY 2022. Each of the state's four hospital would receive one of the 4.00 FTE positions to implement the bill's provisions. Of the above amount, \$282,704 would be for salaries and wages and \$14,660 would be for one-time other operating expenditures.

The Board of Regents states it is unclear whether enactment of SB 134 would have a fiscal effect on the Board and public higher education institutions. Any fiscal effect associated with SB 134 is not reflected in *The FY 2022 Governor's Budget Report*.

Sincerely,



Adam Proffitt
Director of the Budget

cc: Debbie Thomas, Judiciary
Ben Cleaves, Transportation
Randy Bowman, Corrections
Kim Holter, Children & Families
Jeff Scannell, Department of Administration
Karen Clowers, Legislative Services
Connie Hubbell, Aging & Disability Services
Dan Thimmesch, Health & Environment
Kelly Oliver, Board of Regents
Dawn Palmberg, Department of Labor
Sherry Rentfro, Department of Commerce
Lynn Robinson, Department of Revenue