

February 2, 2012

The Honorable Susan Wagle, Chairperson
Senate Committee on Commerce
Statehouse, Room 135-E
Topeka, Kansas 66612

Dear Senator Wagle:

SUBJECT: Fiscal Note for SB 295 by Senate Committee on Commerce

In accordance with KSA 75-3715a, the following fiscal note concerning SB 295 is respectfully submitted to your committee.

SB 295 establishes the Fair Consideration of the Unemployed Act. The bill would prohibit any employer, employment agency or labor organization from inquiring into or using a job applicant's unemployment status or gap in employment history as a basis in rendering employment decisions. The bill would also prohibit any advertisement from including a statement that current employment is a job qualification. The bill establishes civil penalties for violation of the new Act, to be administered by the Secretary of Labor. Any action of the Secretary could be subject to the Kansas Judicial Review Act. The Secretary would be authorized to establish rules and regulations to implement the Act, and must establish a program to receive and investigate complaints related to provisions of the Act.

The Department of Administration reports that the bill would prohibit state agencies from determining whether vacancies for state positions can be limited to applicants who are already state employees, as is currently allowed by administrative rules and regulations. Other than restricting the authority of agency heads to make this decision, the bill would have no fiscal effect on state agencies.

As the agency to administer the new law, SB 295 would affect the Department of Labor (KDOL), requiring the agency to establish a new program. KDOL does not have the available staff to absorb the work this bill could generate, and estimates it would require two investigators, one administrative assistant, one-half of an attorney, as well as costs to pay the Office of Administrative Hearings for appeals that might be filed in association with administration of this Act. Travel expenses would be incurred as staff must be available to conduct investigations anywhere in the state. Although the bill provides for civil penalties, it does not specify disposition of the penalties, nor does it provide a steady revenue stream to the Department to

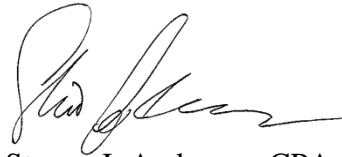
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finance these additional expenses. In total, the Department estimates additional State General Fund expenditures of \$204,165 in FY 2013, and after start-up costs, expenses would stabilize around \$182,265 in future years. Any fiscal effect associated with SB 295 is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Kathie Sparks, Department of Labor
Marilyn Jacobson, Administration