

Department of Legislative Services
Maryland General Assembly
1999 Session

FISCAL NOTE

House Bill 26 (Delegate Hixson)

Economic Matters

Sexual Harassment - Education and Training in the Workplace

This bill requires an employer to place a poster in a prominent location that details specified information concerning sexual harassment. The same information must also be provided to all employees through an annual written notice. Upon request, the Human Relations Commission must provide employers with a poster at a price that reflects the cost. The bill also requires employers, in a workplace with 15 or more employees to conduct an education and training program for all new employees. These employers are required to conduct additional training for supervisory and managerial employees.

Fiscal Summary

State Effect: General fund revenues and expenditures could increase by a minimal amount.

Local Effect: Expenditures could increase by a minimal amount. Revenues would not be affected. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: Potential meaningful.

Fiscal Analysis

State Effect: Additional revenues would be collected by the Human Relations Commission when the posters specified in the bill are purchased by employers. However, these collections would only represent the cost of the posters and, therefore, would not result in a net revenue increase.

Expenditures could increase by a minimal amount due to the following requirements of the bill:

- The Human Relations Commission would have to print posters with the required information for distribution to any employer who requests to purchase a poster. It cannot be determined how many employers would purchase rather than make their own poster; however, because the posters can be reproduced, it is anticipated that most employers would purchase a minimal number of posters, if any. The Legislative Print Shop advises that the posters could be printed at an estimated cost of \$.30 each. Any printing costs incurred by the commission would be offset by monies collected from employers.
- The State, in its capacity as an employer, would incur additional costs in order to provide (1) the required posters; and (2) the required written notice to each State employee. These costs are estimated to be minimal and could be absorbed within existing budgeted resources. In addition, training programs would have to be provided for new and supervisory employees. It is anticipated that such programs could be incorporated into new employee orientations or normal supervisory training, and therefore, any related costs could be absorbed within the existing budgeted resources of most State agencies.

Local Expenditures: For local governments that already implement education and training programs about sexual harassment, the minimal fiscal impact due to purchasing posters and other printed materials could be absorbed within existing budgeted resources.

Based on a limited survey of local governments without sexual harassment programs, start-up costs in fiscal 2000 could cost up to \$15,000 per county to establish training programs and purchase printed materials. Out-year expenditures could cost approximately \$4,000 for annual training and distribution of printed materials.

Small Business Effect: This bill requires all employers doing business in Maryland to put up posters which detail specific information concerning sexual harassment. Employers with more than 15 employees must conduct education and training programs for new employees and specialized training for supervisory and managerial employees. Small businesses could experience a significant expenditure increase as a result of organizing and conducting the sexual harassment programs for the employees. Usually, businesses contract with a local community college to train the employees. Actual expenditures would depend upon the number of employees sent to training, and the cost of the class per employee. In addition to the direct cost of the sexual harassment training, small businesses would experience minor disruptions to their operations as employees are absent to attend the training.

Information Source(s): Human Relations Commission; Department of Transportation; Department of Budget and Management; Frederick and Prince George's Counties; Cities of LaPlata, Laurel, and Greenbelt; Baltimore City; Department of Legislative Services

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