

Department of Legislative Services

Maryland General Assembly

2001 Session

FISCAL NOTE

Senate Bill 852

(Senator Ferguson)

Finance

Commissioner of Labor and Industry - Accidents - Mandatory Drug Tests

This bill requires the Commissioner of Labor and Industry to administer, or provide for the administration of, a mandatory drug test to each employee involved in an industrial or occupational accident as soon as practicable after the accident. The test must be given at the employee's place of employment.

Fiscal Summary

State Effect: General fund expenditures could increase by \$1.2 million in FY 2002. Out-year expenditures reflect ongoing operations. Revenues would not be affected.

(\$ in millions)	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006
Revenues	\$0	\$0	\$0	\$0	\$0
GF Expenditure	1.2	1.4	1.5	1.5	1.6
Net Effect	(\$1.2)	(\$1.4)	(\$1.5)	(\$1.5)	(\$1.6)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law: The Commissioner of Labor and Industry is required to provide programs to educate and train employers and employees on workplace safety issues and consult with them about effective means to prevent job related injuries and illnesses.

Employers are required, within eight hours of its occurrence, to report any accident that results in the death of an employee or hospitalization of at least three employees. There are no mandatory drug testing requirements after a workplace accident.

Background: An average of 70,000 workplace accidents are reported each year and about 16,000 of these result in lost workdays. Currently, the Division of Labor and Industry investigates about 150 workplace accidents a year.

State Fiscal Effect: General fund expenditures could increase by an estimated \$1,225,871 in fiscal 2002, which accounts for the bill's October 1, 2001 effective date. This estimate reflects the cost of hiring two assistant attorney generals, five occupational safety and health inspectors, five nurses, two secretaries, and one administrator to investigate workplace accidents, conduct drug tests, insure the appropriate chain of custody for each test, handle the anticipated increase in court time, and perform administrative and clerical functions. It includes salaries, fringe benefits, one-time start-up costs, and ongoing operating expenses. The information and assumptions used in calculating the estimate are stated below:

- the purchase of five mobile testing units;
- an average of 16,000 investigations a year; and
- an average of two tests administered for each accident at \$21 per test.

Salaries and Fringe Benefits	\$483,533
Test Kits	504,000
Five Mobile Units (vans)	152,500
Operating Expenses	<u>85,838</u>
Total FY 2002 State Expenditures	\$1,225,871

Future year expenditures reflect: (1) full salaries with a 6.5% increase in fiscal 2003 and a 4.5% increase each year thereafter, with 3% employee turnover; and (2) 1% annual increases in ongoing operating expenses, and elimination of start-up expenditures.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Labor, Licensing, and Regulation (Division of Labor and Industry); Department of Budget and Management; Department of Legislative Services

Fiscal Note History: First Reader – March 19, 2001
ncs/jr

Analysis by: Brian D. Baugus

Direct Inquiries to:
John Rixey, Coordinating Analyst
(410) 946-5510
(301) 970-5510