

SB 1010

Department of Legislative Services
Maryland General Assembly
2012 Session

FISCAL AND POLICY NOTE

Senate Bill 1010 (Senator Stone)
Finance

Business Regulation - Task Force on Work-Site Competency in Masonry

This bill establishes the Task Force on Work-Site Competency in Masonry, which the Department of Labor, Licensing, and Regulation (DLLR) must staff. The task force must develop a standardized test for work-site competency certification in masonry, establish test score requirements for individual craft workers to receive certification, and make recommendations regarding work-site competency certification in masonry. Specifically, the task force must recommend ways the State can (1) administer the test developed by the task force; (2) process test scores of individual participants; and (3) provide and distribute a work-site competency certification in masonry. The task force must submit a preliminary report by December 31, 2012, and a final report by June 1, 2013, to the Governor and the General Assembly.

The bill takes effect July 1, 2012, and terminates June 30, 2013.

Fiscal Summary

State Effect: General fund expenditures for DLLR increase by \$95,100 in FY 2013 for contractual staff to manage the task force and related activities and for an outside contractor to research and develop the work-site competency test. General fund expenditures may increase in future years if the bill leads to DLLR's certification of the masonry occupation, but any such impact is not reflected in this estimate. Any expense reimbursements for task force members for DLLR are assumed to be minimal and absorbable within existing budgeted resources. Revenues are not affected.

| (in dollars) | FY 2013 | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
|----------------|------------|---------|---------|---------|---------|
| Revenues | \$0 | \$0 | \$0 | \$0 | \$0 |
| GF Expenditure | 95,100 | 0 | 0 | 0 | 0 |
| Net Effect | (\$95,100) | \$0 | \$0 | \$0 | \$0 |

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

Local Effect: None.

Small Business Effect: Minimal.

Analysis

Current Law/Background: The Division of Labor and Industry within DLLR administers the Maryland Occupational Safety and Health (MOSH) program. The requirements of the MOSH program are codified by the MOSH Act. In general, these requirements parallel the safety standards established by the federal Occupational Safety and Health Administration (OSHA). Maryland has incorporated by reference the OSHA regulations (Code of Federal Regulations Title 29) for the construction industry, which include regulations specifically related to concrete and masonry construction. The regulations specify requirements for equipment and tools, cast-in-place concrete, precast concrete, and workplace safety, among others.

State Fiscal Effect: DLLR does not actively regulate the masonry profession. Competency and licensing examinations are developed to ensure that the examination meets quality requirements and is legally defensible. Such examinations, whether developed for a State government, a national group representing licensing bodies, or a private certification body, are typically developed by national testing companies based on a contract for examination development services. DLLR estimates that the cost of such a contract to develop a test for the task force is \$50,000. The absence of a regulatory infrastructure for the masonry occupation and the mandatory development of the work-site competency test require DLLR to develop some of the necessary infrastructure, to manage the work of the contractor and initiate the development of competency testing through use of contractual staff.

General fund expenditures increase by \$95,104 in fiscal 2013, which accounts for the bill's July 1, 2012 effective date and the compressed timeframe to implement the bill. This estimate reflects the cost of hiring one contractual administrator to manage the task force and related activities. It includes a salary, fringe benefits, start-up costs, and operating expenses. This estimate also includes \$50,000 in fiscal 2013 for test development services.

| | |
|---|-----------------|
| Contractual Position | 1.0 |
| Salary and Fringe Benefits | \$40,069 |
| One-time Test Development | 50,000 |
| Other Expenses | <u>5,035</u> |
| Total FY 2013 State Expenditures | \$95,104 |

Small Business Effect: Although the bill does not have a direct impact on small businesses that practice masonry, if the bill leads to DLLR's regulation of the masonry occupation, the small businesses that employ masons will be affected.

Additional Comments: Legislative Services notes that the cost of State involvement in the qualification, licensing, or permitting of an occupation is generally offset by fees charged to the individuals employed in the occupation. This is typically accomplished in statute that establishes a regulatory framework and fees. Therefore, if the intent of the bill is to regulate the masonry profession, additional legislation is necessary.

DLLR also advises that it is not clear whether the required development of a competency test can be accomplished in the timeframe required under the bill. Procurement of a test developer alone may take several months.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Labor, Licensing, and Regulation; Occupational Safety and Health Administration; Department of Legislative Services

Fiscal Note History: First Reader - March 20, 2012
ncs/mcr

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