

FISCAL NOTE

No. 16

STATE OF ALASKA
1999 LEGISLATIVE SESSION

BILL Bill Version: SB24
(S) Publish Date: 2/23/99

Revision Date/Time (Note if correction): _____
 Title: Regulations: Adoption & Judicial Review
 Sponsor: Senator Donley
 Requester: Senate JUD

Department Affected: Labor
 BRU: Labor Standards & Safety
 Component: Occupational Safety & Health
 COMPONENT SERIAL NO. 970

EXPENDITURES/REVENUES: (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING	FY 2000	FY 2001	FY 2002	FY 2003	FY 2004	FY 2005
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	16.5	16.5	16.5	16.5	16.5	16.5
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS & CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	16.5	16.5	16.5	16.5	16.5	16.5

CAPITAL						
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CHANGE IN REVENUE						
FUND SOURCE #						

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	16.5	16.5	16.5	16.5	16.5	16.5
1005 GF/Program Receipt						
1006 GF/MHTIA						
Other (Specify Type)						
TOTAL	16.5	16.5	16.5	16.5	16.5	16.5

POSITIONS:

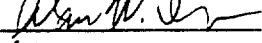
FULL-TIME						
PART-TIME						
TEMPORARY						


Estimate of current year (FY99) impact: \$ None

ANALYSIS: (Attach a separate page if necessary)

Section 5 of SB24 would significantly impact Occupational Safety and Health (OSH) as it requires agencies to "prepare a cost-benefit analysis of the costs to the public to comply with the proposed regulatory action and the benefits to the public from the proposed regulatory action."

Continued on next page.

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 Division: Labor Standards & Safety Date/Time: 1/27/99 1:21 PM

Approved by Commissioner: Ed Flanagan, Commissioner 
 Agency: Department of Labor Date: 1/27/99

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SB 24 #16

Fiscal Note Analysis continued:

Every federal Occupational Safety & Health Administration final rule which OSH must adopt includes an analysis of costs of compliance, benefits to the public, and national economic effects. Each final rule also includes OSHA's estimated costs of compliance.

These federal analyses may be marginally acceptable as a response to Section 5, in cases where we are adopting a federal regulation. However, they often don't have much application to Alaska due to the differences in our geography, infrastructure, climate, and industries. In addition, there are regulatory changes OSH promulgates which are not federal changes, which we would have to analyze completely.

The OSH section currently uses information on occupational safety and health injuries, illnesses and fatalities as an indicator of needed state-specific changes, and OSH should be able to state the benefits to be received by the public with minimal additional effort. However, we do not complete formal cost/benefit analyses, and estimating the costs of compliance in Alaska could be a formidable task.

For example, a cost analysis for implementation of the relatively simple bloodborne pathogens standard in the Alaska Department of Health and Social Services required .5 FTE in 1992 for data gathering, analysis, rechecking assumptions, and report production for approximately four months. A statewide cost/benefit analysis for the implementation of the Process Safety Management standard probably would require several years for a team of safety professionals and professional analysts and economists to complete. We do not have this capability.

Because of the level of review and analysis required of the department, and the number of days allowed for each level of review, OSH would never meet federal deadlines for adoption of regulations. This would continue to be a serious problem for our federal monitors.

We do not currently have the funding or qualified staff to implement this legislation. We would be required to contract with professional economic consulting firms, at rate of \$65 to \$97 per hour, to conduct the cost benefit analyses. The hours required to conduct the analyses as required by SB 24 could vary tremendously depending on the type of regulation project and the level of detail required. Given that these analyses would need to stand up to a court challenge (Sec. 13), we must assume significant detail will be required.

OSH estimates two regulation adoptions or amendments per year will be undertaken by the section, requiring 100 hours of contractual services for each. (200 hours x \$82.60 per hour = \$16,520.00)