

Fiscal Note & Local Impact Statement

126th General Assembly of Ohio

Ohio Legislative Service Commission
77 South High Street, 9th Floor, Columbus, OH 43215-6136 ♦ Phone: (614) 466-3615
♦ Internet Web Site: <http://www.lsc.state.oh.us/>

BILL:	H.B. 80	DATE:	September 12, 2005
STATUS:	As Introduced	SPONSOR:	Rep. G. Smith
LOCAL IMPACT STATEMENT REQUIRED:	No —	No local cost	
CONTENTS:	Requires public improvement contractors to participate in a specified drug-free workplace program		

State Fiscal Highlights

- House Bill 80 generally codifies Executive Order 2002-13T, which requires each state agency and instrumentality that awards contracts for construction to implement policies requiring all contractors and subcontractors to state-administered construction projects be enrolled in the Bureau of Workers' Compensation (BWC) Drug-Free Workplace Program (DFWP), or a similar program approved by the BWC, and to be in good standing in the drug-free workplace program. There are no anticipated costs associated with codifying this existing practice.

Local Fiscal Highlights

- No direct fiscal effect on political subdivisions.

Detailed Fiscal Analysis

Background

Executive Order 2002-13T was signed on September 20, 2002 and has been in effect since July 1, 2003. It requires each state agency and instrumentality that awards contracts for construction to implement policies requiring all contractors and subcontractors to state-administered construction projects be enrolled in the Bureau of Workers' Compensation (BWC) Drug-Free Workplace Program (DFWP), or a similar program approved by the BWC, and to be in good standing in the drug-free workplace program. The Executive Order is in effect until rescinded.

The BWC's Drug-Free Workplace Program is an incentive-based program that offers employers discounts on their worker's compensation premiums in exchange for implementing the program. There are three levels to the program:

- Level 1 (10% discount): Requires development of a written policy and certain types of testing (pre-employment and/or new hire, reasonable suspicion, post-accident, and follow-up). Employers must also provide annual employee education and supervisor training and develop a list of local community resources to which employees with problems can turn for assistance.
- Level 2 (15% discount): In addition to Level 1 requirements, requires random drug testing of 10% of the average annual total work force (for public employers, random testing applies only to safety-sensitive positions or functions), and expanded employee assistance. Employers must also implement five steps of the BWC's 10-Step Business Plan, a highly coordinated safety program.
- Level 3 (20% discount): In addition to Level 1 requirements, requires 25% random drug testing and expanded employee assistance. Employers must also implement all 10 steps of the 10-Step Business Plan.

House Bill 80

Terms of Contract and Fiscal Implications

House Bill 80 generally codifies Executive Order 2002-13T. The bill prohibits state agencies and state instrumentalities from awarding public improvement contracts unless the contract contains terms requiring the contractor to be enrolled and in good standing in the BWC's Drug-Free Workplace Program or a comparable program approved by the BWC. There are no anticipated costs associated with codifying this existing practice.

LSC fiscal staff: Kerry Sullivan, Budget Analyst

HB0080IN.doc/lb