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## ***Detailed Fiscal Analysis***

PERRP is a workplace safety program, administered by the Bureau of Employment Services (BES), designed to make public employers and employees aware of important occupational health and safety issues. BES inspects public workplaces if employees submit valid complaints about unsafe working conditions. The agency can also force employers to correct unsafe conditions through citations or rulings made through citations and, eventually, through administrative hearings. All public employers are required to participate in PERRP unless they meet specific criteria, in which case BES grants a seven-year exemption.

The exemption was created in 1996 by S.B. 293, of the 121<sup>st</sup> General Assembly, and applies to public employers who either 1) belong to a workers' compensation group-rating plan, or 2) generally maintain very low workers' compensation experience ratings. State agencies and police, fire, corrections and emergency departments do not qualify for the exemption. Those employers who do qualify, however, must submit to biennial safety inspections carried out by BWC's Division of Safety and Hygiene.

This bill removes the inspection requirement, allowing exempted public employers instead to *request* an optional safety inspection program. If the safety inspection reveals any safety hazards, the public employer is obliged to correct the problems. The changes must be approved by the BES administrator. The bill leaves in tact current law that requires exempted public employers from submitting to safety inspections after an employee is killed or more than three employees are injured at the work site. In these cases, public employers are required to rectify safety problems and submit safety plans for the administrator's approval.

### **The Bill Slightly Reduces Administrative Workload**

The bill would produce slight administrative savings for BES, the Department of Commerce, and BWC's Division of Safety and Hygiene. This is because only 10 employers have so far been exempted from participating in PERRP. The three agencies are affected in the following manner:

- In BES' case, FY 2000 savings would accrue to a GRF line item, 795-417, Public Employee Risk Reduction Program.
- For FY 2001 and beyond, PERRP is transferred to the Department of Commerce as a result of H.B. 471, the BES/DHS merger bill of the 123<sup>rd</sup> General Assembly. The program will still be funded through GRF appropriations. Slight administrative savings are projected.
- In BWC's case, the bill would result in marginal savings in the agency's Safety and Hygiene Fund (Fund 826). The Division of Safety and Hygiene is funded through a one percent assessment on workers' compensation premiums.

Instead of the mandatory inspection, the bill permits public employers to *request* a biennial safety inspection. However, the inspection process is modified to forbid the BWC Division of Hygiene from issuing PERRP-related citations as a result of these safety inspections.

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