

February 14, 2012

The Honorable Steve Brunk, Chairperson
House Committee on Federal and State Affairs
Statehouse, Room 149-S
Topeka, Kansas 66612

Dear Representative Brunk:

SUBJECT: Fiscal Note for HB 2575 by House Committee on Federal and State Affairs

In accordance with KSA 75-3715a, the following fiscal note concerning HB 2575 is respectfully submitted to your committee.

HB 2575 would require the state to enroll and actively participate in E-Verify for verification of employment status for all employees whose employment begins after January 1, 2013. E-Verify is an electronic system jointly administered by the U.S. Department of Homeland Security and the Social Security Administration.

The Office of Human Resources within the Department of Administration is responsible for taking the lead in incorporating the use of E-Verify in the state's hiring process. The E-Verify system is free, but does require staff time to learn and then use the system. The state's hiring process would need to be changed if HB 2575 were to become law to inform candidates that they must be verified before being hired and that personal information must be submitted to the agency before the candidate could be offered a position. If the use of the system delays hiring, agencies could experience difficulties in managing operations, depending on the nature of the position to be filled. Assuming the E-Verify system remains free to use, the Department anticipates no long-term financial considerations.

The Judiciary indicates enactment of HB 2575 would have no fiscal effect on its operations. According to the Regents system, however, HB 2575 would increase the administrative burden on the Regents Office and the state universities. An analysis done by Kansas State in 2009 estimated it would take an administrative support staff person 500 hours a year to perform the checks on each new hire, not including the effort required to follow up on those potential employees who are not confirmed through the system. Multiplying this

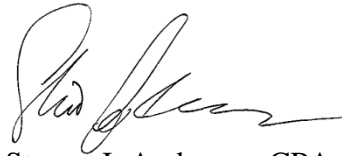
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additional staff time across all Regents universities could result in up to 2,750 total staff hours in a year, depending on the number of hires done across the system. Any fiscal effect associated with HB 2575 is not reflected in *The FY 2013 Governor's Budget Report*.

Sincerely,

A handwritten signature in black ink, appearing to read "Steven J. Anderson", with a long horizontal flourish extending to the right.

Steven J. Anderson, CPA, MBA
Director of the Budget

cc: Marilyn Jacobson, DofA
Kelly Oliver, Board of Regents
Mary Rinehart, Judiciary