

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1656-01
Bill No.: Truly Agreed to and Finally Passed SB 367
Subject: Employees-Employers; State Employees
Type: Original
Date: June 8, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTIONS

Tax Filing and Payment by State Employees

Officials from the **Office of the Attorney General** assume that any potential costs arising from this proposal could be absorbed with existing resources.

Officials from the **House of Representatives, the Office of State Courts Administrator, the Office of the Secretary of State, the Office of the State Auditor, the Office of Administration, Division of Accounting and Division of Budget and Planning, the Department of Agriculture, the Department of Economic Development, Public Service Commission, the Department of Elementary and Secondary Education, the Department of Higher Education, the Department of Insurance, the Department of Mental Health, Department of Revenue, the Missouri Gaming Commission, Missouri Consolidated Health Care Plan, and the Joint Committee on Public Employee Retirement,** assume this proposal would have no fiscal impact on their organizations.

Officials from the **Department of Public Safety, Division of Alcohol and tobacco Control and Missouri Capitol Police,** assume the proposal would have no impact on their organizations.

ASSUMPTIONS (continued)

Officials from the **Department of Public Safety, Missouri Veterans Commission**, assume the proposal would have an unknown impact on their organization.

State Employee Overtime Payments

In response to a previous version of this proposal, officials from the **Office of the Secretary of State, the Office of the State Treasurer, the Office of the State Auditor, the Office of Administration, Division of Budget and Planning and Division of Purchasing and Materials Management, the Department of Agriculture, the Department of Economic Development, Division of Community Development and Public Service Commission, the Department of Elementary and Secondary Education, the Department of Health and Senior Services, the Department of Higher Education, the Department of Insurance, the Department of Labor and Industrial Relations, the Department of Mental Health, the Department of Public Safety, Office of the Director, Division of Liquor Control, and Missouri Capitol Police, the Department of Revenue, the State Tax Commission, the Department of Transportation, the Missouri Consolidated Health Care Plan, the Missouri Gaming Commission, the Department of Transportation and Highway Patrol Employees' Retirement System, the Missouri State Public Defender System, and the Joint Committee on Public Employee Retirement**, assumed the proposal would have no impact on their organizations.

In response to a previous version of this proposal, officials from the **Department of Corrections** (DOC) assumed the impact due to passage of this proposal is unknown but expected to exceed \$100,000 annually. Officials cannot estimate how many employees would request the payoff who would have otherwise taken compensatory time off duty.

Officials from the **Department of Social Services** (DOS) assumed the proposal would result in additional cost of \$357,492 to all funds combined if all employees entitled to payment for overtime requested payment instead of compensatory time.

Oversight assumes that DOC and DOS would have to pay other employees to take the place of employees who take compensatory time off, and that the net impact would be minimal.

In response to a previous version of this proposal, officials from the **Office of the Attorney General** assumed that any potential costs arising from this proposal could be absorbed with existing resources.

ASSUMPTIONS (continued)

In response to a previous version of this proposal, officials from the **Missouri Senate** assumed this proposal would have no, or minimal cost to their organization.

In response to a previous version of this proposal, officials from the **Office of State Courts Administrator** assumed the proposed legislation would provide that overtime pay may be requested monthly, rather than quarterly, as is presently the law. Because this legislation would reduce management's ability to have employees use compensatory time, there may be an increase in the amount of overtime paid. However, there is no way at this time to estimate what that increase might be.

Officials from the **Department of Public Safety, Division of Fire Safety**, responded to a previous version of the proposal as follows.

Depending on the availability of funds, the division pays between \$25,000 - \$30,000 in compensatory time annually. This is currently done on a quarterly basis after analysis of projected personal services lapse created by temporarily vacant positions. However, should this legislation pass, the employee would have the ability to request monthly payment. If the Division does not have any vacancies, and no projected lapse funds, then funding may prevent compliance with this law.

In response to a previous version of this proposal, officials from the **Department of Conservation** assumed the proposal would have minimal cost to their organization.

Oversight assumes this proposal would not have a significant impact on any state agency or fund.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

Tax Filing and Payment by State Employees

This provision would apply to employees of each division of each branch of state government, each division of the General Assembly, each division of the judicial branch, and every statewide elected official. The chief administrative officer or a designated employee would submit the social security number of every employee, member, or elected official to the Director of Revenue for verification that all required tax returns have been filed and taxes owed have been paid. Upon notification that any required return has not been filed or taxes due have not been paid, the employee, member, or elected official would have forty-five days to satisfy the liability or enter into a payment plan approved by the Director of Revenue. Only payment plans based on payroll deductions would be allowed. The Director of Revenue could approve modifications to an approved payment plan for good cause.

In the event an employee, member, or elected official failed to pay the taxes due, the employee, member, or elected official would become subject to penalties. An employee would be subject to immediate dismissal, a member would be subject to disciplinary action by the appropriate ethics committee, and an elected official would be subject to disciplinary action by the Missouri Ethics Commission.

State Employee Overtime Payments

This provision would change requirements for payment of overtime hours for overtime earned under the federal Fair Labor Standards Act, and would apply to any employee in a nonexempt position providing direct client care or custody in facilities operating on a twenty-four hour seven day a week basis in the Department of Corrections; the Department of Mental Health; the Department of Social Services, Division of Youth Services; and the Department of Public Safety Missouri Veterans Commission. A qualified employee requesting cash payment for overtime worked would notify the employee's department in writing and state the number of hours, no less than twenty, for which payment is desired. The department would be required to pay the employee within the calendar month following the month in which the request is made. This provision would become effective January 1, 2006.

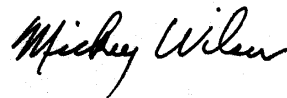
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Missouri Senate
Office of State Courts Administrator
Office of the Secretary of State
Office of the State Auditor
Office of the Attorney General
Office of the State Treasurer
Office of Administration
 Division of Budget and Planning
 Division of Purchasing and Materials Management
Department of Agriculture
Department of Conservation
Department of Corrections
Department of Economic Development
 Division of Community Development
 Public Service Commission
Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Higher Education
Department of Insurance
Department of Labor and Industrial Relations
Department of Mental Health

SOURCES OF INFORMATION (continued)

Department of Public Safety
 Office of the Director
 Division of Fire Safety
 Division of Liquor Control
 Missouri Capitol Police
Department of Revenue
Department of Social Services
State Tax Commission
Department of Transportation
Missouri Gaming Commission
Missouri Consolidated Health Care Plan
Joint Committee on Public Employee Retirement
Department of Transportation and Highway Patrol Employees' Retirement System
Missouri State Public Defender System



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