

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1776-01
Bill No.: SB 412
Subject: Labor and Management; Roads and Highways; State Employees
Type: Original
Date: March 30, 2005

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
General Revenue	(More than \$2,215,650)	(More than \$2,228,959)	(More than \$2,231,652)
Total Estimated Net Effect on General Revenue Fund	(More than \$2,215,650)	(More than \$2,228,959)	(More than \$2,231,652)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Conservation	(Unknown)	(Unknown)	(Unknown)
Road	(\$4,690,877)	(\$5,769,778)	(\$6,614,023)
Various	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	(More than \$4,690,877)	(More than \$5,769,778)	(More than \$6,614,023)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
Various	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>All</u> Federal Funds	(Unknown)	(Unknown)	(Unknown)

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

FISCAL ANALYSIS

ASSUMPTIONS

Officials from the **Department of Public Safety, Office of the Director, Division of Fire Safety, State Emergency Management Agency, and Missouri Capitol Police**, and the **Office of Administration, Division of Purchasing and Materials Management and Division of Budget and Planning** assume the proposal would have no impact on their organizations.

Officials from the **Office of Administration, Division of Personnel (DP)** assume this proposal would compel departments to adopt special pay "brackets" for safety sensitive positions. Twelve departments are covered under the classification and pay provisions of the state personnel law. The proposal would require DP to define and identify all safety sensitive positions in the twelve affected agencies, and then to define pay brackets. This proposal would also require each department to conduct a comprehensive job study every five years to help insure that state salaries stay more competitive with the private job market. DP provided an estimated cost to the General Revenue Fund of \$55,677 for FY 2006, \$60,073 for FY 2007, and \$61,575 for FY 2008, for one additional FTE plus related expenses.

ASSUMPTIONS (continued)

Officials from the **Department of Public Safety, Missouri Veterans Commission (MVC)** assumed the proposal would require a 2% increase in pay for all Missouri Veterans Home employees. MVC provided an estimated annual cost to the General Revenue Fund of \$1,121,222

Officials from the **Department of Public Safety, Division of Alcohol and Tobacco Control** assumed the proposal would require a 2% increase in pay for 38 employees, and provided an estimated cost to the General Revenue Fund of \$38,751 for FY 2006, \$47,664 for FY 2007, and \$48,855 for FY 2008.

Officials from the **Department of Transportation (MODOT)** assume the proposal would create the "Hazardous Duty Compensation Act" to pay employees in safety sensitive positions on the basis of one additional pay bracket. The proposal also requires that each salary grade have no more than 3 pay brackets or steps, requires MoDOT to adopt a pay system with twenty-six pay periods per year, and conduct a job study every 5 years.

MODOT stated there are currently 4,499 salaried and 1,044 wage employees who are in safety sensitive positions. Assuming "one additional pay bracket" is equivalent to one 2% half step, the increase in personal services for salaried and wage employees would be as indicated below.

Salaried Personal Services \$6,384,663 (semi-monthly total)

\$6,384,663

x 1.02

\$6,512,356

-\$6,384,663

\$127,693 additional semi-monthly cost

x 24

\$3,064,632 Total annual increase

ASSUMPTIONS (continued)

Hourly Personal Services \$12,357 (hourly total)

\$12,357
x 1.02
\$12,604
-\$12,357
\$247 per hour additional cost
x 2080 Hours per year

\$514,051 Total annual increase, if worked all year

The fiscal impact from these salary increases would be \$3,578,683 (as calculated above) plus associated fringe benefits.

MODOT provided an estimated cost to the Road Fund of \$4,690,877 for FY 2006, \$5,769,778 for FY 2007, and \$6,614,023 for FY 2008.

Officials from the **Department of Labor and Industrial Relations** assume the proposal would have a small impact, less than \$20,000 per year, to develop accurate quarterly reporting information for the federal government.

Officials from the **Office of the Attorney General** and the **Department of Natural Resources** did not respond to our request for information.

Oversight assumes the Department of Corrections would have significant additional costs in excess of \$1 million per year as a result of this proposal, and that the Department of Conservation, the Department of Natural Resources and other agencies which have smaller numbers of safety sensitive positions would have unknown additional costs. Oversight also assumes there would be an unknown but significant cost within five years of the enactment of this proposal for the comprehensive job study. Oversight has shown these unknown costs in the General Revenue Fund and various state and federal funds for purposes of this fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
GENERAL REVENUE FUND			
<u>Cost - Office of Administration</u> Personnel	(\$55,677)	(\$60,073)	(\$61,575)
<u>Cost - Missouri Veterans Commission</u> Personnel	(\$1,121,222)	(\$1,121,222)	(\$1,121,222)
<u>Cost - Division of Alcohol and Tobacco Control</u> Personnel	(\$38,751)	(\$47,664)	(\$48,855)
<u>Cost - Corrections</u> Personnel	(More than \$1,000,000)	(More than \$1,000,000)	(More than \$1,000,000)
<u>Cost - other agencies</u> Personnel	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(More than \$2,215,650)</u>	<u>(More than \$2,228,959)</u>	<u>(More than \$2,231,652)</u>
CONSERVATION COMMISSION FUND			
<u>Cost - Conservation</u> Personnel	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
ROAD FUND			
<u>Cost - MODOT</u>			
Personnel	<u>(\$4,690,877)</u>	<u>(\$5,769,778)</u>	<u>(\$6,614,023)</u>
ESTIMATED NET EFFECT ON ROAD FUND	<u>(\$4,690,877)</u>	<u>(\$5,769,778)</u>	<u>(\$6,614,023)</u>
VARIOUS FUNDS			
<u>Cost - DNR</u>			
Personnel	(Unknown)	(Unknown)	(Unknown)
<u>Cost - other agencies</u>			
Personnel	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON VARIOUS FUNDS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
FEDERAL FUNDS			
<u>Cost - DOLIR</u>			
Personnel	(Less than \$20,000)	(Less than \$20,000)	(Less than \$20,000)
<u>Cost - other agencies</u>			
Personnel	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</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

This proposal would create the hazardous duty compensation act for state employees. A state employee who holds a position that has a direct and immediate impact on the safety of the public and other public employees including but not limited to highway workers would be paid on a basis of one additional pay bracket.

The proposal would also require that each department have a maximum of three pay brackets per pay grade, that each department administer a comprehensive job study at least every five years to help insure that state salaries stay more competitive with the private job sector, and that beginning July 1, 2006, each department adopt a pay system with twenty-six pay periods per year.

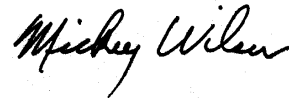
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration
 Division of Budget and Planning
 Division of Personnel
 Division of Purchasing and Materials Management
Department of Labor and Industrial Relations
Department of Public Safety
 Office of the Director
 Division of Alcohol and Tobacco Control
 Division of Fire Safety
 Missouri Capitol Police
 State Emergency Management Agency
 Missouri Veterans Commission
Department of Transportation

NOT RESPONDING

Office of the Attorney General
Department of Natural Resources



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Director
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