

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4970-01
Bill No.: SB 1055
Subject: Employees-Employers, Salaries, State Employees.
Type: Original
Date: March 6, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue *	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue Fund *	(Unknown)	(Unknown)	(Unknown)

* Unknown expected to exceed \$100,000

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Various *	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on Other State Funds *	(Unknown)	(Unknown)	(Unknown)

* Unknown expected to exceed \$100,000

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
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 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Corrections**, the **Department of Labor and Industrial Relations** and the **Department of Public Safety, Office of the Director** assume this proposal would have no fiscal impact on their organization.

Officials from the **Office of Administration, Division of Budget and Planning** deferred to the Division of Personnel as to the fiscal impact of this proposal.

Officials from the **Department of Public Safety, Division of Veterans Affairs (VETS)** assume this proposal would require additional expenditures from the Veterans Home Fund for staff overtime payments. VETS officials estimated a cost of \$3,694,429 for FY 2007, \$3,786,789 for FY 2008 and \$3,881,459 for FY 2009.

Officials from the **Office of Administration, Office of the Director** and **Division of Personnel (OA)** assume this proposal would define state agencies and employees for whom overtime must be paid and for whom a certain amount of compensatory time may be maintained. OA officials assume this proposal would have no fiscal impact on their organization but would have an impact on several other state agencies.

ASSUMPTION (continued)

Officials from the **Department of Public Safety, Missouri Highway Patrol** (MHP) assume the current wording of the proposal would not include the Highway Patrol. According to the MHP Budget Division, there is no way to predict how much overtime would be worked by salaried employees in the future. Therefore, MHP officials assume the proposal would result in unknown long-term savings and some additional cost each year.

Officials from the **Department of Social Services** (DOS) assume this proposal would result in an additional cost to the agency. Certain employees would receive annual payment for state and holiday overtime. Currently, the Division of Youth Services (DYS) may direct employees to utilize compensatory leave in lieu of a cash payment for state and holiday overtime balances. Additionally, the division currently does not pay state and holiday overtime balances annually. Those overtime balances are paid periodically as the budget allows.

The division has a current appropriation of \$281,107 for payment of federal overtime liability. The addition of annual payment for state and holiday overtime balances would increase the payments made by the division. DOS officials provided an estimated General Revenue Fund cost of \$774,652 for FY 2007, \$953,203 for FY 2008, and \$977,033 for FY 2009.

Officials from the **Department of Mental Health** (DMH) assume this proposal would change the overtime pay-out from quarterly to monthly and would include the monthly pay-out of compensatory time and holiday time earned under state and federal laws, for direct care staff in 24 hour, 7-day a week facilities, which has traditionally been carried until utilized.

Based on current compensatory and holiday time balances and projected accruals in FY07, DMH has estimated the fiscal impact for FY07 would be \$2,659,277 in GR and \$12,000 in Federal Funds. It is difficult to project the rate of accrual of compensatory time and holiday time for future years DMH has estimated the same amounts for FY08 and FY09. Those estimates were not adjusted to reflect possible pay increases.

Oversight assumes this proposal would result in unknown additional overtime payouts from several state funds by agencies with employees subject to the proposal's requirements. Oversight assumes the cost to the General Revenue Fund and Various State Funds would exceed \$100,000 per year; the cost to Various Federal Funds is unknown.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
GENERAL REVENUE FUND			
<u>Cost</u> - state agencies			
Overtime payouts *	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND *	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
VARIOUS STATE FUNDS			
<u>Cost</u> - state agencies			
Overtime payouts *	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON VARIOUS STATE FUNDS *	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
* Unknown expected to exceed \$100,000			
VARIOUS FEDERAL FUNDS			
<u>Cost</u> - state agencies			
Overtime payouts	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON VARIOUS FEDERAL FUNDS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2007 (10 Mo.)	 FY 2008	 FY 2009
	<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.

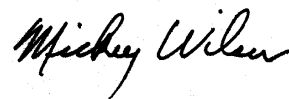
DESCRIPTION

This proposal would specifically apply the state's overtime payment policy to holidays and compensatory leave under both state and federal law, and would specifically extend that policy to employees of the Missouri Highway Patrol.

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
 Office of the Director
 Division of Budget and Planning
 Division of Personnel
Department of Corrections
Department of Labor and Industrial Relations
Department of Mental Health
Department of Social Services
Department of Public Safety
 Office of the Director
 Missouri Highway Patrol
 Division of Veterans Affairs



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