

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0231-01  
Bill No.: SB 50  
Subject: Employees-Employers; Labor and Industrial Relations Department; Labor and Management; Liability; Merit System; Salaries  
Type: Original  
Date: January 13, 2009

---

Bill Summary: This proposal requires equal pay for the same work regardless of gender and establishes a commission to study wage disparities.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	(\$445,942)	(\$522,479)	(\$538,151)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$445,942)</b>	<b>(\$522,479)</b>	<b>(\$538,151)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
Department of Labor	10 FTE	10 FTE	10 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>10 FTE</b>	<b>10 FTE</b>	<b>10 FTE</b>

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2010</b>	<b>FY 2011</b>	<b>FY 2012</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

---

## **FISCAL ANALYSIS**

### ASSUMPTION

Officials at the **St. Louis Community College, Administrative Hearing Commission, Metropolitan Community College, Linn State Technical College, Missouri Department of Conservation, Moberly Area Community College, Missouri Department of Transportation, University of Central Missouri, Missouri Western State University, Lincoln University** and the **Office of Administration** assume that there is no fiscal impact from this proposal.

Officials at the **Department of Labor and Industrial Relations** assume the wage study required by this legislation will require a research program similar in structure to the Department's existing Research and Analysis Section, which includes a manager, two analysts and three clerical staff. However, the volume of research and analysis that will be required by this legislation will be much greater so an additional two analysts are requested.

Further, enforcement of resulting recommendations will require two new wage and hour investigators. Although, there will be a lag between the Commission's study and recommendations and the need for enforcement, the investigators will need to come on board immediately to work with the Commission throughout the study to be prepared when the need to enforce the recommendations arises.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials at the **City of Centralia** assume that the cost will depend on the implementing

ASSUMPTION (continued)

regulations but they do not expect costs to exceed \$50 a year for paperwork.

Officials at the **University of Missouri** state they are unable to determine the financial impact of such legislation but they believe the proposal would have a significant financial liability for the University.

Officials at the **Missouri State University** state this proposal would have an impact however the impact is unknown. It will depend on the rules established by the Department of Labor and Industrial Relations.

Officials at the **Missouri Southern State University** assume a minimal impact from this legislation.

**Oversight** assumes that the costs of this proposal to Colleges and Universities is not state revenue. Additionally, Oversight assumes that the Colleges and Universities will raise tuition to cover costs associated with this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
<b>GENERAL REVENUE FUND</b>			
<u>Costs - Department of Labor</u>			
Personal Services	(\$283,652)	(\$350,594)	(\$361,111)
Fringe Benefits	(\$137,940)	(\$170,494)	(\$175,608)
Equipment and Expense	<u>(\$24,350)</u>	<u>(\$1,391)</u>	<u>(\$1,432)</u>
<u>Total Costs - DOLIR</u>	<u>(\$445,942)</u>	<u>(\$522,479)</u>	<u>(\$538,151)</u>
FTE Change - DOLIR	10 FTE	10 FTE	10 FTE
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
	<u><b>(\$445,942)</b></u>	<u><b>(\$522,479)</b></u>	<u><b>(\$538,151)</b></u>
Estimated Net FTE Change on General Revenue Fund	10 FTE	10 FTE	10 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal could lead to increased wages for all of Missouri's employers.

FISCAL DESCRIPTION

This act prohibits employers from paying any employee lower wages than those paid to employees of the opposite gender for the same work. Under the act, employees may bring a civil cause of action against employers who engage in such a discriminatory practice. Wage payment differentials based on merit systems, regional economic factors, factors that measure pay due to output, or other bona fide factors other than gender, are not actionable. Varying local market rates are not bona fide factors under the act.

Employers cannot reduce wages to comply with this act or retaliate against employees that seek the legal protections from retaliation provided by this act. If employers retaliate, employees can recover actual and compensatory damages.

Remedies for any unlawful gender-based pay practices include: actual and compensatory damages, injunction, and recovery of court costs and attorneys fees.

This act abolishes the six-month statute of limitations for filing an action for employer violations and requires that an action be brought within two years after the violation occurs or the date of reasonable discovery of such a violation.

The Equal Pay Commission is established to study the causes and consequences of wage disparities.

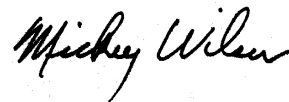
The act imposes certain record-keeping and reporting requirements upon employers to document wage rates.

This legislation would not require additional capital improvements or rental space.

This program is a duplication of Title VII of federal law, as well as the Human Rights Act.

SOURCES OF INFORMATION

St. Louis Community College  
Metropolitan Community College  
Administrative Hearing Commission  
City of Centralia  
Linn State Technical College  
Office of the Secretary of State  
University of Missouri  
Missouri State University  
Office of Administration  
Department of Labor and Industrial Relations  
Missouri Department of Conservation  
Missouri Southern State University  
University of Central Missouri  
Missouri Western State University  
Lincoln University  
Moberly Area Community College  
Missouri Department of Transportation



Mickey Wilson, CPA  
Director  
January 13, 2009