

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5318-01
Bill No.: SB 700
Subject: Merit System, State Departments, State Employees
Type: Original
Date: February 17, 2012

Bill Summary: This proposal repeals a provision requiring non-merit agencies to adopt dismissal procedures similar to merit procedures.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on FTE	0	0	0

- 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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Administrative Hearing Commission, Alcohol & Tobacco Control, Capitol Police, Department of Agriculture, Department of Conservation, Department of Corrections, Department of Economic Development, Department of Elementary and Secondary Education, Department of Health and Senior Services, Department of Higher Education, Department of Insurance, Financial Institutions and Professional Registration, Department of Labor and Industrial Relations, Department of Mental Health, Department of Natural Resources, Department of Revenue, Department of Social Services, Missouri Gaming Commission, Missouri Highway Patrol, Missouri Veterans Commission, Office of Prosecution Services, Office of State Courts Administrator, Office of the State Public Defender, Office of State Treasurer** and the **State Emergency Management Agency** assume there is no fiscal impact from this proposal.

Officials at the **Office of Administration (OA)** assume there may be a fiscal impact in time spent developing or revising an appeals process for dismissals. OA defers to the non-merit agencies to determine what the impact may be.

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

Officials at the **Missouri Department of Transportation** assume this proposal would take away the mandate that non-merit state agencies, which are at-will employers, must provide a contested case formal post-termination hearing. It allows non-merit agencies to provide such a hearing but does not mandate it. Non-merit agencies are at-will employers, as is the private sector in Missouri. Formal contested case post-termination hearings are expensive in terms of agency time. Employees whose employment is terminated and believe there is an EEO or unlawful reason for the termination continue to have all the rights they had under the state and federal laws. Fiscal impact is not known at this time.

Oversight assumes this proposal repeals the requirement requiring non-merit agencies to adopt dismissal procedures similar to merit agencies. Since the agencies will no longer have to adhere to merit dismissal procedures, but may continue to use them if they choose, Oversight assumes they will choose methods that do not significantly change current expenditures. Therefore, this proposal would have no fiscal impact.

ASSUMPTION (continued)

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.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<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.

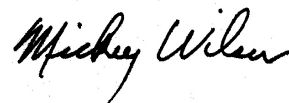
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

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

Administrative Hearing Commission
Alcohol & Tobacco Control
Capitol Police
Department of Agriculture
Department of Conservation
Department of Corrections
Department of Economic Development
Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Higher Education
Department of Insurance, Financial Institutions and Professional Registration
Department of Labor and Industrial Relations
Department of Mental Health
Department of Natural Resources
Department of Revenue
Department of Social Services
Missouri Department of Transportation
Missouri Gaming Commission
Missouri Highway Patrol
Missouri Veterans Commission
Office of Administration
Office of Attorney General
Office of Prosecution Services
Office of State Courts Administrator
Office of the State Public Defender
Office of the Secretary of State
Office of State Treasurer
State Emergency Management Agency



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February 17, 2012

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