

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5977-03
Bill No.: Perfected SS for SB 854
Subject: Health Dept.; Disabilities; Employees-Employers
Type: Original
Date: April 18, 2012

Bill Summary: Modifies provisions relating to the Employment Disqualification List for home care employees.

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 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Unemployment Trust	(Up to \$400,325)	(Up to \$400,325)	(Up to \$400,325)
Total Estimated Net Effect on <u>All</u> Federal Funds	(Up to \$400,325)	(Up to \$400,325)	(Up to \$400,325)

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 from the **Office of State Courts Administrator, Department of Mental Health, Department of Health and Senior Services, and Department of Revenue** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Department of Social Services (DSS) - Human Resource Center (HR)** state the DSS already has an Administrative Policy 2-107 Background Checks which states that background check results which may cause the withdrawal of a conditional employment offer, rejection of an applicant, dismissal of an employee or rejection of a volunteer, etc., include but are not limited to those which:

- Display the propensity to harm a client (e.g., if an individual has been involved as a perpetrator in any child or elderly abuse which was substantiated or determined probable cause or reason to suspect and documented by a state agency, regardless of whether proven in court and whether a criminal conviction of any kind occurred);
- Demonstrate that an individual is unsuitable for employment or service including criminal acts for which they are under current charge or have been convicted, found guilty, pled guilty or no contest or nolo contendere, or received a suspended imposition of sentence (regardless of whether incarceration actually occurred).

The DSS abides by the same background screening and employment eligibility determination process as stated in this legislation. Because this section of the proposal states that the employer shall not be charged for unemployment insurance benefits based on wages paid to the employee or based on an employer making payments in lieu of contributions for work prior to the date of discharge, there could be a potential cost savings to DSS. However, due to the limited number of discharges for this reason, a cost savings was not reflected and is assumed to be minimal.

Officials from the **Department of Labor and Industrial Relations (DOL)** state in order to assess the effect of this change on the Unemployment Insurance Trust Fund, charges were summarized for state fiscal year 2011 for contributing employers in the home health care industry. In SFY 2011, former employees of contributing employers in the home health care industry received unemployment benefits totaling approximately \$2.13 million. Had all of these benefits been non-charged due to circumstances outlined in the above changes, this proposal would have resulted in an additional \$2.13 million in pool charges in SFY 2011.

ASSUMPTION (continued)

In SFY2011, former employees of reimbursable employers in the home health care industry received unemployment benefits totaling approximately \$400,325. Had all employers been relieved of all of these charges due to circumstances outlined in the above changes, the trust fund would have spent an additional \$400,325 as a result of this proposal.

An ancillary effect of this legislation would be that the responsibility for paying the pool charges created by this law change would be shifted from employers (contributory and reimbursable) in this industry classification to all contributing employers.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
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UNEMPLOYMENT TRUST FUND

Loss - Unemployment Trust Fund
 (\$660,315)

Loss of federal funds	<u>(Up to \$400,325)</u>	<u>(Up to \$400,325)</u>	<u>(Up to \$400,325)</u>
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**ESTIMATED NET EFFECT ON
 UNEMPLOYMENT TRUST FUND**

	<u>(Up to \$400,325)</u>	<u>(Up to \$400,325)</u>	<u>(Up to \$400,325)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

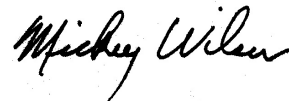
FISCAL DESCRIPTION

This proposal provides that any home care employer required to deny employment to an applicant or discharge an employee as a result of information obtained through a portion of the background screening and employment eligibility determination process required under the Family Care Safety Registry provisions shall not be liable in any action brought by the applicant or employee.

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 State Courts Administrator
Department of Mental Health
Department of Health and Senior Services
Department of Labor and Industrial Relations
Department of Revenue
Department of Social Services



Mickey Wilson, CPA
Director
April 18, 2012