

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5809-01  
Bill No.: Perfected SB 844  
Subject: Labor and Management; Federal - State Relations  
Type: Original  
Date: April 15, 2014

Bill Summary: This proposal would modify the Shared Work Unemployment Compensation Program.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Unemployment Insurance Trust	\$2,500,000	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$2,500,000</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 2015</b>	<b>FY 2016</b>	<b>FY 2017</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 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</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 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### Section 288.500, RSMo. - Shared Work Unemployment Compensation Program:

Officials from the **Department of Labor and Industrial Relations (DOLIR)** assume this proposal would amend Missouri's shared work law to bring it into compliance with federal law, and note if the changes are not enacted, the shared work program in Missouri would cease to exist on August 22, 2014.

The DOLIR response included an estimated amount of \$2.5 million in additional federal reimbursement for the program if this proposal is implemented.

DOLIR officials assume some of the workers currently enrolled in the shared work program would be laid off if the state program is not continued. Those laid-off workers' benefits would then be paid from the Missouri Unemployment Insurance Trust Fund and the state would not be eligible for federal reimbursement of the costs.

In response to similar language in HB 1713 LR 5756-01, DOLIR officials stated the federal program is only available until February, 2015 and the additional reimbursement would end at that time. There would be no fiscal impact in FY 2016 or FY 2017 unless the federal program is extended.

**Oversight** notes this proposal would extend the life of an existing program and will include the fiscal impact for continuation of the program.

**Oversight** also notes the program is voluntary for employers; therefore any impact to an employer would be the result of a choice by that employer to participate in the program.

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** assumed similar language in HB 1713 LR 5756-01 could impact the Unemployment Insurance Trust Fund, but would likely result in no net change. BAP officials assumed the fund would be paying out more benefits but would also be receiving more federal reimbursement for those benefits. BAP officials also noted the Unemployment Insurance Trust Fund is outside the state treasury so there would be no impact to Total State Revenues.

ASSUMPTION (continued)

Officials from the **Office of the Secretary of State (SOS)** assume 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 Secretary of State's Office 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, we also recognize 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 our office can sustain with our core budget. Therefore, we reserve 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.

Officials from the **Joint Committee on Administrative Rules** assume this proposal would not have a fiscal impact to their organization.

Officials from the **Office of Administration - Division of Personnel**, and the **Information Technology Services Division, Lincoln University, Linn State Technical College, Missouri State University, Northwest Missouri State University, the University of Central Missouri,** and the **University of Missouri** assume this proposal would have no fiscal impact to their organizations.

Officials from the **Office of Administration - Division of Accounting, the Department of Economic Development - Division of Wage Determination, Missouri Housing Development Commission, and Public Service Commission** assumed similar provisions in HB 1713 LR 5756-01 would have no fiscal impact to their organizations.

Not responding

Officials from the following colleges: Crowder, East Central Community College, Harris-Stowe, Jefferson College, Kansas City Metro Community College, Moberly Area Community College, Missouri Southern State University, Missouri Western State University, Southeast Missouri State University, State Fair Community College, St. Charles Community College, St. Louis Community College, Three Rivers Community College, and Truman State did not respond to our request for information.

FISCAL IMPACT - State Government                      FY 2015                      FY 2016                      FY 2017

**UNEMPLOYMENT INSURANCE  
TRUST FUND**

Revenue - DOLIR

Additional federal reimbursement

Section 288.500                      \$2,500,000                      \$0                      \$0

**ESTIMATED NET EFFECT ON  
UNEMPLOYMENT INSURANCE  
TRUST FUND**

**\$2,500,000**                      **\$0**                      **\$0**

FISCAL IMPACT - Local Government                      FY 2015                      FY 2016                      FY 2017

**\$0**                      **\$0**                      **\$0**

FISCAL IMPACT - Small Business

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

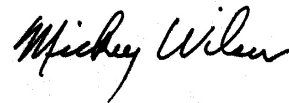
FISCAL DESCRIPTION

The proposed legislation would extend the Shared Work Unemployment Compensation Program, and includes an emergency clause.

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

SOURCES OF INFORMATION

Office of the Secretary of State  
Joint Committee on Administrative Rules  
Office of Administration  
    Division of Personnel  
Department of Labor and Industrial Relations  
Lincoln University  
Linn State Technical College  
Missouri State University  
Northwest Missouri State University  
University of Central Missouri  
University of Missouri



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April 15, 2014

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