

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4178-01
Bill No.: SB 695
Subject: Employees-Employers
Type: Original
Date: January 25, 2015

Bill Summary: This proposal modifies provision relating to employee wages.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
College and University Funds	\$0 or (Greater than \$1,500,000)	\$0 or (Greater than \$1,500,000)	\$0 or (Greater than \$1,500,000)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or (Greater than \$1,500,000)	\$0 or (Greater than \$1,500,000)	\$0 or (Greater than \$1,500,000)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **University of Missouri (UM)** assume this proposal would have a negative impact on their organization. UM anticipates the annual cost would be significant between \$1 million and \$1.5 million annually.

Officials at the **Missouri State University (MS)** assume this proposal would have a negative impact on their organization. The extent and amount of which cannot be determined at this time.

Officials at the **Department of Labor and Industrial Relations, Office of Administration - Personnel, Office of Administration - General Services, Office of State Courts Administrator, Department of Transportation, and Department of Conservation** each assume this proposal would not have a fiscal impact on their respective organizations.

Officials at the **City of Kansas City** assume this proposal would not have an impact on their organization.

Officials at **St. Louis County, Callaway County and Mississippi County** each assume this proposal would not have an impact on their respective organizations.

Officials at the **St. Louis County Board of Election Commissioner** assume this proposal would not have an impact on their organization.

Officials at the **Metropolitan Community College, State Technical College of Missouri, University of Central Missouri, Jefferson College, and St. Louis Community College** each assume this proposal would not have a fiscal impact on their respective organizations.

Officials at the **Hawthorn Leadership School** assume this proposal would not have a fiscal impact on their organization.

Officials at the following school districts: **Campbell R-II, Eldon R-I, Grain Valley R-V, Kansas City, Kennett R-I, Macon County R-IV, Pettis County R-12, Shell Knob #78, St. Elizabeth R-IV, Sarcoxie R-II, St. Charles, Warren County R-III, West Plains, and Wright City R-II** each assume this proposal will not have a fiscal impact on their respective organizations.

ASSUMPTION (continued)

Officials at the following boards of election commissioners: Kansas City Board of Election Commission, St. Louis City Board of Election Commission, Clay County Board of Election Commission, Jackson County Board of Election Commission, and Platte County Board of Election Commission did not respond to **Oversight's** request for fiscal impact.

Officials at the following colleges: Crowder, East Central Community College, Harris-Stowe, Lincoln University, Moberly Area Community College, Missouri Southern State University, Missouri Western State University, Missouri State University, Northwest Missouri State University, Southeast Missouri State University, State Fair Community College, St. Charles Community College, Three Rivers Community College, Truman State University, and the University of Missouri did not respond to **Oversight's** request for fiscal impact.

Officials at the following counties: Andrew, Atchison, Audrain, Barry, Bollinger, Boone, Buchanan, Callaway, Camden, Cape Girardeau, Carroll, Cass, Christian, Clay, Cole, Cooper, DeKalb, Dent, Franklin, Greene, Holt, Jackson, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Maries, Marion, McDonald, Miller, Mississippi, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Phelps, Platte, Pulaski, Scott, Shelby, St. Charles, St. Louis, St. Francois, Taney, Warren, Wayne and Worth did not respond to **Oversight's** request for fiscal impact.

Officials at the following charter schools: Carondelet Leadership Academy, Eagle College Prep, Frontier Schools, and the KIPP Endeavor Academy of Kansas City did not respond to **Oversight's** request for fiscal impact.

Officials at the following school districts: Arcadia Valley R-2, Aurora R-8, Avilla R-13, Bakersfield, Belton, Benton County R-2, Bismark R-5, Bloomfield R-14, Blue Springs, Bolivar R-I, Bowling Green R-1, Branson, Brentwood, Bronaugh R-7, Carrollton R-7, Caruthersville, Cassville R-4, Central R-III, Chilhowee R-4, Chillicothe R-II, Clarkton C-4, Cole R-I, Columbia, Concordia R-2, Crawford County R-1, Crocker R-II, Delta C-7, East Carter R-2, East Newton R-6, Everton R-III, Fair Grove, Fair Play, Fayette R-3, Forsyth R-3, Fox C-6, Fredericktown R-I, Fulton, Grain Valley, Hancock Place, Hannibal, Harrisonburg R-8, Harrisonville, Hillsboro R-3, Hollister R-5, Humansville R-4, Hurley R-1, Independence, Jefferson City, Kearney R-1, King City R-1, Kingston 42, Kirbyville R-VI, Kirksville, Laclede County R-1, Laredo R-7, Lee Summit, Leeton R-10, Lewis County C-1, Lindbergh, Lonedell R-14, Macon County R-1, Malta Bend, Mehville, Mexico, Middle Grove C-1, Midway R-1, Milan C-2, Moberly, Monroe City R-I, Morgan County R-2, New Haven, Nixa, North St. Francois Co. R-1, Northeast Nodaway R-5, Odessa R-VII, Oregon-Howell R-III, Orrick R-11, Osage County R-II, Osborn R-O, Parkway, Pattonville, Pierce City, Plato R-5, Princeton R-5, Raymore-Peculiar R-III, Raytown,

ASSUMPTION (continued)

Reeds Springs R-IV, Renick R-5, Richland R-1, Riverview Gardens, Salisbury R-4, Scotland County R-I, Sedalia, Seymour R-2, Shelby County R-4, Sikeston, Silex, Slater, Smithville R-2, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, Sullivan, Tipton R-6, Valley R-6, Verona R-7, Warrensburg R-6, Webster Groves, and Westview C-6 did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
COLLEGE AND UNIVERSITY FUNDS			
	\$0 or (Greater than	\$0 or (Greater than	\$0 or (Greater than
<u>Costs - Colleges and Universities</u>	<u>\$1,500,000)</u>	<u>\$1,500,000)</u>	<u>\$1,500,000)</u>
TOTAL ESTIMATED NET EFFECT ON COLLEGE AND UNIVERSITY STATE FUNDS	<u>\$0 or (Greater than \$1,500,000)</u>	<u>\$0 or (Greater than \$1,500,000)</u>	<u>\$0 or (Greater than \$1,500,000)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

A direct negative fiscal impact to small businesses could be expected from this proposal should employers be required to adjust wages to bring their organization into compliance with this legislation.

FISCAL DESCRIPTION

This act prohibits paying any employee wages less than those paid to employees of the opposite gender for the same work. Furthermore, it also creates a civil cause of action against employers who pay lower wages to employees of the opposite gender when the work performed is equal, requires equal skill, and is performed under similar conditions. Certain wage payment differentials are exempted from these civil actions when they are based on merit systems,

FISCAL DESCRIPTION (continued)

regional economic factors, factors that measure pay due to output, or other bona fide factors other than gender. Varying local market rates for equal jobs do not qualify for this exemption.

The act redefines wages to include bonuses, stock options, awards or tips, nonmonetary compensation, and any compensation that has economic value to an employee.

The act permits recovery of actual and compensatory damages, not to exceed twice the wages awarded, for any unlawful gender-based pay practice. Courts are authorized to issue an injunction against employers for violation of the provisions of the act. This act allows for the recovery of attorney fees and court costs in any civil action brought under this section and abolishes the six-month statute of limitations for filing an action.

This act prohibits employers from reducing wages to comply with this act. It further prohibits employers from retaliating against employees who utilize the protections of this act and creates a civil action for actual and compensatory damages for such retaliation.

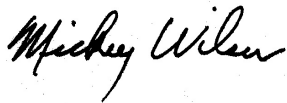
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Labor and Industrial Relations
Office of Administration - Personnel
Office of Administration - General Services
Office of State Courts Administrator
Department of Transportation
Department of Conservation
Metropolitan Community College
State Technical College of Missouri
University of Central Missouri
Jefferson College
St. Louis Community College
City of Kansas City
St. Louis County
Callaway County Commission
Mississippi County
St. Louis County Directors of Elections
Campbell R-II, Eldon R-I

SOURCES OF INFORMATION (continued)

Grain Valley R-V
Kansas City
Kennett R-I
Macon County R-IV
Pettis County R-12
Shell Knob #78
St. Elizabeth R-IV
Sarcoxie R-II
St. Charles
Warren County R-III
West Plains
Wright City R-II



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Director
January 25, 2016

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January 25, 2016