

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4270-01
Bill No.: HB 1432
Subject: Employees - Employers; State Employees
Type: Original
Date: January 19, 2016

Bill Summary: This proposal requires a hearing to be held within 30 days if a state employee is placed on administrative leave.

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
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 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	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Conservation (MDC)** assume this proposal would have a negative fiscal impact of less than \$100,000 annually.

Oversight assumes MDC could absorb this fiscal impact.

Officials from the **Office of Administration - Division of Personnel (OA)** assume cost associated with revising the leave rules could be absorbed with existing resources. OA assumes instances in which administrative leave is granted remains fairly minimal, cost to conduct hearings could be absorbed; however, if there is an increase in misconduct or other situations in which granting administrative leave is necessary, additional appropriations for staff to conduct hearings could be necessary.

Officials at the **Cole County** assume the proposal would not have a fiscal impact on their agency.

Officials at the **Monroe City R-1 Schools** assume in the event of a hearing, the employee has the right to legal counsel. If counsel is secured, the District would respond in kind. If legal services are required it is reasonable to expect a cost of \$2,000 - \$4,000 depending on the extent of services provided.

Officials at the **Concordia Schools** assume if a teacher is considered a state employee the District would see a cost. The District has specific requirements for tenured, certified staff leave that are in place with specific notification time-frames that have to be met. There is nothing for the support staff which are at -will employees and can be terminated without the hearing process. The hearing would necessitate the need for an attorney. The District's attorney charges \$185 an hour. The billable hours could vary between 25-50 for an estimated cost of \$4,625-\$9,250. However there are already hearing rights in the laws regarding teachers, so a district might have these costs anyway. If they are not considered state employees, the District assumes no fiscal impact from this proposal.

Officials at the **Brentwood School District** assume this proposal would have a negative fiscal impact on their organization. This is based on implementation of this proposal would result in an estimated cost of \$4,000 per additional hearing or \$16,000 per year. Currently, most uses of administrative leave do not lead to a hearing. By requiring a hearing for every one placed on leave, even for a short time, new hearings and legal fees would be created.

ASSUMPTION (continued)

Officials at the **New Haven School District** assume this proposal would have a negative fiscal impact on their organization. This is based on hearings will very likely incur legal expense at \$300 per hour times 10 hours (estimated) with a minimum total of approximately \$3000 per occurrence.

Officials at the **Cassville Schools** assume this proposal would have an estimated negative fiscal impact of \$5,500.

Officials at the **Pettis County R-12 Schools** and **Wright City R-II Schools** each assume this proposal would have an unknown negative fiscal impact to their organizations.

Based upon the various school district responses, **Oversight** will reflect a potential impact to local political subdivisions of Could exceed \$100,000 in additional expenses.

Officials at the **Department of Insurance and Industrial Relations, Department of Transportation, and Office of State Courts Administrator** each assume this proposal would not have a fiscal impact on their respective organizations.

Officials at the **Cole R-I, Parkway Schools, City of St. Charles School District, Shelby County R-IV Schools, Bowling Green R-I, Riverview Gardens School District, Shell Knob #78, Warren County R-III School District, Middle Grove C-I, Kingston 42 School District, Smithville R-II, Sarcoxie R-II, Kirbyville R-VI School District, Eldon R-I School District, Grain Valley R-V School District, Everton R-III, Lonedell R-14, Kansas City Public Schools** each assumes no fiscal impact from this proposal to their respective organization.

Officials at the **Jackson County Board of Election Commissions, St. Louis County Board of Election Commissions, and the Platte County Board of Election Commissions** each assumes no fiscal impact from this proposal to their respective organization.

Officials at the **City of Jefferson City and Kansas City** each assume this proposal would not have a fiscal impact on their respective organization.

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

ASSUMPTION (continued)

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, Branson, Bronaugh R-7, Campbell R-2, Carrollton R-7, Caruthersville, Central R-III, Chilhowee R-4, Chillicothe R-II, Clarkton C-4, Columbia, Crawford County R-1, Crocker R-II, Delta C-7, East Carter R-2, East Newton R-6, Fair Grove, Fair Play, Fayette R-3, Forsyth R-3, Fox C-6, Fredericktown R-I, Fulton, 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, Kennett #39, King City R-1, 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, Macon County R-4, Malta Bend, Mehville, Mexico, Midway R-1, Milan C-2, Moberly, Morgan County R-2, 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, Pattonville, Pierce City, Plato R-5, Princeton R-5, Raymore-Peculiar R-III, Raytown, Reeds Springs R-IV, Renick R-5, Richland R-1, Salisbury R-4, Scotland County R-I, Sedalia, Seymour R-2, Sikeston, Silex, Slater, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, St. Elizabeth R-4, Sullivan, Tipton R-6, Valley R-6, Verona R-7, Warrensburg R-6, Webster Groves, West Plains R-VII, and the Westview C-6 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 colleges: Crowder, East Central Community College, Harris-Stowe, Jefferson College, Lincoln University, Metropolitan Community College, 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, State Technical College of Missouri, St. Charles Community College, St. Louis Community College, Three Rivers Community College, Truman State University, University of Central Missouri and the University of Missouri did not respond to **Oversight's** request for fiscal impact.

ASSUMPTION (continued)

Officials at the following cities: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Columbia, Dardenne Prairie, Des Peres, Excelsior Springs, Florissant, Frontenac, Fulton, Gladstone, Grandview, Harrisonville, Independence, Joplin, Kansas City, Kearney, Knob Noster, Ladue, Lake Ozark, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O'Fallon, Pacific, Peculiar, Pineville, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles, St. Joseph, St. Louis, St. Robert, Sugar Creek, Sullivan, Warrensburg, Warrenton, Webb City, Weldon Spring and West Plains did not respond to **Oversight's** request for fiscal impact.

Officials at the following board of election commissions: Kansas City Board of Election Commission, Clay County Board of Election Commission, and St. Louis County Board of Election Commission 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, 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.

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

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
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**LOCAL POLITICAL
 SUBDIVISIONS**

<u>Costs</u> - school districts - hearing and counsel expense	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)
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ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</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 bill requires that, if an employee of a department or division of the state, agency of the state, instrumentality of the state or political subdivision of the state, or school district is placed on administrative leave, a hearing must be held within 30 days to determine if the employee engaged in the misconduct. Within three days of being placed on administrative leave as defined in the bill, an employee must be given a written explanation of the specific reason or reasons for the placement.

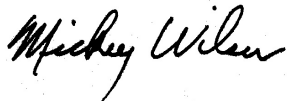
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Labor and Industrial Relations
Department of Transportation
Department of Conservation
Office of State Courts Administrator
Hawthorn Leadership School for Girls
Cassville R-4
Concordia R-2
Monroe City R-I
Brentwood
Bowling Green R-I
New Haven
Pettis County R-12
Cole R-I
Kansas City Public Schools
Kirbyville R-VI
Lonedell R-14
Parkway
St. Charles
Shelby County R-4,
Bowling Green R-1

SOURCES OF INFORMATION (continued)

Riverview Gardens
Wright City R-2 School District
Shell Knob #78
Warren County R-3
Middle Grove C-1
Kingston 42
Smithville R-2
Sarcoxie R-2
Kirbyville R-VI
Eldon R-I
Grain Valley
Everton R-III
Jackson County Board of Elections Commission
Platte County Board of Elections Commission
St. Louis County Board of Elections Commission
City of Jefferson City
City of Kansas City



Mickey Wilson, CPA
Director
January 19, 2016

Ross Strobe
Assistant Director
January 19, 2016