

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4270-08
Bill No.: Truly Agreed To and Finally Passed SS#2 for SCS for HCS for HB 1432
Subject: Cities, Towns and Villages; Employees - Employers; State Employees
Type: Original
Date: June 2, 2016

Bill Summary: This proposal modifies the law relating to administrative leave for public employees.

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 9 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 **Office of Administration - Administrative Hearing Commission**, the **Office of Administration - Budget and Planning**, the **Office of Administration - Personnel**, the **Department of Agriculture**, the **State Auditor's Office**, the **Department of Conservation**, the **Department of Economic Development**, the **Governor's Office**, the **Department of Health and Senior Services**, the **Department of Higher Education**, the **Department of Insurance, Financial Institutions, and Professional Registration**, the **Joint Committee on Administrative Rules**, the **Joint Committee on Public Employee Retirement**, the **Department of Labor and Industrial Relations**, the **Missouri Lottery Commission**, the **Missouri Consolidated Health Care Plan**, the **Department of Mental Health**, the **Missouri Ethics Commission**, the **Missouri Senate**, the **Missouri State Employees' Retirement System**, the **Department of Natural Resources**, the **Office of Prosecution Services**, the **Office of State Courts Administrator**, the **Department of Public Safety - Office of Adjutant General**, the **Department of Public Safety - Gaming Commission**, the **Department of Public Safety - Capitol Police**, the **Department of Public Safety - Fire Safety Division**, the **Department of Public Safety - Highway Patrol**, the **Department of Public Safety - State Emergency Management Agency**, the **Department of Public Safety - Veterans Commission**, the **Department of Revenue**, the **Department of Social Services**, the **State Public Defender's Office**, the **State Tax Commission**, the **Office of State Treasurer**, the **State Highway Employees Retirement System**, and the **Department of Transportation** each assume this proposal will not have a fiscal impact on their respective organizations.

Officials at the **Department of Elementary and Secondary Education** defer to local school districts.

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

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

Officials at **Callaway County** assume this proposal could have a negative fiscal impact on their organization.

Officials at the **Missouri State University**, **Missouri Western State University**, **Northwest Missouri State University**, **State Technical College of Missouri**, **University of Central Missouri** and the **University of Missouri** each assume this proposal will not have a fiscal impact on their respective organizations.

ASSUMPTION (continued)

Officials at the **Wright City R-VII** assume this proposal would have an unknown negative impact on their organization, estimated from \$0 to over \$10,000 per year.

Officials at the school districts of **Kansas City Public School, Macon County R-IV, Malta Bend, and West Plains R-VII** each assume this proposal would not have a fiscal impact on their respective organizations.

In response to a previous version, officials at the **Monroe City R-1 Schools** assumed 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.

In response to a previous version, officials at the **Concordia R-II Schools** assumed 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.

In response to a previous version, officials at the **Brentwood School District** assumed the 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.

In response to a previous version, officials at the **New Haven School District** assumed the 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 \$3,000 per occurrence.

In response to a previous version, officials at the **Cassville R-IV Schools** assumed the proposal would have an estimated negative fiscal impact of \$5,500.

In response to a previous version, officials at the **Pettis County R-12 Schools** assumed the proposal would have an unknown negative fiscal impact to their organizations.

ASSUMPTION (continued)

In response to a previous version, officials at the school districts of **Forsyth R-III** and **Lewis County C-I** each assumed the proposal would not have a fiscal impact on their respective organizations.

In response to a previous version, officials at the **Cole County Sheriff's Department** and **Springfield Police Department** assumed the proposal would not have a fiscal impact on their organization.

In response to a previous version, officials at the Board of Elections for **Platte County St. Louis** and **County Board of Elections Commission** each assumed the proposal would not have a fiscal impact on their respective 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 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, Jefferson City, Joplin, 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 counties: Andrew, Atchison, Audrain, Barry, Bollinger, Boone, Buchanan, 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 from the Boone County Sheriff Department, Buchanan County Sheriff's Department, Cass County Sheriff Department, Clark County Sheriff's Department, Columbia Police Department, Independence Police Department, Jackson County Sheriff Department, Jefferson City Police Department, Platte County Sheriff's Department, St. Charles Police Department, St. Joseph Police Department, St. Louis County Police Department and the St. Louis Metropolitan Police Department did not respond to **Oversight's** request for fiscal impact.

ASSUMPTION (continued)

Officials at the following boards of election commissioners: Kansas City Board of Election Commissioners, St. Louis City Board of Election Commissioners, Clay County Board of Election Commissioners, and Jackson County Board of Election Commissioners 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, Southeast Missouri State University, State Fair Community College, St. Charles Community College, St. Louis Community College, Three Rivers Community College, and Truman State University 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, Bronaugh R-7, Campbell R-2, Carrollton R-7, Caruthersville, Central R-III, Chilhowee R-4, Chillicothe R-II, Clarkton C-4, Cole R-I, Columbia, Crawford County R-1, Crocker R-II, Delta C-7, East Carter R-2, East Newton R-6, Eldon R-I, Everton R-III, Fair Grove, Fair Play, Fayette 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, Kansas City, Kearney R-1, Kennett #39, King City R-1, Kingston 42, Kirbyville R-VI, Kirksville, Laclede County R-1, Laredo R-7, Lee Summit, Leeton R-10, Lindbergh, Lonedell R-14, Macon County R-1, Mehville, Mexico, Middle Grove C-1, 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, Parkway, Pattonville, Pierce City, Plato R-5, Princeton R-5, Raymore-Peculiar R-III, Raytown, Reeds Springs R-IV, Renick R-5, Richland R-1, Riverview Gardens, Salisbury R-4, Sarcoxie R-2, Scotland County R-I, Sedalia, Seymour R-2, Shelby County R-4, Shell Knob #78, Sikeston, Silex, Slater, Smithville R-2, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, St. Charles, St. Elizabeth R-4, Sullivan, Tipton R-6, Valley R-6, Verona R-7, Warren County R-3, Warrensburg R-6, Webster Groves, and the 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
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
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LOCAL POLITICAL SUBDIVISIONS

<u>Costs - school districts - hearing and counsel expense</u>	(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 act requires that a hearing be held within 60 days from the date that a public employee was placed on administrative leave. Any hearing may be continued for good cause, but shall in no event be continued beyond 180 days from the date the employee was placed on administrative leave.

The act further requires that such employee be advised in writing within seven days of being placed on administrative leave, the reason or reasons for being placed on administrative leave. Such documents shall not be subject to the sunshine law.

Any employer that is also a school district is required to notify the Board of Education within 30 days of placing an employee on administrative leave of the reason or reasons for the placement.

This act does not apply to:

1. Charter counties, charter cities, or home rule cities with administrative leave policies;
2. Any law enforcement agency within a charter county, charter city, or a home rule city, provided such county or city has adopted an administrative leave policy; or
3. Certain law enforcement agencies

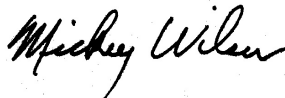
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Attorney General's Office
Department of Agriculture
Department of Economic Development
Governor's Office
Department of Higher Education
Department of Insurance, Financial Institutions and Professional Registration
Joint Committee on Administrative Rules
Joint Committee on Public Retirement
Missouri Ethics Commission
Department of Labor and Industrial Relations
Department of Health and Senior Services
Department of Mental Health
Missouri Consolidated Health Care Plan
Department of Natural Resources
Office of Prosecution Services
Office of Administration - Administrative Hearing Commission
Office of Administration - Accounting
Office of Administration - Budget and Planning
Office of Administration - Personnel
Office of State Courts Administrator
Department of Economic Development
Department of Elementary and Secondary Education
Missouri Lottery Commission
Missouri Senate
State Auditor's Office
Department of Public Safety - Office of Adjutant General
Department of Public Safety - Capitol Police
Department of Public Safety - Fire Safety Division
Department of Public Safety - Gaming Commission
Department of Public Safety - State Emergency Management Agency
Department of Public Safety - Veterans Commission
Department of Public Safety - Highway Patrol
Department of Social Services
Department of Revenue
Department of Transportation
Missouri State Employees' Retirement System
State Highway Employees Retirement System
State Public Defender's Office
State Tax Commission
State Treasurer's Office
Department of Conservation

SOURCES OF INFORMATION (continued)

City of Kansas City
Callaway County
Platte County Board of Elections
St. Louis County Board of Elections
School Districts:
 Monroe City R-1 Schools
 Concordia Schools R-II
 Brentwood School District
 New Haven School District
 Cassville R-IV Schools
 Forsyth R-III School District
 Kansas City Public Schools
 Pettis County R-12 Schools
 Macon County R-IV
 Malta Bend
 Lewis County C-I
 West Plains R-VII
 Wright City R-II Schools
Missouri State University
Missouri Western State University
Northwest Missouri State University
State Technical College of Missouri
University of Central Missouri
University of Missouri
Cole County Sheriff's Department
Springfield Police Department



Mickey Wilson, CPA
Director
June 2, 2016

Ross Strobe
Assistant Director
June 2, 2016