

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4979-01
Bill No.: SB 613
Subject: Workers' Compensation
Type: Original
Date: January 11, 2016

Bill Summary: This proposal enacts new provisions of law relating to the workers' compensation insurance premiums of volunteer fire departments.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(\$46,839 to Less than \$1,316,523)	(\$48,242 to Less than \$1,318,242)	(\$48,653 to Less than \$1,318,653)
Total Estimated Net Effect on General Revenue	(\$46,839 to Less than \$1,316,523)	(\$48,242 to Less than \$1,318,242)	(\$48,653 to Less than \$1,318,653)

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 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
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

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

*Transfers In and Cost net to zero.

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Labor and Industrial Relations (DOLIR)** assume this proposal would have a negative fiscal impact of \$1,270,000 on their organization.

The requirements of §287.245 are new for the Division of Workers' Compensation and would necessitate additional staff in the form of one Administrative Office Support Assistant (AOSA). The division would need to create an application form, review the applications and other supporting documentation, coordinate with the volunteer fire applications and other supporting documentation, coordinate with volunteer fire protection associations, review the claims filed with the Division, approve the grant request, coordinate the requisition of the funds in order to disburse the grant monies, etc.

There are approximately 635 Volunteer Fire Associations with approximately 21,114 volunteer firefighters in Missouri. Using the classification code specifically applicable to volunteer firefighters, the Division's records indicate that it received approximately 13 Claims for Compensation (Claim) in either CY2014 or CY2015. Therefore, it is assumed that the majority (possibly all) of the 635 Volunteer Fire Associations could be eligible for the maximum grant of \$2,000. The Division assumes a need for \$1,270,000 (635 x \$2,000) of General Revenue Funds in order to support the grants specified.

Officials at the **Department of Safety - Fire Safety** assume this proposal would not have a fiscal impact on their organization.

However, this proposed legislation impacts the 635 volunteer fire associations and approximately 21,114 volunteer fire fighters in our state who are currently registered with the Division of Fire Safety by providing them with grants to be used for workers' compensation insurance premiums. The amount of the grants is based on the number of claims filed in the previous calendar year.

Officials at the **Office of Administration - Accounting, Facilities Management and Design Construction, General Services, Division of Personnel, Division of Purchasing, Information Technology Services Division** and the **Department of Insurance, Financial Institutions, and Professional Registration** each assume this proposal will not have a fiscal impact on their organization.

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

ASSUMPTION (continued)

Officials at **Mississippi County** and **St. Louis County** each assume this proposal will not have a fiscal impact on their organizations.

Officials at the **Platte County Board of Election Commission**, and **St. Louis County Board of Election Commission** each assume this proposal will not have a fiscal impact on their organizations.

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, 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, 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
GENERAL REVENUE			
<u>Transfer Out - DOLIR - Grant</u>			
Disbursements to Qualifying Fire Protection Associations	\$0 or (Less than \$1,270,000)	\$0 or (Less than \$1,270,000)	\$0 or (Less than \$1,270,000)
<u>Costs - DOLIR</u>			
Personnel Services	(\$23,104)	(\$28,385)	(\$28,669)
Fringe Benefits	(\$14,808)	(\$17,847)	(\$17,924)
Equipment and Expenses	<u>(\$8,611)</u>	<u>(\$2,010)</u>	<u>(\$2,060)</u>
<u>Total Costs - DOLIR</u>	<u>(\$46,523)</u>	<u>(\$48,242)</u>	<u>(\$48,653)</u>
FTE Change - DOLIR	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$46,523 to Less than \$1,316,523)</u>	<u>(\$48,242 to Less than \$1,318,242)</u>	<u>(\$48,653 to Less than \$1,318,653)</u>
Net FTE Change on General Revenue	1 FTE	1 FTE	1 FTE
<u>FISCAL IMPACT - Local Government</u>			
VOLUNTEER FIRE PROTECTION ASSOCIATIONS			
<u>Transfer In - General Revenue - Grant</u>			
Disbursement	\$0 or Less than \$1,270,000	\$0 or Less than \$1,270,000	\$0 or Less than \$1,270,000
<u>Costs - Workers' Compensation Benefits Claims</u>	<u>\$0 or (Less than \$1,270,000)</u>	<u>\$0 or (Less than \$1,270,000)</u>	<u>\$0 or (Less than \$1,270,000)</u>
NET EFFECT ON VOLUNTEER FIRE PROTECTION ASSOCIATIONS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This act permits volunteer fire protection associations to apply to the Division of Workers' Compensation for grants for the purpose of funding the workers' compensation insurance premiums for the association's volunteer firefighters. Grants shall be disbursed by the Division, subject to appropriations, based upon the number of volunteer firefighters which received workers' compensation benefits from claims arising out of and in the course of the prevention or control of fire or the underwater recovery of drowning victims in the preceding calendar year. The schedule is as follows:

- Associations which had 0-5 claims shall be eligible for \$2,000;
- Associations which had 6-10 claims shall be eligible for \$1,500;
- Associations which had 11-15 claims shall be eligible for \$1,000; and
- Associations which had 16-20 claims shall be eligible for \$500.

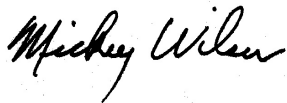
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Labor and Industrial Relations
Department of Public Safety - Fire Safety
Department of Insurance, Financial Institutions, and Professional Registration
Office of Administration
Office of Administration - Accounting
Office of Administration - Facilities Management and Design Construction
Office of Administration - General Services
Office of Administration - Division of Personnel
Office of Administration - Division of Purchasing
Office of Administration - Information Technology Services Division

SOURCES OF INFORMATION (continued)

City of Kansas City
Mississippi County
St. Louis County
St. Louis County Board of Election Commission
Platte County Board of Election Commission



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Director
January 11, 2016

Ross Strobe
Assistant Director
January 11, 2016