

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0248-07  
Bill No.: Perfected SS for SCS for SB 113  
Subject: Workers' Compensation  
Type: Original  
Date: February 21, 2017

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Bill Summary: This proposal modifies the law relating to discharge of employees under workers' compensation statutes and relating to compensation awarded under the Line of Duty Compensation Act.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 13 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</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 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

In response to a previous version of this proposal (0248-03), officials at the **Office of Administration - Division of Personnel** assumed the proposal would not have a fiscal impact on their organization.

Officials at the **Department of Revenue** and the **Department of Public Safety - Director's Office** each defer to Office of Administration - Personnel for fiscal impact.

In response to a previous version of this proposal (0248-03), officials at **Office of Administration - Budget and Planning**, the **Department of Elementary and Secondary Education**, and the **Department of Public Safety - Veterans Commission** each deferred to the Office of Administration - Personnel for fiscal impact.

Officials at the **Office of Administration - General Services** understands, and therefore assumes, that the legal standard in 287.780 creates a somewhat higher burden on plaintiffs seeking damages for retaliatory discharge or discrimination. This higher burden may result in either fewer claims for damages being made against state agencies or employees, or in more successful legal defense against such claims, either of which could result in potential savings to the Legal Expense Fund.

However, the amount of the potential savings resulting from this proposal cannot be reasonably estimated as this language creates a new legal standard, subject to judicial interpretation, and there is no readily available information that could assist in forming a rational basis for estimating savings. In addition, the number of potential claims, the severity of those claims, and the ultimate costs associated with any settlement or judgment resulting from those claims cannot be forecasted with any degree of assurance to their accuracy.

Office of Administration—General Services assumes that no any state employee would violate the proposal. Therefore, it is assumed that no successful claims will be made against the Legal Expense Fund and the proposal would thus have no fiscal impact upon the Office of Administration—General Services. However, should that assumption prove to be incorrect, significant costs could be incurred by the Legal Expense Fund.

In response to a previous version of this proposal (0248-01), officials at the **Attorney General's Office** assumed that any potential costs arising from the proposal could be absorbed with existing resources.

ASSUMPTION (continued)

Officials at the **Office of Administration - Administrative Hearing Commission**, the **Department of Agriculture**, the **State Auditor's Office**, the **Department of Public Safety - Gaming Commission**, the **Joint Committee on Administrative Rules**, the **Joint Committee on Public Employee Retirement**, the **Governor's Office**, the **Lieutenant Governor's Office**, the **Department of Higher Education**, the **Missouri Lottery Commission**, the **Missouri Consolidated Health Care Plan**, the **State Highway Employees Retirement System**, the **Missouri State Employees' Retirement System**, the **Missouri Senate**, the **Office of Prosecution Services**, the **State Public Defender's Office**, the **Department of Natural Resources**, the **Missouri Tax Commission**, the **Department of Social Services**, the **State Treasurer's Office**, the **Department of Public Safety - Alcohol and Tobacco**, the **Department of Public Safety - Fire Safety Division**, and the **Department of Public Safety - State Emergency Management Agency** each assume this proposal will not have a fiscal impact on their respective organizations.

In response to a previous version of the proposal (0248-03), officials at the **Department of Conservation**, the **Department of Corrections**, the **Missouri Ethics Commission**, the **Department of Health and Senior Services**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Mental Health**, the **Missouri House of Representatives**, the **Department of Transportation**, the **Office of State Courts Administrator**, the **Department of Public Safety - Capitol Police**, and the **Department of Public Safety - Highway Patrol** each assumed the proposal would not have a fiscal impact on their respective organizations.

In response to a previous version of this proposal (0248-01), officials at the **Department of Labor and Industrial Relations** assumed the proposal would not have a fiscal impact on their organization.

Officials at the **Office of Secretary of State** provided, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office 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 Secretary of State's office for Administrative Rules is less than \$2,500. The Secretary of State's office 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.

ASSUMPTION (continued)

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

In response to a previous version of this proposal (0248-01), officials at the **City of Columbia** assumed the proposal would not have a fiscal impact on their organization.

In response to a previous version of this proposal (0248-03), officials at the county of **Callaway** each assumed the proposal will not have a fiscal impact on their organization.

In response to a previous version of this proposal (0248-01), officials at **St. Louis County** assumed the proposal would not have a fiscal impact on their organization.

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

In response to a previous version of this proposal (0248-03), officials at the **Metropolitan Community College**, the **Missouri State University**, the **Northwest Missouri State University**, the **State Technical College of Missouri**, and the **Central Missouri University** each assumed the proposal would not have a fiscal impact on their respective organizations.

In response to a previous version of this proposal (0248-01), officials at **Truman State University** assumed the proposal would not have a fiscal impact on their organization.

Officials at the school districts of **Kirksville R-III**, **Seymour**, and **West Plains R-VII** each assume this proposal will not have a fiscal impact on their respective organizations.

In response to a previous version of this proposal (0248-03), officials at the school districts of **Kansas City** assumed the proposal would not have a fiscal impact on their organization.

In response to a previous version of this proposal (0248-01), school district of **Warren County R-III** assumed the proposal would not have a fiscal impact on their organization.

In response to a similar proposal from this session (SB 282), officials at the **Department of Labor and Industrial Relations (DOLIR) - Division of Workers' Compensation (DWC)** stated any additional responsibilities, including an increase in investigation efforts to substantiate claims, could be absorbed by existing staff. However, the effect of any judicial pronouncements could affect long-range estimates. If significant impact that could not be absorbed were realized in out-years, the division would request additional resources through the appropriation process.

ASSUMPTION (continued)

In response to a similar proposal from this session (SB 282), Officials at the **Department of Conservation (MDC)** assume this proposal would have a negative fiscal impact on their organization estimated at less than \$100,000 annually.

**Oversight** will not show a fiscal impact to MDC based on information obtained from the Department of Labor and Industrial Relations - Division of Workers' Compensation FY2017 budget submitted to the Governor. The following table provides the number of claims and total dollar amount paid in claims from the Line of Duty Compensation Fund (0939). As the table indicates in FY2013 there were 13 claims for a total of \$325,000 paid out and decreases to 2 claims and \$50,000 paid out in FY2015. Therefore, Oversight will not show a fiscal impact to MDC from this proposal.

<b>Department of Labor and Industrial Relations - Division of Workers' Compensation</b>					
<b>Line of Duty Compensation - Fund 0939</b>					
	FY2013	FY2014	FY2015	FY2016	FY2017*
# of Claims Paid	13	10	2	5	4
Total Dollar Amount of Claims Paid	\$325,000	\$250,000	\$50,000	\$125,000	\$100,000
* Number of Claims and Total Dollar Amount of Claims Paid to Date					
<i>Information in this table obtained from the FY2017 and FY 2018 Budgets (pages 164 &amp; 165) which were submitted to the Governor by Department of Labor and Industrial Relations.</i>					

In response to a similar proposal from this session (SB 282), officials at the **Department of Transportation** assumed the proposal would not have a fiscal impact on their organization.

In response to a similar proposal from this session (SB 282), officials at the **Department of Public Safety - Highway Patrol** deferred to Department of Transportation's Enterprise Risk Management Program for a fiscal impact.

In response to a similar proposal from this session (SB 282), Officials at the **Office of Administration - Personnel**, the **Office of Administration - Accounting**, the **Office of Administration - General Services**, the **Joint Committee on Administrative Rules**, the **Department of Corrections**, and the **Department of Natural Resources** each assumed the proposal would not have a fiscal impact on their respective organizations.

ASSUMPTION (continued)

In response to a similar proposal from this session (SB 282), officials at the **Springfield Police Department** assumed the proposal would not have a fiscal impact on their organization.

In response to a similar proposal from this session (SB 282), officials at the **DeSoto Rural Fire Protection District** assumed the proposal would not have a fiscal impact on their organization.

In response to a similar proposal from this session (HB 426), officials at the **St. Louis County Police Department**, and the **St. Louis County Justice Services** each assumed the proposal would not have a fiscal impact on their respective organizations.

Senate Amendment 3, as amended:

Officials at the **State Auditor's Office**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Natural Resources**, the **Department of Elementary and Secondary Education**, the **Lieutenant Governor's Office**, the **Missouri Consolidated Health Care Plan**, the **Missouri Tax Commission**, the **Office of State Courts Administrator**, the **State Treasurer's Office**, the **Department of Public Safety - Highway Patrol**, and **Department of Public Safety - Fire Safety Division** assume this proposal would not have a fiscal impact on their organization.

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

Officials at the school district of **Kirksville R-III** assume this proposal would not have a fiscal impact on their organization.

Senate Amendment 4, as amended:

Officials at the **State Auditor's Office**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Natural Resources**, the **Department of Elementary and Secondary Education**, the **Lieutenant Governor's Office**, the **Missouri Consolidated Health Care Plan**, the **State Highway Employees Retirement System**, the **Missouri Tax Commission**, the **Office of State Courts Administrator**, the **State Treasurer's Office**, the **Department of Public Safety - Highway Patrol**, and the **Department of Public Safety - Fire Safety Division** assume this proposal would not have a fiscal impact on their organization.

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

ASSUMPTION (continued)

Officials at the school district of **Kirksville R-III** assume this proposal would not have a fiscal impact on their organization.

Senate Amendment 5, as amended:

Officials at the **State Auditor's Office**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Natural Resources**, the **Department of Elementary and Secondary Education**, the **Lieutenant Governor's Office**, the **Missouri Consolidated Health Care Plan**, the **State Highway Employees Retirement System**, the **Missouri Tax Commission**, the **Office of State Courts Administrator**, the **State Treasurer's Office**, and the **Department of Public Safety - Fire Safety Division** assume this proposal would not have a fiscal impact on their organization.

Officials at the **Department of Public Safety - Highway Patrol** defer to Department of Transportation's Enterprise Risk Management Program for a fiscal impact.

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

Officials at the school district of **Kirksville R-III** assume this proposal would not have a fiscal impact on their organization.

Senate Amendment 9:

Officials at the **State Auditor's Office**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Joint Committee on Public Employee Retirement**, the **Department of Natural Resources**, the **Department of Elementary and Secondary Education**, the **Lieutenant Governor's Office**, the **Missouri Consolidated Health Care Plan**, the **Missouri Tax Commission**, the **Office of State Courts Administrator**, the **State Treasurer's Office**, and the **Department of Public Safety - Fire Safety Division** assume this proposal would not have a fiscal impact on their organization.

Officials at the **Department of Public Safety - Highway Patrol** defer to Department of Transportation's Enterprise Risk Management Program for a fiscal impact.

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



ASSUMPTION (continued)

Officials at the school district of **Kirksville R-III** assume this proposal would not have a fiscal impact on their organization.

Senate Amendment 1 to Senate Amendment 9:

Officials at the **State Auditor's Office**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Missouri State Employees' Retirement System**, the **Joint Committee on Public Employee Retirement**, the **Department of Natural Resources**, the **Department of Elementary and Secondary Education**, the **Lieutenant Governor's Office**, the **Missouri Consolidated Health Care Plan**, the **Missouri Tax Commission**, the **Office of State Courts Administrator**, the **State Treasurer's Office**, and the **Department of Public Safety - Fire Safety Division** assume this proposal would not have a fiscal impact on their organization.

Officials at the **Department of Public Safety - Highway Patrol** defer to Department of Transportation's Enterprise Risk Management Program for a fiscal impact.

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

Officials at the school district of **Kirksville R-III** assume this proposal would not have a fiscal impact on their organization.

Senate Amendment 10:

Officials at the **State Auditor's Office**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Missouri State Employees' Retirement System**, the **Missouri State Employees' Retirement System**, the **Joint Committee on Public Employee Retirement**, the **Department of Natural Resources**, the **Department of Elementary and Secondary Education**, the **Lieutenant Governor's Office**, the **Missouri Consolidated Health Care Plan**, the **Missouri Tax Commission**, the **Office of State Courts Administrator**, the **State Treasurer's Office**, and the **Department of Public Safety - Fire Safety Division** assume this proposal would not have a fiscal impact on their organization.

Officials at the **Department of Public Safety - Highway Patrol** defer to Department of Transportation's Enterprise Risk Management Program for a fiscal impact.

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

ASSUMPTION (continued)

Officials at the school district of **Kirksville R-III** assume this proposal would not have a fiscal impact on their organization.

Officials at the following cities: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, 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. Francois, Taney, Warren, Wayne and Worth 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, Moberly Area Community College, Missouri Southern State University, Southeast Missouri State University, State Fair Community College, St. Charles Community College, St. Louis Community College, and Three Rivers Community College, 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, Campbell R-2, 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, Eldon R-I, 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, Kennett #39, King City R-1, Kingston 42, Kirbyville R-VI, 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, 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, Pettis County R-12, 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,

ASSUMPTION (continued)

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, Warrensburg R-6, Webster Groves, Westview C-6 and the Wright City R-2 School District 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, Cole County Sheriff 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, and the St. Louis Metropolitan Police Department did not respond to **Oversight's** request for fiscal impact.

Officials at the Battlefield Fire Protection District, Central County Fire and Rescue, Centralia Fire Department, Creve Coeur Fire District, Hawk Point Fire Protection District, Hillsboro Fire Protection District, Lake St. Louis Fire District, Mehlville Fire District, Nixa Fire Protection District, Saline Valley Fire Protection District and the Southern Iron County Fire Protection District did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

A direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

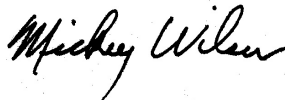
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

## SOURCES OF INFORMATION

Attorney General's Office  
Office of Administration - Budget and Planning  
Department of Mental Health  
Department of Revenue  
Department of Public Safety - Director's Office  
Department of Public Safety - Alcohol and Tobacco Control  
Department of Public Safety - Veterans Commission  
Office of Administration - Administrative Hearing Commission  
Office of Administration - Personnel  
Office of Administration - General Services  
Department of Agriculture  
State Auditor's Office  
Department of Corrections  
Department of Conservation  
Department of Elementary and Secondary Education  
Missouri Ethics Commission  
Governor's Office  
Joint Committee on Administrative Rules  
Joint Committee on Public Employee Retirement  
Department of Health and Senior Services  
Department of Higher Education  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Labor and Industrial Relations  
Lottery Commission  
Lieutenant Governor's Office  
State Highway Employees Retirement System  
Missouri Consolidated Health Care Plan  
Missouri State Employees' Retirement System  
Department of Natural Resources  
Office of Prosecution Services  
State Public Defender's Office  
Missouri House of Representatives  
Missouri Senate  
Office of Secretary of State  
Office of State Courts Administrator  
Missouri Tax Commission  
Department of Transportation  
State Treasurer's Office  
Department of Social Services

SOURCES OF INFORMATION (continued)

Department of Public Safety - Capitol Police  
Department of Public Safety - Fire Safety Division  
Department of Public Safety - Gaming Commission  
Department of Public Safety - Highway Patrol  
Department of Public Safety - State Emergency Management Agency  
City of Columbia  
City of Kansas City  
Callaway County  
St. Louis County  
St. Louis County Police Department  
St. Louis County Justice Services  
Springfield Police Department  
DeSoto Rural Fire Protection District  
Metropolitan Community College  
Missouri State University  
Missouri Western State University  
Northwest Missouri State University  
State Technical College of Missouri  
Truman State University  
Central Missouri University  
University of Missouri  
School Districts of:  
Kansas City  
Kirksville R-III  
Seymour  
Warren County R-III  
West Plains R-VII



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