

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0268-01
Bill No.: SB 21
Subject: Labor and Management
Type: Original
Date: January 4, 2017

Bill Summary: This proposal creates new provisions of law relating to labor organizations.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	(\$202,820)	(\$120,411)	(\$121,870)
Total Estimated Net Effect on General Revenue	(\$202,820)	(\$120,411)	(\$121,870)

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	2	2	2
Total Estimated Net Effect on FTE	2	2	2

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 2018	FY 2019	FY 2020
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Labor and Industrial Relations (DOLIR)** as an employer defer to the Office of Administration for fiscal impact. However, DOLIR did provide information to show the costs related to the administration of the program as follows.

Copies of all covered records maintained by the labor organizations are to be sent to the Labor and Industrial Relations Commission (LIRC). This is a new program, therefore; a new section within the LIRC would be established to receive and maintain these records. The LIRC anticipates it would need additional staff, file storage space and a computer program to electronically track these files.

DOLIR assumes the intent of this bill is that the information to be submitted to the LIRC is to be maintained in a searchable format. It is estimated this legislation will affect approximately 100,000 public employees. Each public employee will be required to fill out two forms: Consent for Withholding Union Dues/Fees and Consent for Political Use of Dues/Fees. Copies of these records will be filed with the LIRC, along with the reports from the public labor organizations. This will result in approximately 200,000 additional annual filings to the LIRC. These files must be received and stored in a manner that allows easy retrieval by staff.

Current staff at LIRC cannot absorb these additional duties. LIRC will require two Senior Office Support Assistants (Range 12, Step F) to process forms, perform data entry, maintain files, and respond to inquiries. In addition to the standard expense and equipment for each FTE, additional file cabinets and floor space for those cabinets are included in this estimate.

Officials at the **Office of Administration - Personnel** assume this proposal will not have a fiscal impact on their organization.

Officials at the **Department of Corrections, Department of Public Safety - Capitol Police, Department of Revenue, Department of Labor and Industrial Relations, Department of Mental Health, and Department of Health and Senior Services** each defer to the Office of Administration - Personnel for a fiscal impact.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS 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 the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the

ASSUMPTION (continued)

General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves 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.

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

Officials at the **Office of Administration - Administrative Hearing Commission, Office of Administration - Budget and Planning, Department of Insurance, Financial Institutions and Professional Registration, Department of Agriculture, State Auditor's Office, Department of Conservation, Department of Public Safety - Gaming Commission, Joint Committee on Administrative Rules, Missouri Ethics Commission, Department of Elementary and Secondary Education, Governor's Office, Department of Higher Education, Missouri House of Representatives, Lottery Commission, Department of Natural Resources, Missouri Consolidated Health Care Plan, Missouri State Employees' Retirement System, State Highway Employees Retirement System, Office of State Courts Administrator, State Public Defender's Office, Office of Prosecution Services, Missouri Senate, Department of Social Services, Department of Transportation, Missouri Tax Commission, State Treasurer's Office, Department of Public Safety - Capitol Police, Department of Public Safety - Director's Office, Department of Public Safety - Fire Safety Division, Department of Public Safety - Highway Patrol, and Department of Public Safety - Missouri Veterans Commission** each assume this proposal will not have a fiscal impact on their respective organizations.

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

Officials at the **Callaway County** assume this proposal will not have a fiscal impact on their organization.

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

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

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, 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 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, 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, 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, Warren County R-3, 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.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
GENERAL REVENUE			
<u>Costs - DOLIR - LIRC</u>			
Salaries - 2 SOSA	(\$43,900)	(\$53,207)	(\$53,739)
Benefits - 2 SOSA	(\$30,253)	(\$36,461)	(\$36,619)
ITSD Consultants	(\$61,560)	(\$12,620)	(\$12,936)
ITSD Expenses - licenses/maintenance	(\$7,248)	(\$8,914)	(\$9,137)
ITSD Equipment	(\$26,001)	\$0	\$0
Office Equipment and Expenses	<u>(\$33,858)</u>	<u>(\$9,209)</u>	<u>(\$9,439)</u>
Total Costs - DOLIR - LIRC	<u>(\$202,820)</u>	<u>(\$120,411)</u>	<u>(\$121,870)</u>
 <u>FTE change - DOLIR - LIRC</u>	 2 FTE	 2 FTE	 2 FTE
 ESTIMATED NET EFFECT ON GENERAL REVENUE	 <u>(\$202,820)</u>	 <u>(\$120,411)</u>	 <u>(\$121,870)</u>
 Estimated Net FTE Effect on General Revenue	 2 FTE	 2 FTE	 2 FTE
 <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

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

FISCAL DESCRIPTION

This act allows public employee labor unions to withhold fees from public employee paychecks only upon the annual written consent of the employee. The act also requires the public employee's annual consent for public employee labor unions to use fees and dues for political purposes.

Employees are required to authorize the amount to be used for political contributions to be transferred to the labor union's continuing committee. Authorizing or refraining from authorizing any amount shall in no way affect employment.

Public labor unions shall keep records of all authorizations for political contributions and submit them to the Labor and Industrial Relations Commission.

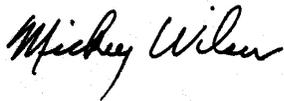
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Labor and Industrial Relations
Office of Administration - Personnel
Department of Corrections
Department of Public Safety - Capitol Police
Department of Revenue
Department of Labor and Industrial Relations
Department of Mental Health
Department of Health and Senior Services
Office of Administration - Administrative Hearing Commission
Office of Administration - Budget and Planning
Department of Insurance, Financial Institutions and Professional Registration
Department of Agriculture
State Auditor's Office
Department of Conservation
Department of Public Safety - Gaming Commission
Joint Committee on Administrative Rules
Missouri Ethics Commission
Department of Elementary and Secondary Education
Governor's Office
Department of Higher Education
Missouri House of Representatives
Lottery Commission
Department of Natural Resources
Missouri Consolidated Health Care Plan
Missouri State Employees' Retirement System

SOURCES OF INFORMATION (continued)

State Highway Employees Retirement System
Office of State Courts Administrator
State Public Defender's Office
Office of Prosecution Services
Missouri Senate
Department of Social Services
Department of Transportation
Missouri Tax Commission
State Treasurer's Office
Department of Public Safety - Capitol Police
Department of Public Safety - Director's Office
Department of Public Safety - Fire Safety Division
Department of Public Safety - Highway Patrol
Department of Public Safety - Missouri Veterans Commission
City of Kansas City
Callaway County
Missouri State University
Northwest Missouri State University
State Technical College of Missouri
Truman State University
University of Central Missouri
University of Missouri
School Districts of:
Forsyth R-III
Kansas City
Kirksville R-III
West Plains R-VII



Mickey Wilson, CPA
Director
January 4, 2017

Ross Strobe
Assistant Director
January 4, 2017