

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5271-01  
Bill No.: SB 771  
Subject: Campaign Finance; Employees-Employers; Department of Labor and Industrial Relations; Labor and Management  
Type: Original  
Date: January 29, 2018

Bill Summary: This proposal creates new provisions regulating the use of payroll deduction options for public employees.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue Fund	(\$175,242)	(\$117,024)	(\$118,376)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$175,242)</b>	<b>(\$117,024)</b>	<b>(\$118,376)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<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 8 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</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 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
General Revenue Fund	2 FTE	2 FTE	2 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>2 FTE</b>	<b>2 FTE</b>	<b>2 FTE</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 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Labor and Industrial Relations (DOLIR)** state the following:

#### Labor and Industrial Relations Commission (LIRC)

This proposal would require labor organizations to present to each of its members two documents: the "Consent for Withholding Union Dues/Fees" and the "Consent for Political Use of Dues/Fees" in which members may choose to sign. Copies of all of the signed authorization forms must be maintained by the union and sent to the LIRC. For the purposes of this fiscal note, the DOLIR assumes this information must be maintained by LIRC in a searchable and retrievable format. LIRC would do this using a document management information technology solution.

Based on the most recent data from the U.S. Bureau of Labor Statistics, this proposal is expected to affect an estimated 175,200 public employees in Missouri. Since each employee could submit two authorizations, LIRC estimates it could receive up to 350,400 forms annually. LIRC cannot absorb this work with existing staff, therefore 2.00 Senior Office Support Assistants-Clerical (\$26,340 annually) would be required to receive, log, scan, index, and retrieve these documents.

Along with standard per FTE expense and equipment costs, the LIRC estimates it would need 13 lateral file cabinets to store paper files until they could be moved to the Secretary of State's Record Center for storage. An electronic document management and retrieval system would also be required and is included in the Information Technology Services Division's estimate below.

#### Information Technology Services Divisions (ITSD)

The assumption is to build a mechanism to scan, index, and retrieve documents. DOLIR will receive records maintained by labor organizations that include authorizations, amounts, dates, and will scan and electronically store these documents in the State's Electronic Content Management system. The assumption includes creating and awarding a RFP, PMO oversight costs, scanner costs, and services from the State Data Center.

ITSD assumes that FY 2019 will require 496.80 hours x \$75 per hour = \$37,260. FY 2020 will have a cost of \$7,638 and FY 2021 will have a cost of \$7,829 for on-going support. Other ITSD expenses total \$30,172 for FY 2019, \$5,531 for FY 2020, and \$5,670 for FY 2021.

In summary, ITSD will have expenses of \$67,432 in FY 2019, \$13,169 for FY 2020, and \$13,499 in FY 2021.

ASSUMPTION (continued)

Officials from the **Department of Corrections**, and **Department of Health and Senior Services** each defer to the Office of Administration to estimate the fiscal impact of the proposed legislation on their respective organization.

Officials from the **Office of Administration-Personnel**, **Office of Administration-Accounting**, and **Office of Administration-Administrative Hearing Commission** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from **Boone County** assume the proposal will have a minimal fiscal impact.

Officials from the **University of Central Missouri** assume the proposal will have a minimal fiscal impact. The only fiscal element is the indirect cost associated with entering the deduction in payroll, reconciling the payroll account at the end of month/year. However, these indirect expenses are generally absorbed under the total cost of doing business and would not be direct.

Officials from the **Summersville R2 School District** assume the proposal will have little to no fiscal impact.

Officials from the **Department of Mental Health**, **Department of Public Safety-Office of the Director**, **Missouri Department of Conservation**, **Office of State Courts Administrator**, **Department of Transportation**, and **Department of Social Services** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from **Callaway County**, **St. Louis County**, **Jackson County Board of Elections Commissioners**, **St. Louis Board of Election Commissioners**, and **City of Kansas City** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **State Technical College of Missouri**, **Missouri Western State University**, **Missouri State University**, and **University of Missouri** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **West Plains Schools** and **Kirksville R-III School District** each assume the proposal will have no fiscal impact on their respective organizations.

ASSUMPTION (continued)

Officials from the following **cities**: Ashland, Belton, Bernie, Bonne Terre, Boonville, California, Cape Girardeau, Clayton, Columbia, Dardenne Prairie, Excelsior Springs, Florissant, Frontenac, Fulton, Grandview, Harrisonville, Independence, Jefferson City, Joplin, Kearney, Knob Noster, Ladue, Lake Ozark City, Lee Summit, Liberty, Louisiana, Maryland Heights, Maryville, Mexico, Monett, Neosho, O’Fallon, Peculiar, Pineville, Popular Bluff, Raytown, Republic, Richmond, Rolla, Sedalia, Springfield, St. Charles City Administrator, St. Louis City Budget Division, 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 from the following **counties**: Andrew, Atchison, Audrain, Barry, Benton, Bollinger, Buchanan, Camden, Cape Girardeau, Carroll, Cass, Christian, Clay, Clinton, Cole, Cooper, Davies, Dekalb, Dent, Franklin, Greene, Holt, Jefferson, Johnson, Knox, Laclede, Lawrence, Lincoln, Maries, Marion, McDonald, Miller, Moniteau, Monroe, Montgomery, New Madrid, Nodaway, Ozark, Perry, Pettis, Platte, Pulaski, Scott, St. Charles, St. Francois, Taney, Warren, Wayne, and Worth did not respond to **Oversight’s** request for fiscal impact.

Officials from the following **colleges and universities**: Crowder, East Central, Harris-Stowe, Jefferson College, Kansas City Metropolitan Community College, Lincoln University, Moberly Area Community College, Missouri Southern State University, Northwest Missouri 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 a statement of fiscal impact.

Officials from the following **school districts**: Alton R-IV, Arcadia Valley R-2, Ash Grove R-IV, Ava R-1, Avilla R-13, Bakersfield R-4, Belton School District #124, Benton County R-2, Bismark R-5, Bloomfield R-14, Blue Springs, Bolivar R-I, Bowling Green R-1, Bradleyville R-1, Branson, Brentwood, 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, Concordia R-2, Couch R-1, Crawford County R-1, Crawford County R-2, Crocker R-II, Delta C-7, East Carter R-2, East Lynne 40, East Newton R-6, Eldon R-I, Fair Play, Fayette R-3, Forsyth R-3, Fox C-6, Fredericktown R-I, Fulton, Gasconade County R-1, Glenwood R-8, Grain Valley, Green City R-1, Green Ridge R-8, Hallsville R-IV, Hancock Place, Hannibal School District #60, Harrisonburg R-8, Harrisonville, Hartville R-11, Hazelwood, Henry County R-1, Hillsboro R-3, Holcomb R-III, Hollister R-5, Humansville R-4, Hurley R-1, Independence, Jasper R-5, Jefferson City, Kansas City, Kennett #39, King City R-1, Kirbyville R-VI, Lathrop R-2, Lee Summit, Leeton R-10, Lewis County C-1, Liberty, Lincoln R-2, Lindbergh, Lonedell R-14, Macon County R-1, Macon County R-IV, Madison C-3, Malta Bend, Maplewood Richmond Heights, Marshfield R-1, Maryville R-II, Maysville R-1, Meadville R-IV, Mehville School District R-9, Meramec

ASSUMPTION (continued)

Valley R-3, Mexico, Middle Grove C-1, Midway R-1, Milan C-2, Miller R-11, Moberly, Montgomery County R-11, Morgan County R-2, Mountain Grove R-III, Mt. Vernon R-V, New Bloomfield R-III, New Haven, Niangua R-5, Nixa, North Harrison R-3, North Kansas City, North St. Francois Co. R-1, Northeast Nodaway R-5, Northwest R-1, Oak Ridge R-6, Odessa R-VII, Oregon-Howell R-III, Orrick R-11, Osage County, Osage R-2, Osborn R-O, Parkway, Pattonville, Pettis County R-12, Pierce City R-6, Plato R-5, Polo R-VII, Prairie Home R-5, Princeton R-5, Purdy R-II, Raymore-Peculiar R-III, Raytown, Reeds Springs R-IV, Renick R-5, Republic R-III, Rich Hill R-IV, Richards R-5, Richland R-1, Richmond R-XVI, Riverview Gardens, Rockwood School District, Salisbury R-4, Sarcoxie R-2, Scotland County R-I, Scott City R-1, Sedalia, Seymour R-2, Shell Knob #78, Sherwood Cass R-5, Sikeston, Silex, Smithville R-2, South Harrison R-11, Southland C-9, Sparta R-III, Special School District of St. Louis County, Spickard R-II, Spokane R-VII, Springfield, St Joseph, St Louis, St. Charles, St. Elizabeth R-4, Stanberry R-III, Stewartsville C-2, Sullivan, Sweet Springs, Trenton R-1x, Valley Park, Valley R-6, Verona R-7, Warren County R-3, Warrensburg R-6, Warsaw R-IX, Waynesville, Webster Groves, Wellsville Middletown R-1, Wentzville R-IV, Westran R-1, Westview C-6, Willard R-2 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 2019 (10 Mo.)	FY 2020	FY 2021
<b>GENERAL REVENUE FUND</b>			
<u>Cost - DOLIR</u>			
Salaries	(\$43,900)	(\$53,207)	(\$53,739)
Fringe Benefits	(\$31,018)	(\$37,378)	(\$37,536)
Equipment and Expense	<u>(\$100,324)</u>	<u>(\$26,439)</u>	<u>(\$27,101)</u>
<u>Total Cost - DOLIR</u>	<u>(\$175,242)</u>	<u>(\$117,024)</u>	<u>(\$118,376)</u>
FTE Change - DOLIR	2 FTE	2 FTE	2 FTE
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$175,242)</u></b>	<b><u>(\$117,024)</u></b>	<b><u>(\$118,376)</u></b>
Estimated Net FTE Change on the General Revenue Fund	2 FTE	2 FTE	2 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<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 proposal allows public employee labor unions to withhold fees from public employee paychecks only upon the annual written consent of the employee. The proposal 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 proposal does not apply to first responders or labor organizations that represent first responders.

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 Corrections  
Department of Health and Senior Services  
Office of Administration-Personnel  
Office of Administration-Accounting  
Office of Administration-Administrative Hearing Commission  
Boone County  
University of Central Missouri  
Summersville R2 School District

SOURCES OF INFORMATION (continued)

Department of Mental Health  
Department of Public Safety-Office of the Director  
Missouri Department of Conservation  
Office of State Courts Administrator  
Department of Transportation  
Department of Social Services  
Callaway County  
St. Louis County  
Jackson County Board of Election Commissioners  
St. Louis County Board of Election Commissioners  
City of Kansas City  
State Technical College of Missouri  
Missouri Western State University  
Missouri State University  
University of Missouri  
West Plains Schools  
Kirksville R-III School District

Ross Strope



Acting Director  
January 29, 2018