

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0118-01
Bill No.: SB 178
Subject: Attorney General, State; Domestic Relations; Employees-Employers; Health Care; Labor and Industrial Relations Department
Type: Original
Date: March 6, 2019

Bill Summary: This proposal creates a right to unpaid leave for employees that are affected by certain crimes.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Various Other State Funds	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown)	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Federal Funds	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>All</u> Federal Funds	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
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 2020	FY 2021	FY 2022
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration (OA)** state:

Currently, state employees who require time away from work to address tasks related to domestic or sexual violence may use annual leave or compensatory time or, under specific circumstances, sick leave or leave without pay may be used. The fiscal impact would be limited to employees who use leave without pay. There is no fiscal impact on other leave types.

In FY18, there were approximately 7,177 state employees on a leave without pay status at some point during the year. OA does not track whether the use of leave without pay, or any other type of leave, is related to domestic or sexual violence. Accordingly, OA has no mechanism with which to estimate the number of instances in which an employee's use of leave without pay is related to a domestic or sexual violence incident. OA assumes this proposal would not cause the use of leave without pay to increase.

If all employees who require leave related to domestic or sexual violence utilize annual, compensatory, or sick leave, there would be no cost to the proposal. However, if we assume each employee who has a domestic or sexual violence event would cause them to incur two weeks of leave without pay, the state would continue to pay the employer's share of their health insurance at approximately \$578 per employee. If 7,177 state employees utilized 2 weeks of leave without pay due to a domestic or sexual violence incident, the total cost would be \$4.1 million. It is highly unlikely that the minimum or the maximum amounts will occur.

In short, the proposal would cost the state \$578 for every two weeks of leave without pay utilized related to domestic or sexual violence, but OA has no way of estimating the amount of leave without pay that will be so used. The fund split presented is based off of total State employee salaries. Split ratio is General Revenue 48.6%, Other 32.2% and Federal 19.2%.

Per section 285.630. 9. There would be no loss of group health insurance benefits for employees involved as victims of domestic or sexual violence for up to two weeks.

Oversight notes that the Office of Administration has stated the proposal could have a direct fiscal impact on their organization. Oversight does not have any information to the contrary.

ASSUMPTION (continued)

Officials from the **Department of Natural Resources, Department of Corrections, Department of Labor and Industrial Relations, and Department of Insurance, Financial Institutions and Professional Registration** each defer to the Office of Administration to estimate the fiscal impact of the proposed legislation on their respective organization.

Officials from the **Joint Committee on Administrative Rules (JCAR)** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

Officials from the **Office of Prosecution Services** assume the proposal will have no measurable fiscal impact on their organization.

Officials from the **Department of Labor and Industrial Relations** assume the proposal will have no fiscal impact regarding enforcement of these changes on their organization.

Officials from the **State Auditor's Office** assume the proposal will have no fiscal impact on their organization. Any impact can be absorbed through current appropriations.

Officials from the **Office of the State Treasurer** anticipate that any costs incurred as a result of the proposal can be absorbed by existing resources.

Officials from the **Department of Public Safety-Missouri Veterans Commission (MVC)** assume the proposal will have no fiscal impact on their organization. MVC offers are not subject to the proposal.

Officials from the **Missouri Tax Commission, Office of Administration-Administrative Hearing Commission, Missouri Senate, Department of Public Safety-Gaming Commission, Missouri State Employees' Retirement System, Legislative Research, MoDOT and Patrol Employees Retirement System, Department of Agriculture, Missouri Consolidated Health Care Plan, Missouri Department of Conservation, Department of Elementary and Secondary Education, Office of State Courts Administrator, Department of Public Safety-State Emergency Management Agency, Missouri Lottery Commission, Department of Public Safety-Fire Safety, Department of Economic Development, Department of Public Safety-Alcohol and Tobacco Control, Department of Transportation, Department of Health**

ASSUMPTION (continued)

and Senior Services, Office of the State Public Defender, Department of Public Safety-Capitol Police, Office of the Governor, Department of Public Safety-Missouri National Guard, Department of Social Services, Missouri House of Representatives, Department of Public Safety-Missouri State Highway Patrol, Joint Committee on Public Employees' Retirement System, Department of Revenue, Missouri Ethics Commission, Office of the Secretary of State, Department of Higher Education, Department of Public Safety-Office of the Director, Attorney General's Office, Department of Mental Health, and Office of Administration-Budget and Planning each assume the proposal will have no fiscal impact on their organization.

Officials from the **City of Kansas City** assume the proposal may have a negative fiscal impact on their organization.

Officials from the **City of Columbia** assume the proposal is a new unpaid leave program that mirrors, mostly, the Family and Medical Leave Act (FMLA), with a dash of ADA thrown in. So no additional cost for the leave, even if the employee uses accruals under this leave grant.

The one thing that creates more cost is in 285.635(1) - FMLA requires that the employer pays the employee portion of medical coverage during FMLA leave. This bill requires that the employer pays the employee and any dependent coverage during the leave period. That would be an additional cost to the City. The monthly cost to the City would range from \$773.14 to \$1604.90 per month in calendar year 2019, dependent on who the employee includes as dependents, if any. There is no way to estimate how many employees this might apply to.

Officials from the **State Technical College of Missouri** assume the proposal will have a negative fiscal impact on their organization. They are unable to quantify the actual impact.

Officials from the **University of Missouri** assume the proposal will have no significant impact on their organization.

Officials from the **Wellsville-Middleton R-1 School** assume the proposal will have very little if any fiscal impact on their organization.

Oversight notes that Section 285.635.1 requires that the employer pays the employee and any dependent coverage during the leave period. Oversight is unable to determine how many employees will require leave related to domestic or sexual violence in cases which they depleted annual, compensatory, or sick leave. Therefore, Oversight will reflect an unknown negative fiscal impact to local political subdivisions because the number of leave hours taken without pay due to

ASSUMPTION (continued)

domestic violence has not been specifically tracked.

	1%	5%	10%	25%
Possible range of state's 7,177 employees that took a leave w/o pay that may have done so as a result of being a victim of domestic or sexual violence or a family member of victim of domestic or sexual violence x \$578 for OA's portion of state's health insurance coverage	\$41,483	\$207,415	\$414,831	\$1,037,076

Oversight notes several agencies and political subdivisions noted that the proposal could increase their costs of continued health insurance coverage. OA noted that they do not know how many of the 7,177 state employees were on leave without pay status for FY 2018 related to domestic or sexual violence. Oversight has put forth various possible percentages of those 7,177 (1%, 5%, 10% and 25%) and the cost to the state of the two-week employer health insurance (\$578). Due to the uncertainty of how many persons would be victims and not have annual leave and/or sick leave available, Oversight will reflect an unknown impact to the state and political subdivisions.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
GENERAL REVENUE FUND			
<u>Cost - OA</u>			
Increase Health Group Insurance	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
VARIOUS STATE FUNDS			
<u>Cost - OA</u>			
Increase Health Group Insurance	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON VARIOUS STATE FUNDS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2020	FY 2021	FY 2022
(continued)	(10 Mo.)		

FEDERAL FUNDS

<u>Cost - OA</u>			
Increase Health Group Insurance	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2020	FY 2021	FY 2022
	(10 Mo.)		

LOCAL POLITICAL SUBDIVISIONS

<u>Cost - Increase Health Group Insurance</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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FISCAL IMPACT - Small Business

There could be potential fiscal impact to small businesses as a result of this proposal.

FISCAL DESCRIPTION

Under this act, any person employed by a public or private employer with at least 15 employees is entitled to unpaid leave if the person, or a family or household member, is a victim of domestic or sexual violence. Permissible reasons for taking leave include seeking medical attention, recovering from injury, obtaining victim services, obtaining counseling, participating in safety planning, and seeking legal assistance.

Such leave shall be limited to 2 weeks of leave per year if the employer employs at least 50 employees and 1 week per year if the employer employs at least 15 but not more than 49 employees.

FISCAL DESCRIPTION (continued)

Employees are required to give 48 hours notice of the intent to take leave and may be required to provide certification to the employer that the leave is necessary.

On return from leave, employees shall be restored to the same or equivalent employment position and shall not lose accrued benefits. Employers are required to maintain health coverage for the employee while on leave but the premium may be recovered if the employee does not return.

Employers are required to post and keep posted a notice summarizing the requirements of this act, which shall be prepared by the Director of the Department of Labor and Industrial Relations.

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

Office of Administration
Department of Natural Resources
Department of Corrections
Department of Insurance, Financial Institutions and Professional Registration
Joint Committee on Administrative Rules
Office of Prosecution Services
Department of Labor and Industrial Relations
State Auditor's Office
Office of the State Treasurer
Department of Public Safety-Missouri Veterans Commission
Department of Mental Health
Missouri Tax Commission
Office of Administration-Administrative Hearing Commission
Missouri Senate
Department of Public Safety-Gaming Commission
Missouri State Employees' Retirement System
Legislative Research
MoDOT and Patrol Employees Retirement System
Department of Agriculture
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Department of Elementary and Secondary Education
Office of State Courts Administrator

SOURCES OF INFORMATION (continued)

Department of Public Safety-State Emergency Management Agency
Missouri Lottery Commission
Department of Public Safety-Fire Safety
Department of Economic Development
Department of Public Safety-Alcohol and Tobacco Control
Department of Transportation
Department of Health and Senior Services
Office of the State Public Defender
Department of Public Safety-Capitol Police
Office of the Governor
Department of Public Safety-Missouri National Guard
Department of Social Services
Missouri House of Representatives
Department of Public Safety-Missouri State Highway Patrol
Joint Committee on Public Employees' Retirement System
Department of Revenue
Missouri Ethics Commission
Office of the Secretary of State
Department of Higher Education
Department of Public Safety-Office of the Director
Office of Administration-Budget and Planning
City of Kansas City
City of Columbia
State Technical College of Missouri
University of Missouri
Wellsville-Middletown R-1



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March 6, 2019

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March 6, 2019