

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3389-01  
Bill No.: SB 752  
Subject: Workers' Compensation  
Type: Original  
Date: December 30, 2019

---

Bill Summary: This proposal modifies provisions relating to workers' compensation judges.

**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
<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 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
<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>			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
<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>			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
<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)** and the **State Auditor's Office** both assume the proposal will have no fiscal impact on their respective organizations.

**Oversight** notes that the Department of Labor and Industrial Relations and State Auditor's Office have stated the proposal would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary; therefore, will reflect no fiscal impact to these agencies.

**Oversight** notes with parts of §287.615 being repealed and changed, this potentially allows for salary adjustments for:

- the Chief Legal Counsel of the Workers' Compensation Division;
- Administrative Law Judges (ALJ); and
- Administrative Law Judges In Charge

Currently, according to §287.615, these positions' salaries are tied to the salaries of the Judicial Branch's Associate Circuit Judges' salaries (which is \$141,640 in FY 2020).

- the Chief Legal Counsel of the Workers' Compensation Division - to be compensated at \$2,000 above 80% of the rate at which an associate circuit judge is compensated. Therefore, according to statutes, this position should pay \$115,312 ( $(\$141,640 \times 80\%) + \$2,000$ ). However, the position is currently paid \$111,121;
- Administrative Law Judges - to be compensated at 90% of the rate of an associate circuit judge. Therefore, according to statutes, these positions (currently 24 positions) should pay \$127,476 ( $\$141,640 \times 90\%$ ). However ALJs are currently paid \$122,761; and
- Chief Administrative Law Judges - to be compensated at the rate of an ALJ plus \$5,000. Therefore, these positions (currently 4) should pay \$127,761 ( $\$122,761 + \$5,000$ ). The Chief ALJs are currently paid \$127,761.

Changes to §287.615 remove the ties between DOLIR's ALJs salaries to salaries of associate circuit judges, and instead states they are simply subject to appropriation. This in turn, could result in a future increase in salaries paid (if DOLIR decouples from associate circuit judge salaries to pay their ALJs more) or it could result in a savings to the state if DOLIR doesn't allow a future pay increase to their ALJs that associate circuit judges are given.

ASSUMPTION (continued)

Section 287.610.1 allows DOLIR to appoint a maximum of forty Administrative Law Judges. DOLIR states the current number of ALJs is limited to 28 by appropriation. Oversight assumes the changes to §287.615 may impact the state, but Oversight considers any change to ALJs salaries would be an indirect impact. Therefore, Oversight will reflect no direct fiscal impact on the fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<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

The proposed legislation appears to have no direct fiscal impact.

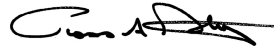
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Labor and Industrial Relations  
State Auditor's Office



Julie Morff  
Director  
December 30, 2019



Ross Strobe  
Assistant Director  
December 30, 2019