

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0581S.05I
Bill No.: SB 16
Subject: Employees-Employers
Type: Original
Date: January 6, 2021

Bill Summary: Creates new provisions establishing leave from employment for victims of certain crimes.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue Fund	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Various 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 2022	FY 2023	FY 2024
Various 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 2022	FY 2023	FY 2024
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 2022	FY 2023	FY 2024
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration (OA)** assume that 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 FY20, there were approximately 9,011 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 \$536 per employee. If 9,011 state employees utilized 2 weeks of leave without pay due to a domestic or sexual violence incident, the total cost would be \$4.8 million. It is highly unlikely that the minimum or the maximum amounts will occur.

In short, the proposal would cost the state \$536 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%.

Officials from **Department of Public Safety – Missouri Veterans Commission (DPS-MVC)** assume the proposal is not much different than other medical leave bills and will range from “No Impact” up to possibly as much as \$100K annually. It is event driven and impossible to calculate.

Officials from **Department of Elementary and Secondary Education (DESE)** assume the proposal would have a negative fiscal impact; however, that impact is unknown at this time. The department has no way to predict how many employers would fall under the criteria described in the bill.

Officials from the **City of Kansas City** assume the proposal may have a negative fiscal impact on Kansas City due to overtime costs if the employee taking unpaid leave is working in a job class that has minimum staffing.

ASSUMPTION (continued)

Such minimum staffing requirement would mean that the absent employee's job duties would have to be covered by another employee on overtime.

Officials from the **City of Hale** assume the proposal would have negative fiscal impact on their organization.

Officials from the **Missouri State University** assume the proposal will have a negative fiscal impact of less than \$100,000 in time invested by existing employees to implement the legal changes.

Officials from the **Northwest Missouri University** assume the proposal would cost the University approximately \$55,000.00 per year.

Officials from the **State Technical College of Missouri** assume the proposal could have a slight negative fiscal impact, but no amount could be estimated.

Officials from the **University of Central Missouri** assume the proposal would have a minimal fiscal impact anticipated of an indeterminate amount for our organization.

Oversight notes that the above state government agencies, colleges, universities, and local political subdivisions have stated the proposal may, depending upon circumstance, have a negative fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will note a potential (Unknown) cost to the General Revenue, Various State Funds, and Various Federal Funds on the fiscal note.

Officials from **Office of the Secretary of State (SOS)** assume 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 \$5,000. 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.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Office of Administration – Budget Office, Department of Natural Resources, Department of Corrections, and Department of Revenue** each defer to Office of Administration for fiscal estimate of this proposal

Officials from the **Attorney General’s Office, Office of Administration - Administrative Hearing Commission, Department of Commerce and Insurance, Department of Higher Education and Workforce Development, Department of Health and Senior Services, Department of Mental Health, Department of Public Safety – Alcohol & Tobacco Control, Capital Police, Fire Safety, Director’s Office, National Guard, Highway Patrol, Department of Social Services, Missouri Department of Agriculture, Missouri Department of Conservation, Missouri Department of Transportation, MoDOT & Patrol Employees’ Retirement System, Petroleum Storage Tank Insurance Fund, Office of the State Public Defender, Office of the Governor, Office of the State Treasurer, Office of the State Auditor, Missouri House Of Representatives, Joint Committee on Administrative Rules, Joint Committee on Public Employee Retirement, Legislative Research, Oversight Division, Missouri Senate, Missouri Lottery, Missouri Consolidated Health Care Plan, Missouri Higher Education Loan Authority, Missouri State Employee’s Retirement System, Office of the State Courts Administrator, City of Corder, City of Saint Louis – Budget Division, State Technical College of Missouri, and the University of Missouri** each assume the proposal would have no fiscal impact on their respective organizations.

Oversight only reflects the responses that we have received from state agencies, colleges, universities and political subdivisions; however, other state agencies, colleges, universities, school districts, cities, and counties were requested to respond to this proposed legislation but did not. A listing of organizations in our data base is available upon request.

<u>FISCAL IMPACT –</u> <u>State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE FUND			
Cost - to implement unpaid leave for employees that are impacted by domestic violence	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
OTHER STATE FUNDS			
Cost - to implement unpaid leave for employees that are impacted by domestic violence	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON OTHER STATE FUNDS	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
FEDERAL FUNDS			
Cost - to implement unpaid leave for employees that are impacted by domestic violence	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECTS ON FEDERAL FUNDS	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost - to implement unpaid leave for employees that are impacted by domestic violence</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>

FISCAL IMPACT – Small Business

Small businesses (20-49 employees) that implement this program (one workweek of leave for impacted employees) could be impacted by continuing to pay employment benefits.

FISCAL DESCRIPTION

Under this act, any person employed by a public or private employer with at least 20 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 20 but not more than 49 employees.

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.

FISCAL DESCRIPTION (continued)

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 - Administrative Hearing Commission

Department of Commerce and Insurance

Department of Higher Education and Workforce Development

Department of Health and Senior Services

Department of Mental Health

Department of Public Safety

- Alcohol & Tobacco Control
- Capital Police, Fire Safety
- Director's Office
- National Guard Office
- Highway Patrol
- Missouri Veterans Commission

Department of Social Services

Missouri Department of Agriculture

Missouri Department of Conservation

Missouri Department of Transportation

MoDOT & Patrol Employees' Retirement System

Petroleum Storage Tank Insurance Fund

Office of the State Public Defender

Office of the Governor

Office of the State Treasurer

Office of the State Auditor

Missouri House of Representatives

Joint Committee on Administrative Rules

Joint Committee on Public Employee Retirement

Legislative Research

Missouri Oversight

Missouri Senate, Missouri Lottery

Missouri Consolidated Health Care Plan

Missouri Higher Education Loan Authority

Missouri State Employee's Retirement System

Office of the State Courts Administrator

Office of Administration – Budget Office

Department of Natural Resources

Department of Corrections

Department of Revenue

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SOURCES OF INFORMATION (continued)

Department of Elementary and Secondary Education

Office of Administration

Office of the Secretary of State

City of Hale

City of Ballwin

City of Kansas City

City of Corder

City of Saint Louis – Budget Division

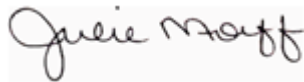
Missouri State University

University Of Missouri

Northwest Missouri State University

State Technical College of Missouri

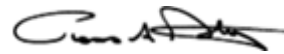
University Of Central Missouri



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January 6, 2021



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