

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2756S.01I
Bill No.: SB 582
Subject: Disabilities; Elementary and Secondary Education, Department of; Employees -
Employers
Type: Original
Date: March 23, 2021

Bill Summary: This proposal modifies provisions relating to wages paid by sheltered workshops.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

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 \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education** assume the proposal will have no fiscal impact on their organization.

Upon further inquiry, **DESE** stated the state aid distributed to shelter workshops is not based on the wages paid to disabled workers. Therefore, this proposal does not change the state distribution to sheltered workshops. Oversight notes DESE has paid an average of \$23,954,571 (General Revenue) per year for Sheltered Workshops

Oversight assumes the sheltered workshops determine the wages paid to disabled workers. This proposal could change the amount paid to disabled persons working in sheltered workshops if the calculation of commensurate wage is different than current practice. Oversight notes per section 178.900, RSMo, sheltered workshops are operated by not-for-profit corporations. Therefore, Oversight will show a potential impact to small businesses.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

Oversight assumes this proposal could change the amount paid to disabled persons working in sheltered workshops if the calculation of commensurate wage is different than current practice.

FISCAL DESCRIPTION

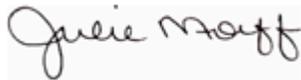
In order to prevent the curtailment of employment opportunities for disabled persons working at sheltered workshops, the Department of Elementary and Secondary Education shall permit sheltered workshops to pay such disabled persons commensurate wages, defined as wages based on the disabled person's productivity in proportion to the productivity of an experienced non-

disabled person in a similar job and that may be lower than the state minimum wage. The sheltered workshop shall provide written assurance to the Department that such wages shall be reviewed and adjusted periodically and no sheltered workshop shall be permitted to reduce the agreed-upon wage rate for a period of two years after approval without prior authorization from the Department.

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 Elementary and Secondary Education



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Director
March 23, 2021



Ross Strobe
Assistant Director
March 23, 2021