

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2455-01
BILL NO.: SB 571
SUBJECT: Unemployment Benefits
TYPE: Original
DATE: January 10, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Labor and Industrial Relations (DOLIR)** assume the proposal would require misconduct to be found when an individual is discharged or suspended for testing positive for a controlled substance providing the nature of the individual's work involves heavy equipment or could place the safety of others at risk. DOLIR officials note that generally the department currently finds misconduct when an individual is discharged or suspended for failing a drug test when the policy to test is part of a collective bargaining or hiring agreement, and the individual has prior knowledge of such an agreement; or, in the case of a random drug test, there is reasonable suspicion that the person is under the influence on the job; or, there is conduct that shows impairment to the extent that it impacts on the workplace; or, the individual is in a safety-sensitive job. These factors are providing the testing procedures are reliable, and the employer has documentation to support this. Claims under the current guidelines cannot be identified, and the claims that could be affected under the new proposal cannot be predicted. Although the proposal may increase the denial of benefits, officials note that it is not possible to estimate the amount of potential savings to the unemployment compensation trust fund. However, they expect the amount would be minimal.

Officials of the **Department of Economic Development - Division of Workforce Development** assume the proposal would have no fiscal impact on their agency.

Officials of the **Department of Public Safety - Director's Office** assume the proposal could indirectly impact the department if an employee applied for unemployment compensation. They note that the Office of Administration handles all such claims for the department, with the cost charged to OA. The **Divisions of Highway Safety and Fire Safety** and the **Capitol Police** assume they would incur no fiscal impact from the proposal.

The **Office of Administration** did not respond to a request for fiscal impact prior to issuance of this fiscal note.

Oversight assumes that there would not be a significant impact on claims filed against the state or local governments as a result of the proposal, and therefore no fiscal impact is reflected.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	\$0	\$0	\$0

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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	\$0	\$0	\$0

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

The proposal would require misconduct to be found when a claimant for unemployment benefits is discharged or suspended for testing positive for a controlled substance providing the nature of the individual's work involves heavy equipment or could place the safety of others at risk.

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 Economic Development - Division of Workforce Development
Department of Public Safety

NOT RESPONDING: Office of Administration



Jeanne Jarrett, CPA
Director
January 10, 2000