

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4657-01
BILL NO.: SB 1075
SUBJECT: Employment Security
TYPE: Original
DATE: March 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 **Office of Administration - Division of Personnel** assume the denial of unemployment benefits should not result in fiscal impact. They note they do not have the data to evaluate the potential increase or decrease in state funds.

Officials of the **Department of Labor and Industrial Relations - Division of Employment Security (DES)** assume that the proposal is intended to apply to a claimant who was separated from the same employer with whom the offense occurred which led to the claimant's name being added to a disqualification list. Otherwise, this would predicate the claimant's eligibility for benefits solely on their name being on the "employee disqualification list" maintained by an agency for an act of misconduct, which may have occurred years ago with another employer. This would not appear to be an approved condition under the Federal withdrawal standards for unemployment compensation, since this is not a factor related to the individual's unemployment. The result could be the loss of FUTA credits for Missouri employers and the loss of Federal grants for the Division's administrative fund.

However, currently if an individual is found by the deputy to be discharged or suspended for misconduct connected with the work, the individual is denied with the appropriate separation penalty. The proposal continues to allow the deputy to find misconduct for actions causing their name to be on the list. If DES's assumption is correct, and if the individual was separated from the same employer with whom the offense occurred, then it would appear no change or impact to the current unemployment compensation program would occur. If the assumption is not correct, then the impact would be unknown but possibly substantial.

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

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

FISCAL IMPACT - Small Business

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

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DESCRIPTION

This proposal denies unemployment benefits to a person who is listed on an employee disqualification list by an administrative agency.

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 - Division of Personnel
Department of Labor and Industrial Relations - Division of Employment Security



Jeanne Jarrett, CPA
Director
March 10, 2000