

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2776-01
Bill No.: SB 799
Subject: Departments of Agriculture, Revenue and Economic Development; Merit System
Type: Original
Date: January 9, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(\$205,692)	(\$166,186)	(\$170,361)
Total Estimated Net Effect on <u>All</u> State Funds	(\$205,692)	(\$166,186)	(\$170,361)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
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 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Agriculture** and **Department of Labor and Industrial Relations** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Department of Revenue** note the proposed legislation would require procedural changes; however, such changes could be handled with existing resources.

Officials from the **Department of Economic Development** (DED) assume the department would need one (1) Personnel Clerk (requested salary \$26,460 – Range 15, Step O) to implement the Office of Administration Merit Guidelines for all of the Divisions in Economic Development that are not currently under the merit system. Since the DED already follows Office of Administration guidelines for classification pay time and leave, this would not require additional expense. However, the Economic Development selection process would have to be modified. The Personnel Clerk would have to request certificates and wait for applications to be evaluated and scored when trying to fill positions. The Personnel Clerk would also require general office expense and equipment.

Officials from the **Office of Administration - Division of Personnel** (COA) note that as of December 2000 the Departments of Agriculture, Revenue, and the non-merit portion of Economic Development employed approximately 4,000 people. This would be a workload increase at the Division of Personnel of 9%. (Approximately 39,000 employees are in current merit agencies.) Using these numbers, COA officials anticipate an increase in total number of job applications submitted, job opportunity announcements issued, recruitment activities initiated, data entry and correspondence generated, and pay/personnel transactions processed and audited. Officials believe it will take two (2) Personnel Analyst IIs and two (2) Clerk Typists IIs to perform these duties.

Officials also anticipate one (1) Personnel Analyst II will be needed to develop, revise, monitor, and maintain selection procedures, testing devices, etc. and to provide consultation to the departments. In addition, officials anticipate the need for four (4) Clerk Typist IIs to perform personnel/pay transaction auditing and processing. These clerks would also be needed to maintain and process registers and requests for certificates of potential employees. Therefore, as a result of this proposal, the COA, in total, has requested three (3) Personnel Analyst IIs and six (6) Clerk Typist IIs.

COA notes that while the proposal will result in a cost to their agency, they anticipate that there will be a savings generated by the Departments of Agriculture, Revenue, and Economic Development. COA states that they are unable to estimate the amount of savings and assume that the referenced agencies will report such information.

ASSUMPTION (continued)

Oversight assumes that since the COA would be processing applications, issuing job announcements, performing recruitment activities, data entry, correspondence and other personnel related activities, the DOR and the DED would need fewer FTEs. As a result, Oversight has estimated a savings related to the reduction of three (3) FTEs (one Personnel Analyst II and two Clerk Typist IIs) for the DOR and one (1) FTE (Personnel Clerk) for the DED. **Oversight** assumes no savings to the AGR since their personnel department consists of only three FTEs – one human resources manager, one analyst, and one clerk.

Oversight notes that DED and COA’s salaries were requested to reflect salaries more closely in line with the State’s hiring practices.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE			
<u>Savings</u> - Department of Economic Development			
Personal Service (1 FTE)	\$19,526	\$24,017	\$24,618
Fringe Benefits	\$7,049	\$8,670	\$8,887
Expense and Equipment	<u>\$250</u>	<u>\$309</u>	<u>\$318</u>
Total <u>Savings</u> - Department of Economic Development	\$26,825	\$32,996	\$33,823
<u>Savings</u> - Department of Revenue			
Personal Service (3 FTEs)	\$58,312	\$71,724	\$73,517
Fringe Benefits	\$20,998	\$25,828	\$26,473
Expense and Equipment	<u>\$750</u>	<u>\$927</u>	<u>\$955</u>
Total <u>Savings</u> - Department of Revenue	\$80,060	\$98,479	\$100,945
<u>Cost</u> - Office of Administration			
Personal Service (9 FTEs)	(\$174,937)	(\$215,172)	(\$220,552)
Fringe Benefits	(\$62,995)	(\$77,483)	(\$79,421)
Expense and Equipment	<u>(\$74,645)</u>	<u>(\$5,006)</u>	<u>(\$5,156)</u>
Total <u>Cost</u> - Office of Administration	(\$312,577)	(\$297,661)	(\$305,129)
Estimated Net Effect on GENERAL REVENUE FUND	<u>(\$205,692)</u>	<u>(\$166,186)</u>	<u>(\$170,361)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<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.

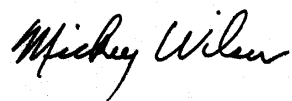
DESCRIPTION

This proposal adds the Department of Agriculture, Department of Revenue and the Department of Economic Development to the merit system.

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 Agriculture
Department of Economic Development
Department of Labor and Industrial Relations
Department of Revenue
Office of Administration - Division of Personnel



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