

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3895-02
Bill No.: Perfected SB 1005
Subject: Alcohol; Drugs; Employees - Employers; Employment Security
Type: Original
Date: April 10, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All State Funds</u>	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Unemployment Compensation Trust Fund	Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>All Federal Funds</u>	Unknown	Unknown	Unknown

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 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Division of Personnel, Department of Transportation, Department of Conservation, Department of Economic Development - Division of Workforce Development,** and the **Office of the State Courts Administrator** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Department of Labor and Industrial Relations (DOL)** assume the proposal could decrease the amount of benefits paid under the suspension and discharge provisions for failing to pass a drug test. DOL notes that (1) reasonable suspicion in the case of a random test, (2) conduct showing impairment to the extent that it has an impact on the work place, or (3) the individual is in a safety sensitive position, would no longer be required for misconduct to apply. Based on the calendar year 2000, DOL approximates 32 claims could have been affected if the proposal had been enacted, resulting in an estimated savings of \$79,000 to the Unemployment Compensation Trust Fund (UCTF). DOL notes the Division of Employment Security is not able to identify other claims under the suspension and work search provisions that could have been affected. DOL assumes the impact to the UCTF cannot be predicted and is, therefore, unknown.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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UNEMPLOYMENT COMPENSATION TRUST FUND	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

This proposal may save small business employers from making unemployment payments to employees dismissed for misconduct related to drugs and/or alcohol.

DESCRIPTION

KLR:LR:OD (12/01)

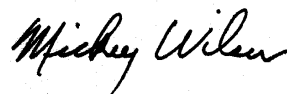
This proposal deems a positive test result for controlled substances or for blood alcohol content of eight-hundredths of 1 percent or more as misconduct connected with work. Claimants suspended or terminated for a positive test result are ineligible for benefits. Such claimants may become eligible if they participate in a state approved drug or alcohol treatment program. Suspensions of four weeks or more shall be treated as a discharge.

Employers suspending or terminating employees pursuant to this proposal must publicly post a controlled substance and alcohol workplace policy which warns that a positive test result will be deemed misconduct and may result in suspension, drug treatment intervention, or termination.

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 Transportation
Department of Conservation
Office of the State Courts Administrator
Department of Economic Development - Division of Workforce Development
Office of Administration - Division of Personnel



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Acting Director

April 11, 2002