

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0852-01  
Bill No.: HB 348  
Subject: Boards, Commissions, Committees, Councils; Salaries; Department of Labor and Industrial Relations  
Type: Original  
Date: February 17, 2015

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Bill Summary: This proposal requires the Department of Labor and Industrial Relations to establish the Equal Pay Commission.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(Less than \$100,000)	(Less than \$100,000)	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Less than \$100,000)</b>	<b>(Less than \$100,000)</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Labor and Industrial Relations (DOLIR)** assume this legislation will require the Department Director to appoint a commission of fifteen members as indicated in Section 290.165.2. Section 290.165.3 will require the commission to make a full and complete study of the extent of wage disparities in both the public and private sections between men and women and between minorities and non-minorities. Sections 290.165.4 and 5 requires the report of the study and recommendations to eliminate and prevent disparities to be distributed to The Director of the Department of Labor and Industrial Relations, the President Pro Tem of the Senate, the Speaker of the House of Representatives and the Governor within one year of the committee members being appointed.

There is no identified funding source for the Commission and since the purpose of the Commission does not coincide with any current duties of the Department of Labor and Industrial Relations, DOLIR assumes that the funding source is General Revenue.

The legislation does not indicate that this is an on-going Commission, that its activities would be supported by the Department of Labor and Industrial Relations or that the study is to be repeated; therefore, it is assumed that it only occurs once. If the funding is to be provided through DOLIR appropriations there will be a fiscal impact to DOLIR as detailed below:

- One-time appointment of individuals and one-time study with recommendations.
- General Revenue funding to complete the study using existing Department Research and Analysis staff who currently work on specific federal grant programs.

DOLIR notes cost estimates are based on the Department's OSHA Data Collection Grant, which cost \$43,931.63 in Federal Fiscal Year 2012 to complete a survey and prepare a report.

DOLIR also notes per diem for the Commission members are not included in the calculation of the fiscal impact, since reimbursement of costs incurred by the Commission is not specifically authorized by the legislation.

Officials from the **Missouri House of Representatives**, the **Missouri Senate** and the **Office of the Secretary of State** each assume the proposal will have no fiscal impact on their respective organizations.

ASSUMPTION (continued)

Officials from the **Attorney General's Office** assume any potential cost arising from this proposal can be absorbed with existing resources.

**Oversight** will assume a cost of less than \$100,000 to the General Revenue Fund to establish the Equal Pay Commission. Oversight assumes this is a one time appointment and a one time study that will be completed in FY 2017, therefore, Oversight will only show cost to the General Revenue Fund in FY 2016 and FY 2017.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>GENERAL REVENUE</b>			
Cost - DOLIR Establishing the Equal Pay Commission	(Less than <u>\$100,000</u> )	(Less than <u>\$100,000</u> )	<u>\$0</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b>(Less than <u>\$100,000</u>)</b>	<b>(Less than <u>\$100,000</u>)</b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<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.

FISCAL DESCRIPTION

This bill requires, by January 1, 2016, the Director of the Department of Labor and Industrial Relations to establish the Equal Pay Commission. The commission will consist of 15 members appointed by the department director from specified areas of business, experience, and expertise including two members of the Senate appointed by the President Pro Tem and two members of the House of Representatives appointed by the Speaker. The commission must make a full and complete study of:

FISCAL DESCRIPTION (continued)

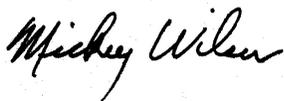
- (1) The extent of wage disparities, in both the public and private sectors, between men and women, and between minorities and nonminorities;
- (2) The factors that cause or tend to cause the disparities; (3) The consequences of the disparities on the economy and affected families; and
- (4) The actions, including proposed legislation, that are likely to lead to the elimination and prevention of the disparities.

The commission must make a report to the department director, President Pro Tem of the Senate, Speaker of the House of Representatives, and Governor within 12 months after the members are appointed. The report must include the results of the study as well as recommendations, legislative and otherwise, for the elimination and prevention of the disparities.

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  
Attorney General's Office  
Missouri Senate  
Missouri House of Representatives  
Office of the Secretary of State



Mickey Wilson, CPA  
Director  
February 17, 2015

Ross Strobe  
Assistant Director  
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