

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0350-01
Bill No.: HB 175
Subject: Education; Elementary and Secondary; Employees- Employers
Type: Original
Date: January 21, 2015

Bill Summary: This proposal establishes the Family Education Leave Act.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Other	(Unknown)	(Unknown)	(Unknown)
Colleges and Universities	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on Other State Funds	(Unknown)	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

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

* Net of additional costs and additional revenues.

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

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Secretary of State**, the **Department of Transportation**, the **Office of Administration - Accounting and Information Technology Services Division**, the **Department of Health and Senior Services**, the **Department of Revenue**, the **Department of Social Services**, the **Department of Elementary and Secondary Education**, and the **Department of Labor and Industrial Relations** each assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **Joint Committee on Administrative Rules** state this legislation is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Department of Corrections (DOC)** assume the proposal would likely result in additional overtime cost but because the number of employees with school-aged children and the number of events that would be attended is unknown, the number of overtime hours can not be calculated.

Officials from the **Department of Mental Health (DMH)** assume the proposal would allow parents to take eight (8) hours (not to exceed longer than 3 hour increments) of unpaid leave in a school year to attend an academic activity for each of their minor children. It is also assumed an employer may deny the use of leave only if granting the leave would disrupt or cause unusual difficulty in the business, or endanger the public safety or welfare.

DMH officials assume the proposal would likely result in additional overtime cost but because the number of employees with school-aged children and the number of events that would be attended is unknown, the number of overtime hours can not be calculated.

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** do not anticipate any significant impact from this proposal; however, BAP officials noted there could be an impact for other state departments, particularly those who administer 24/7 institutions and to local governments.

Officials from the **Office of Administration - Division of Personnel (OA)** noted the proposed legislation would provide specific authorization for an employee to take up to eight hours of unpaid leave in an academic year to attend academic activities of their minor children, unless taking such leave would disrupt or cause unusual difficulty in the employer's business or endanger the public safety or welfare.

ASSUMPTION (continued)

OA officials also noted appointing authorities currently have the discretion to approve unpaid leave for employees; therefore, this proposal would provide a benefit that may already be available to State employees. This legislation would, however, require appointing authorities to grant such leave to eligible State employees except for the situations noted above.

OA officials assume this proposal would have some impact on the Personnel Advisory Board and the Division of Personnel. OA officials stated administrative rules regarding state employee leave would need to be updated to incorporate this type of absence, and OA would have to ensure agencies were made aware of this legislation.

OA officials assume if the proposed legislation were to pass, it could affect the scheduling of normal work activities and provide an additional timekeeping duty. Additional time off for state employees could result in a loss of productivity and/or cost in overtime to current employees who would be needed to cover job duties or shifts.

Officials from the **City of Kansas City** assume there would be no loss to the city since their organization already has a more expansive education leave program.

In response to a similar version (HB 2026) from 2014, officials from **Missouri State University** assumed there would be some administrative cost to their organization and some losses due to lost productivity of employees taking such leave.

In response to a similar version (HB 2026) from 2014, officials from the **University of Missouri** assumed there would be some cost to their organization from lost work time although the University provides paid personal days and vacation that employees could use for their dependents' educational requirements.

Oversight assumes this proposal would result in some level of additional cost to the state government and to local governments since certain government operations and functions are required to be staffed full time regardless of the availability of individual employees. Unless there is additional staff available on a rotation basis to replace an employee who is on leave, overtime payments are likely to be required to cover the position during the employee's leave.

Oversight has no information to support an estimate of such overtime cost and will include an unknown cost to the General Revenue Fund, other state funds, colleges and universities, and local governments for this proposal.

ASSUMPTION (continued)

Oversight will indicate an unknown additional cost for overtime payments from federal funds but assumes there would be no net cost to the state for those overtime payments since such additional costs would be offset by additional federal funds earned.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
GENERAL REVENUE FUND			
<u>Cost - state agencies</u>			
Overtime			
Section 160.940	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
OTHER STATE FUNDS			
<u>Cost - state agencies</u>			
Overtime			
Section 160.940	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATE NET EFFECT ON OTHER STATE FUNDS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
COLLEGES AND UNIVERSITIES			
<u>Cost - Colleges and Universities</u>			
Overtime			
Section 160.940	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON COLLEGES AND UNIVERSITIES	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

<u>FISCAL IMPACT - State Government</u> (Continued)	FY 2015 (10 Mo.)	FY 2016	FY 2017
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OTHER FEDERAL FUNDS

<u>Additional revenue</u> - state agencies Overtime Section 160.940	Unknown	Unknown	Unknown
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<u>Cost</u> - state agencies Overtime Section 160.940	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATE NET EFFECT ON OTHER FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
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LOCAL GOVERNMENTS

<u>Cost</u> - local governments Overtime Section 160.940	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATE NET EFFECT ON LOCAL GOVERNMENTS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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FISCAL IMPACT - Small Business

This proposal could have a direct fiscal impact to small businesses which would need to provide a substitute for an employee who is on leave.

FISCAL DESCRIPTION

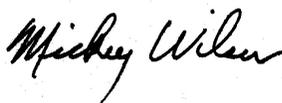
This proposal would provide specific authorization for an employee to take up to eight hours of unpaid leave in an academic year to attend academic activities of their minor children, unless taking such leave would disrupt or cause unusual difficulty in the employer's business or endanger the public safety or welfare.

FISCAL DESCRIPTION (continued)

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 the Secretary of State
Joint Committee on Administrative Rules
Office of Administration
 Division of Budget and Planning
 Division of Personnel
Department of Corrections
Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Mental Health
Department of Revenue
Department of Social Services
Department of Transportation
Department of Labor and Industrial Relations



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