

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0211-04  
Bill No.: SCS for SB 2  
Subject: Alcohol; Drugs and Controlled Substances; Employees - Employers; Employment Security; Labor and Industrial Relations Dept.; Labor and Management  
Type: Original  
Date: March 7, 2003

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
Unemployment Compensation Trust Fund*	Unknown	Unknown	Unknown
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>Unknown</b>	<b>Unknown</b>	<b>Unknown</b>

\* Could exceed \$100,000 in any given year.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2004</b>	<b>FY 2005</b>	<b>FY 2006</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### FISCAL ANALYSIS

#### ASSUMPTION

Officials from the **Office of Administration** did not respond to our fiscal impact request. However, in response to a similar proposal from the current session, officials assumed the proposal would have no fiscal impact on their agency.

Officials from the **Department of Transportation, Department of Conservation, Department of Economic Development – Division of Workforce Development** and the **Office of the State Courts Administrator** assume the proposal 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 2001, DOL approximates 43 claims could have been affected if the proposal had been enacted, resulting in an estimated savings of \$121,000 to the Unemployment

Compensation Trust Fund (UCTF). DOL notes the Division of Employment Security is not able  
ASSUMPTION (continued)

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 2004 (10 Mo.)	FY 2005	FY 2006
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**FEDERAL FUNDS**

**UNEMPLOYMENT COMPENSATION  
 TRUST FUND**

<u>Savings –Division of Employment Security</u> Potential decrease in benefits paid	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
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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

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.

DESCRIPTION (continued)

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 proposal 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 Economic Development – Division of Workforce Development  
Department of Transportation  
Department of Conservation  
Office of the State Courts Administrator

**NOT RESPONDING**  
**Office of Administration**



Mickey Wilson, CPA  
Director

March 7, 2003