

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0361-01
Bill No.: HB 324
Subject: State Employees; Holidays
Type: Original
Date: March 1, 2011

Bill Summary: This proposal specifies that a state employee who works ten hour days and forty hours per week is not required to take two hours of vacation leave for paid holidays.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of Administration's Division of Personnel** assume this bill would potentially have little impact other than probably necessitating a rule change to 1-20-5.020 (7). Provisions for the accurate charging of time in regards to both annual leave and leave without pay currently exist and should be sufficient for the potential impact of this bill.

Officials at the **Alcohol and Tobacco Control, Department of Agriculture, Department of Economic Development, Department of Health and Senior Services, Department of Higher Education, Department of Insurance, Financial Institutions and Professional Registration, Department of Labor and Industrial Relations, Department of Mental Health, Department of Natural Resources, Department of Revenue, Fire Safety, Missouri Department of Transportation, Missouri Gaming Commission, Missouri Veterans Commission, Office of Prosecution Services, Office of the State Auditor, Office of the State Courts Administrator, Office of the State Treasurer, Office of the State Public Defender and the State Emergency Management Agency** assume that there is no fiscal impact from this proposal.

Officials at the **Missouri Department of Conservation** assume MDC has approximately 100 employees who work 10 hour days for the majority of the year. Currently the impact would be less than \$100,000.

Officials at the **Missouri Highway Patrol** assume so few employees would choose the option to have their paycheck voluntarily docked, that it is believed the impact would be minimal and can be absorbed.

Officials at the **Department of Social Services (DOS)** assume DOS's Administrative policy 2-118 (Daily Work Periods/Flexible Work Schedules) states that paid state holidays shall be considered as a period of 8 hours. The policy also states that employees that work a 10-hour day must chose one of the following options regarding their work schedule in which a holiday falls: submit a leave request for 2 hours of annual leave and/or compensatory time; work an additional two hours that week to offset the holiday, with supervisory approval; or revert back to a normal schedule on workweeks including a holiday.

Section 105.935 only applies to staff employed in nonexempt positions providing direct client care or custody in facilities operating on a 24-hour seven day a week basis in the Division of Youth Services (DYS). The 10-hour schedule is used on a limited basis throughout the department and since this legislation only impacts DHS, the impact would be further minimized.

ASSUMPTION (continued)

There is no tracking mechanism in place to report on the number of staff that works a four 10-hour work schedule, so DOS is unable to determine the exact number of employees that might be impacted. Since we allow our 10-hour employees other options regarding their work schedule in which a holiday falls, there is no cost savings to DOS for not requiring an employee to take two hours of vacation leave for paid holidays.

Officials at the **Department of Corrections (DOC)** assume DOC has employees who work four 10-hour shifts per week and they are already allowed to alter their work hours within a holiday work week and/or pay period to accommodate the 2-hour difference between the 8-hour holiday compensation and their 10-hour shift if they choose to not take 2 hours annual (vacation) or compensatory leave for the difference.

If opting to also allow leave without pay (LWOP) is the intent of this bill, and if employees use that option, a savings of DOC Personal Services (PS) funds would occur. DOC is unsure how often employees would actually opt for using LWOP, however, as having their wages reduced would also reduce the accrual of their annual and sick leave balances as well as their total annual wages, therefore impacting calculations of potential retirement and social security benefits that are based on said earnings.

DOC is unsure what impact passage of this bill might have statewide, but OA Personnel will address those issues.

Officials at the **Department of Elementary and Secondary Education** assume they have identified 47 employees in central office (CO) and 94 employees at Vocational Rehabilitation and Disability Determinations (VR/DD) which currently work the 10-hour day. Total for CO is \$3,615.24 and the total for VR is \$44,826.72 per year. This total was calculated using average pay rates and could represent the potential cost of allowing those state employees who work ten-hour days and forty hours per week to forego taking two hours of vacation leave for paid holidays; however, there are unknowns that must be considered: we cannot know when or if we will have to pay out those two hours or at what pay rate the employee will earn if the payout occurs at termination. If an employee terminates without a leave balance, the dollar cost associated with that employee's leave pay out will be zero. Based on these unknowns and estimations, it would appear that the cost of this proposal will be less than \$100,000.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for

ASSUMPTION (continued)

this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Oversight assumes that since most agencies have a policy in place to give the employee options during the holiday weeks this proposal would have little to no impact on state revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<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

The proposed legislation appears to have no fiscal impact.

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

Alcohol and Tobacco Control
Department of Agriculture
Department of Corrections
Department of Economic Development
Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Higher Education
Department of Insurance, Financial Institutions and Professional Registration
Department of Labor and Industrial Relations
Department of Mental Health
Department of Natural Resources
Department of Revenue
Department of Social Services
Fire Safety
Missouri Department of Conservation
Missouri Department of Transportation
Missouri Gaming Commission
Missouri Highway Patrol
Missouri Veterans Commission
office of Administration
Office of Prosecution Services
Office of the Secretary of State
Office of the State Auditor
Office of the State Courts Administrator
Office of the State Public Defender
Office of the State Treasurer
State Emergency Management Agency



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