

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6178-01  
Bill No.: HB 1996  
Subject: Unemployment Compensation; Employees - Employers  
Type: Original  
Date: March 12, 2014

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Bill Summary: This proposal would specify that for purposes of qualifying waiting week credit and unemployment compensation benefits, good cause cannot include voluntarily quitting work to accept a job with equal or lesser wages.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
General Revenue	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 8 pages.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
Conservation Commission	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Road	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Colleges and Universities	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</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 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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 2015	FY 2016	FY 2017
Local Government	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

### FISCAL ANALYSIS

#### ASSUMPTION

Officials from the **City of Kansas City** assume this proposal could result in savings to the City because there would be a higher standard for a former employee to receive unemployment benefits, since good cause would no longer include voluntarily quitting work to accept a job with equal or lesser wages. City officials noted it is difficult to determine how much savings because the amount would be dependent on the decisions of the Employment Security Division's hearing officers, and their acceptance of employees' testimony.

Officials from the **Office of Administration - Division of Personnel**, the **Department of Conservation**, the **Department of Labor and Industrial Relations**, **Linn State Technical College**, **Missouri Western State University**, **Missouri State University**, the **University of Central Missouri**, **St. Louis County**, the **Platte County Board of Elections**, and the **St. Louis County Directors of Elections** assume this proposal would have no fiscal impact on their organization.

Officials from the **University of Missouri** assume this proposal would not have a significant impact on their organization.

Officials from the **Department of Transportation** did not respond to our request for information.

ASSUMPTION (continued)

**Oversight** assumes this proposal could result in savings to employers, and will include savings of \$0 or Unknown to the General Revenue Fund, Conservation Commission Fund, Road Funds, Colleges and Universities, and local governments.

**Oversight** notes this proposal could potentially have an impact on state agencies which are wholly or partially supported with federal funds. If this proposal results in reduced costs for those funds, Oversight assumes that cost would be offset by a reduction in federal funds earned; and will not include the potential savings or reduced funding in this fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
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**GENERAL REVENUE FUND**

Savings - OA

Definition of good cause  
 Section 288.050

<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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**ESTIMATED NET EFFECT TO  
 GENERAL REVENUE FUND**

<u><b>\$0 or Unknown</b></u>	<u><b>\$0 or Unknown</b></u>	<u><b>\$0 or Unknown</b></u>
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**CONSERVATION COMMISSION  
 FUND**

Savings - MDC

Definition of good cause  
 Section 288.050

<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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**ESTIMATED NET EFFECT TO  
 CONSERVATION COMMISSION  
 FUND**

<u><b>\$0 or Unknown</b></u>	<u><b>\$0 or Unknown</b></u>	<u><b>\$0 or Unknown</b></u>
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FISCAL IMPACT - State Government  
(Continued)

**ROAD FUNDS**

Savings - MODOT

Definition of good cause

Section 288.050

\$0 or Unknown   \$0 or Unknown   \$0 or Unknown

**ESTIMATED NET EFFECT TO  
ROAD FUNDS**

**\$0 or Unknown**   **\$0 or Unknown**   **\$0 or Unknown**

**COLLEGES AND UNIVERSITIES**

Savings - OA

Definition of good cause

Section 288.050

\$0 or Unknown   \$0 or Unknown   \$0 or Unknown

**ESTIMATED NET EFFECT TO  
COLLEGES AND UNIVERSITIES**

**\$0 or Unknown**   **\$0 or Unknown**   **\$0 or Unknown**

FISCAL IMPACT - Local Government

FY 2015  
(10 Mo.)

FY 2016

FY 2017

**LOCAL GOVERNMENTS**

Savings - OA

Definition of good cause

Section 288.050

\$0 or Unknown   \$0 or Unknown   \$0 or Unknown

**ESTIMATED NET EFFECT ON  
LOCAL GOVERNMENTS**

**\$0 or Unknown**   **\$0 or Unknown**   **\$0 or Unknown**

FISCAL IMPACT - Small Business

This proposal could reduce unemployment insurance costs for small businesses.

FISCAL DESCRIPTION

This proposal would specify that for purposes of qualifying waiting week credit and unemployment compensation benefits, good cause cannot include voluntarily quitting work to accept a job with equal or lesser wages.

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 Administration  
    Division of Personnel  
Department of Conservation  
Department of Labor and Industrial Relations  
Linn State Technical College  
Missouri Western State University  
Missouri State University  
University of Central Missouri  
University of Missouri  
St. Louis County  
City of Kansas City  
Platte County Board of Elections  
St. Louis County Directors of Elections

**Not responding:**

Department of Transportation



Mickey Wilson, CPA  
Director  
March 12, 2014

Ross Strobe  
Assistant Director  
March 12, 2014

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