

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3481-01  
Bill No.: HB 1424  
Subject: Employees - Employers; Employment Security  
Type: Original  
Date: January 29, 2008

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Bill Summary: This proposal reinstates federal standards for overtime wages.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	\$240,379	\$247,590	\$255,017
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$240,379</b>	<b>\$247,590</b>	<b>\$255,017</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<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 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Federal Funds	\$182,374	\$187,845	\$193,481
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$182,374</b>	<b>\$187,845</b>	<b>\$193,481</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
<b>Local Government</b>	<b>Unknown greater than \$100,000</b>	<b>Unknown greater than \$100,000</b>	<b>Unknown greater than \$100,000</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Office of Administration (OA)** assume this proposal affects all state agencies since it changes overtime provisions of state law. However, the main impact of the proposed legislation is upon the Department of Corrections, the Adjutant General of the Department of Public Safety, and the Missouri State Highway Patrol. Those state agencies employ flexible schedules for overtime calculations under federal law.

The Department of Corrections would have 133 employees affected at an average salary of \$27,628 per annum.

The Adjutant General has 24 employees affected at an average salary of \$35,735.

The OA estimate of General Revenue Fund costs which could be avoided if the proposal was implemented totaled \$240,379 for FY09, \$247,590 for FY10 and \$255,017 for FY11. Costs avoided for Federal Funds were estimated at \$182,374 for FY09, \$187,845 for FY 10, and \$193,481 for FY11. The OA estimate represents the overtime costs if the same number of hours were worked on a forty-hour work week basis as opposed to the current 28-day schedules. Benefits are calculated at 27.05%, instead of 44.22% as the cost estimates affect existing employees and does not require the addition of more employees.

Officials at the **Missouri Highway Patrol** assume that there is no fiscal impact from this proposal.

Officials at the **City of Webb City** assume a significant savings in overtime pay.

Officials at the **City of West Plains** assume a positive impact of \$50,000 per year for the city from passage of this proposal.

Officials at the **City of Kansas City** assume this could have a positive fiscal impact on the City.

Officials at the **City of North Kansas City** assume this proposal would save between \$500,000 and \$700,000 a year in overtime costs for fire and police.

Officials at the **City of Harrisonville** assume this proposal saves \$214,000 a year.

ASSUMPTION (continued)

Officials at the **Department of Revenue, Department of Social Services, Department of Public Safety, Alcohol and Tobacco Control, Division of Fire Safety, Joint Committee on Public Employee Retirement, Truman State University, City of Centralia, Missouri State University, Missouri Veterans Commission, East Central College, Metropolitan Community College, Missouri Consolidated Health Care Plan, Department of Conservation, Office of the Lt. Governor, Office of the State Courts Administrator, Department of Higher Education, State Tax Commission, Office of the State Auditor, Office of the State Treasurer, Department of Elementary and Secondary Education, University of Central Missouri, Department of Economic Development, Department of Health and Senior Services, Department of Insurance, Financial Institutions and Professional Registration, St. Louis County Government, Linn State Technical College, Office of the Attorney General, Missouri Highway Patrol, Department of Labor and Industrial Relations, Department of Mental Health, Budget and Planning, Missouri Department of Transportation, Department of Natural Resources, State Emergency Management Agency, University of Missouri, Administrative Hearing Commission and the Office of the State Public Defender** assume that there is no fiscal impact from this proposal.

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 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.

<u>FISCAL IMPACT - State Government</u>	FY 2009	FY 2010	FY 2011
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**GENERAL REVENUE**

<u>Savings</u> - Overtime costs Department of Corrections	<u>\$240,379</u>	<u>\$247,590</u>	<u>\$255,017</u>
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<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>\$240,379</u></b>	<b><u>\$247,590</u></b>	<b><u>\$255,017</u></b>
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**FEDERAL FUNDS**

<u>Savings</u> - Overtime costs Adjutant General	<u>\$182,374</u>	<u>\$187,845</u>	<u>\$193,481</u>
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<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>	<b><u>\$182,374</u></b>	<b><u>\$187,845</u></b>	<b><u>\$193,481</u></b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2009	FY 2010	FY 2011
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**LOCAL GOVERNMENT FUNDS**

<u>Savings</u> - Overtime costs to local government public safety employees	<u>Unknown greater than \$100,000</u>	<u>Unknown greater than \$100,000</u>	<u>Unknown greater than \$100,000</u>
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<b>ESTIMATED NET EFFECT ON LOCAL GOVERNMENT FUNDS</b>	<b><u>Unknown greater than \$100,000</u></b>	<b><u>Unknown greater than \$100,000</u></b>	<b><u>Unknown greater than \$100,000</u></b>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

### FISCAL DESCRIPTION

This bill re-enacts the federal overtime standards in effect prior to the passage of Proposition B (2006) regarding the minimum wage increase, including the exemptions for firefighters, commissioned employees, and flex-time pay rate employees. The bill contains an emergency clause.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

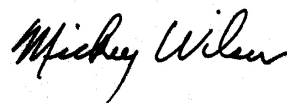
### SOURCES OF INFORMATION

Department of Revenue  
Department of Social Services  
Office of the Adjutant General/MO National Guard  
City of Webb City  
Office of Administration  
Department of Public Safety  
    Division of Fire Safety  
    Alcohol & Tobacco Control  
    State Emergency Management Agency  
City of West Plains  
Joint Committee on Public Employee Retirement  
City of Kansas City  
City of North Kansas City  
Truman State University  
City of Centralia  
Missouri State University  
Missouri Veterans Commission  
East Central College  
Metropolitan Community College  
City of Harrisonville  
Missouri Consolidated Health Care Plan  
Department of Conservation  
Office of the Lt. Governor  
Office of the State Courts Administrator  
Department of Higher Education  
State Tax Commission  
Office of the State Auditor  
Office of the State Treasurer

JH:LR:OD (12/07)

SOURCES OF INFORMATION (continued)

Department of Elementary and Secondary Education  
University of Central Missouri  
Department of Economic Development  
Department of Health and Senior Services  
Department of Insurance, Financial Institutions and Professional Registration  
St. Louis County Government  
Linn State Technical College  
Office of the State Public Defender  
Office of the Attorney General  
Missouri Highway Patrol  
Department of Labor and Industrial Relations  
Department of Mental Health  
University of Missouri  
Office of the Secretary of State  
Budget and Planning  
Missouri Department of Transportation  
Department of Natural Resources  
University of Missouri



Mickey Wilson, CPA  
Director  
January 29, 2008