

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5042-01
Bill No.: HB 1264
Subject: State Employees; Veterans
Type: Original
Date: January 24, 2014

Bill Summary: This proposal changes the laws regarding state employment preference ratings for veterans.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of Administration's Division of Personnel** assume §36.220, RSMo, currently only provides for veterans preference in appointment and examination. The proposed legislation would expand the scope of allowing veterans preference in employment with the State by expanding the number of preference points on employment registers depending upon whether the applicant was a member of the National Guard or Reserves and the number of times the applicant had been deployed. It appears that the proposed legislation also requires that all state agencies, not just those covered under Chapter 36, adopt a veterans preference process and expands the preference to cover re-employment, promotions, reassignments, horizontal transfers and reduction in force situations.

The proposed legislation provides additional consideration to an individual veteran, disabled veteran, spouse of a disabled veteran or surviving spouse in regard to various employment actions within the state, with exceptions noted in §36.220.2(5) of this proposal. While there is a tracking system in place in the Management and Applicant Information Resources System (MAIRS) which calculates the preference points for merit system registers, there is no statewide tracking mechanism in place monitoring preference in other employment decisions. MAIRS would need to be reconfigured so that these preference points can be calculated into an employee's score for promotions and reinstatements. An estimate provided by OA-ITSD revealed that it would take approximately 180 work hours and several IT staff to reconfigure MAIRS at an estimated cost of over \$6,000.

Oversight assumes OA-ITSD is provided with core funding to handle a certain amount of computer programming activity each year. Oversight assumes OA-ITSD could absorb the computer programming costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD could request funding through the appropriation process.

Officials at the **Department of Corrections**, the **Department of Labor and Industrial Relations** and the **Department of Mental Health** each defers to the Office of Administration for fiscal impact.

Officials at the **Department of Agriculture**, the **Department of Conservation**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Health and Senior Services**, the **Department of Higher Education**, the **Department of Insurance**, **Financial Institutions and Professional Registration**, the

ASSUMPTION (continued)

Department of Public Safety's Division of Alcohol and Tobacco Control, the Department of Public Safety's Division of Fire Safety, the Department of Public Safety's Capitol Police, the Department of Natural Resources, the Department of Revenue, the Department of Social Services, the Missouri Highway Patrol, the Missouri National Guard, the Missouri Veterans Commission, the Office of the Secretary of State, the Office of the State Auditor, the Office of the State Public Defender, the Office of State Treasurer and the State Emergency Management Agency each assume there is no fiscal impact to their respective agencies from this proposal.

Officials at the **Missouri Department of Transportation (MoDOT)** assume MoDOT, under §226.080 and Personnel Policy 0517, gives a preference to honorably discharged members of the armed services if "other conditions being equal" (i.e. That the veteran and the competing candidates for the job, promotion, assignment, reduction in force, etc., are equal in qualifications.) This proposed legislation, however, requires a preference be given regardless of equal or better qualifications of others and this preference extends to surviving spouses of disabled veterans, and those killed in action. Regardless of the fact that such preference may ultimately be codified, that veterans/surviving spouses trump all other applicants/employees regardless of superior qualifications may likely result in additional and costly HR litigation. The fiscal impact therefore, is unknown.

Officials at the **Office of Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials at the **Office of State Courts Administrator** would not anticipate a fiscal impact in excess of \$100,000.

Oversight assumes the Office of State Courts Administrator can absorb the cost of this proposal with existing resources. Should the number of additional cases reach the level by which additional resources are necessary they could seeking additional funding through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2015
(10 Mo.)

FY 2016

FY 2017

\$0

\$0

\$0

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 direct fiscal impact.

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

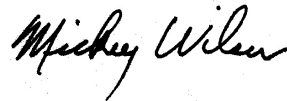
SOURCES OF INFORMATION

Department of Agriculture
Department of Conservation
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 Public Safety
 Capitol Police
 Division of Fire Safety
 Division of Alcohol and Tobacco Control
Department of Revenue
Department of Social Services
Missouri Department of Transportation
Missouri Highway Patrol

JH:LR:OD

SOURCES OF INFORMATION (continued)

Missouri National Guard
Missouri Veterans Commission
Office of Administration
Office of Attorney General
Office of the Secretary of State
Office of the State Auditor
Office of State Courts Administrator
Office of the State Public Defender
Office of State Treasurer
State Emergency Management Agency



Mickey Wilson, CPA
Director
January 24, 2014

Ross Strobe
Assistant Director
January 24, 2014