

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6048-02
Bill No.: HB 1913
Subject: Veterans; Employees - Employers
Type: Original
Date: February 28, 2014

Bill Summary: This proposal requires an employer to permit a veteran receiving medical treatment or care at a veterans' facility or by order of the Veterans Administration to be given leave without pay to receive the treatment or care.

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 8 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 (OA)** assume this proposal would have some impact on the Personnel Advisory Board and the Division of Personnel. Administrative rules regarding state employee leave would need to be updated to incorporate this type of absence as allowed in regard to granting leave without pay or approving the use of other types of leave. OA would have to ensure agencies were made aware of this legislation. Any costs associated with this proposal could be absorbed.

Section 42.028.2 of this proposal states: "The requirement to provide proof of any required medical treatment or care shall not be deemed a violation of the health insurance portability and accountability act"(HIPAA). The Division of Personnel is not sure whether the State would have the authority to preempt federal law on this issue.

It is possible that the provisions of this proposal could generate additional overtime costs to employees who fill in during the absence periods allowed under this proposal.

Officials at the **Department of Elementary and Secondary Education, the Department of Insurance, Financial Institutions and Professional Registration, the Department of Labor and Industrial Relations, the Department of Mental Health, the Department of Social Services and the Office of the Secretary of State** each defers to the Office of Administration for fiscal impact.

Officials at the **City of Kansas City, the Department of Agriculture, the Department of Conservation, the Department of Natural Resources, the 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 Revenue, the Linn State Technical College, the Missouri Gaming Commission, the Missouri Highway Patrol, the Missouri State University, the Northwest Missouri State University, the Office of Administration's Division of Accounting, the Office of the State Auditor, the Office of State Courts Administrator, the Office of the State Public Defender, the Office of State Treasurer, the Special School District, the State Emergency Management Agency, St. Louis County, the University of Central Missouri and the University of Missouri** each assume there is no fiscal impact to their respective organizations from this proposal.

ASSUMPTION (continued)

Officials at the **Missouri Department of Transportation (MoDOT)** assume an unknown impact. This bill would violate several of MoDOT's current leave policies including "Sick Leave" and "Family and Medical Leave" which require employees to first exhaust accrued paid sick leave before taking unpaid extended sick leave or unpaid FMLA leave. There is also no limit on the amount of unpaid leave the veteran may use for this purpose and could reach beyond the 12 months required by FMLA. MoDOT's policies would have to be re-written and there would be logistical issues with the SAM II system as well.

Officials at the **Department of Corrections (DOC)** assume this proposal will have a significant impact on the DOC and may necessitate procedure revisions by removing the discretion to grant or deny leave without pay (LWOP.) The proposed language is sufficiently broad to entitle any veteran, member of the national guard, or reservist who receives documentation from a physician (not necessarily a VA physician) to leave without pay. As written, this would open it up to any veteran undergoing care for any medical reason, not just conditions associated with his/her military duty. Additionally, the employer cannot require these persons to use "more than one-half of any accumulated annual or sick leave before utilizing leave without pay" - this will need to be policed by personnel/HR clerks. Current DOC procedure requires the exhaustion of sick and annual before LWOP could be approved. DOC's Family Medical Leave Act procedure is structured the same way. This proposed legislation, as written, places no time limits on the amount of time that can be taken off nor does it indicate whether this time is in addition to the 12 weeks of leave granted by FMLA. Leaving a position vacant beyond 12 weeks may definitely impact the safety and security of DOC institutions and the workload of the staff. Passage of this bill would impact workload distribution and overall workload.

In summary, fiscal impact is unknown for this proposed legislation, but expected to be significant. DOC assumes OA will also declare fiscal impact for this bill on behalf of all state agencies.

Officials at the **Missouri Veterans Commission** assume the impact is unknown as currently, employees must exhaust all available leave balances before going on leave without pay.

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

ASSUMPTION (continued)

Officials at the **Missouri Housing Development Commission** assume it is difficult to estimate the fiscal impact without knowing the number of employees who might take advantage of the opportunities proposed in this proposal. The proposal does not stipulate a time limit or expiration date for the veterans' leave program nor does it clarify whether or not the employee utilizing the program would accrue pension time during their leave.

Officials at the **Fulton School District** assume the impact is unknown.

Officials at the **Jefferson College** raised concerns with the administration of this proposal. They assume due to the concerns the impact is unknown.

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.

Oversight assumes that the cost of updating the rules and policy manuals can be absorbed with existing resources.

Oversight assumes that it is unclear how many individuals would choose not to receive pay instead of using their paid leave. Oversight assumes the state agencies and local political subdivisions could absorb the impact of this proposal with existing resources.

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

FISCAL IMPACT - Small Business

Small businesses may be impacted by this proposal.

FISCAL DESCRIPTION

This bill specifies that any veteran or member of the national guard or reserves receiving medical treatment or care at a veterans' facility or from another person or entity under an order of the federal Veterans Administration or other medical or health care professional may use annual or sick leave or must, upon request, be given leave without pay from his or her employer for the purpose of receiving the treatment or care. However, an employer cannot require a veteran to use more than one-half of any accumulated annual or sick leave before utilizing leave without pay.

The veteran or guard and reserve member requesting leave without pay must give his or her employer sufficient notice of the treatment day or days and must provide proof of the required medical treatment or care at the employer's request.

The rights under these provisions must be posted at all national guard facilities and the Missouri Veterans Commission must provide a poster giving notice of this right to any employer who requests one.

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

City of Kansas City
Department of Agriculture
Department of Conservation
Department of Corrections
Department of Elementary and Secondary 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
 Division of Alcohol and Tobacco Control
 Division of Fire Safety
 Capitol Police
Department of Revenue
Department of Social Services
Fulton School District
Jefferson College
Linn State Technical College
Missouri Department of Transportation
Missouri Gaming Commission
Missouri Highway Patrol
Missouri Housing Development Commission
Missouri State University
Missouri Veterans Commission
Northwest Missouri State University
Office of Administration
 Division of Accounting
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
Special School District

SOURCES OF INFORMATION (continued)

State Emergency Management Agency
St. Louis County
University of Central Missouri
University of Missouri



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February 28, 2014

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Assistant Director
February 28, 2014