

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6390-01
Bill No.: HCR 45
Subject: Employees - Employers; Boards, Commissions, Committees, Councils; General Assembly; Salaries; State Departments; State Agencies
Type: Original
Date: March 28, 2014

Bill Summary: This proposal reauthorizes the Joint Committee on State Employee Wages.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(More than \$100,000)	\$0	\$0
Total Estimated Net Effect on General Revenue Fund	(More than \$100,000)	\$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 5 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 from the **Missouri Senate** state the proposal will have no fiscal impact or minimal cost which can be absorbed by present appropriations.

Officials from the **Governor's Office** assume there should be no added cost to their office as a result of this measure.

Officials from the **Office of Administration (OA)** assume in order to fulfill the duties outlined in this proposed concurrent resolution, OA would need to hire a consultant to perform the compensation study. It is unknown at this time how much it would cost to hire the consultant. Since the cost of the study would exceed \$25,000, an RFP would need to be prepared and issued. The cost of the study could vary depending on the scope of the RFP and how many benchmark positions or job classifications are identified for inclusion in the study. There are currently about 900 UCP job classifications and about 2,900 active job titles in SAM II that are either non-UCP or unclassified.

When OA's Division of Personnel researched the cost of a compensation study in 2010 (which included examination/review of only one retirement plan and one healthcare option), it was determined that a study that focused on 100 benchmark positions would cost between \$150,000 and \$200,000. It is estimated that a compensation study performed for the State at this time could exceed \$300,000. There could be increased costs if the scope of the study is broadened, and a more thorough, comprehensive compensation study is requested and performed.

Oversight assumes the Office of Administration study could vary greatly: from studying numerous positions in all 50 states to studying fewer positions in only neighboring and comparable states. Therefore, Oversight will assume the comprehensive compensation study will cost more than \$100,000 in FY 2015 to the General Revenue Fund.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE			
<u>Cost - OA</u> Compensation Study	(More than <u>\$100,000</u>)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	(More than <u>\$100,000</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

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

FISCAL DESCRIPTION

This proposal reauthorizes the Joint Committee on State Employee Wages and requires the Office of Administration to conduct salary and total compensation surveys to more comprehensively review and analyze the state classification and compensation structure.

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
Missouri Senate
Office of the Governor

Mickey Wilson, CPA
Director
March 28, 2014

A handwritten signature in black ink, appearing to read "Ross Strope", with a stylized flourish at the end.

Ross Strope
Assistant Director
March 28, 2014