

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0205-01  
Bill No.: HB 96  
Subject: Minorities; State Departments  
Type: Original  
Date: February 19, 2019

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Bill Summary: This proposal establishes the Missouri Office of Equal Opportunity in statute.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
General Revenue *	\$0	\$0	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Establishment of new Missouri Office of Equal Opportunity offset by transfer from current Missouri Office of Equal Employment Opportunity of approximately \$290,000 - \$377,000 annually.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<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 9 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</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 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
General Revenue - Missouri Office of Equal Employment Opportunity	-6.5	-6.5	-6.5
General Revenue - Missouri Office of Equal Opportunity	6.5	6.5	6.5
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of Administration - Office of Equal Opportunity (OEO)** assume the following:

#### Section 37.675.3(2)

This section requires OEO to submit a proposal each fiscal year to the Commissioner of Administration regarding OEO's needs. OEO assumes this would require one hour of time by a Fiscal & Administrative Manager to compile the report. (1 hour x \$26.57 per hour = \$26.57).

#### Section 37.675.3(3)

This section states that the officer shall be the state's chief compliance officer to ensure that the state is complying with all federal and state laws concerning equal employment opportunity and workforce diversity. OEO anticipate this compliance requirement to be a high-level review and can be conducted during the biannual reviews as required by this bill. This type of review would require a review of agencies' policies and procedures along with personnel records and OEO believes this review is conducted by the Missouri Commission on Human Rights. The current mission of the Missouri Commission on Human Rights is to develop, recommend, and implement ways to prevent and eliminate discrimination and to provide fair and timely resolutions of discrimination claims through enforcement of the Missouri Human Rights Act. The Commission investigates complaints of discrimination in housing, employment, and places of public accommodations based on race, color, religion, national origin, ancestry, sex, disability, age (in employment only), and familial status (in housing only). Therefore, OEO assumes that there will be no additional cost for this requirement. If OEO is required to provide further oversight, additional cost would result.

#### Section 37.675.4(1)

This section makes OEO responsible for assisting in the coordination and implementation of workforce diversity programs for all state departments.

OEO currently provides this assistance to state departments through our daily interactions with the state departments. Therefore, OEO assumes that there will be no additional cost for this requirement. If OEO is required to provide further oversight, additional cost would result.

#### Section 37.675.4(2)

This section requires OEO to advise the Governor regarding equal employment opportunity and workforce diversity in state government.

ASSUMPTION (continued)

OEO currently provides information to the Office of Administration Commissioner regarding equal employment and workforce diversity in state government which is communicated to the Governor during normal daily work communications. Therefore, OEO assumes that there will be no additional cost for this requirement. If OEO is required to provide further oversight, additional cost would result.

37.675.4(3)

This section requires OEO to review progress reports of state departments and offices, meet biannually with each department director, and report the results of each meeting in writing to the Commissioner of Administration. OEO assumes each department meeting would take two hours of time by the OEO Director and a Fiscal & Administrative Manager.

Total Cost = \$8,734 annually (16 agencies x 2 times a year x 4 hours for each meeting and review of the reports x \$68.24 (Director's-\$41.67/Fiscal & Adm. Mgr.'s -\$26.57 hourly salaries combined))

Section 37.675.4(4)

This section requires OEO to provide a report to the Commissioner of OA, the Governor and the General Assembly each year that summarizes the activities of each department and that contains recommendations for additional programs to accomplish OEO's mission. OEO currently creates an annual report that summarizes the department's efforts.

Total Cost = \$0

Section 37.675.4(5)

This section requires OEO to monitor all departments and offices of state government and assist them to ensure equal employment opportunity. OEO assumes that this will be accomplished through the required biannual meetings already required by this bill. Therefore, OEO assumes that there will be no additional cost for this requirement. If OEO is required to provide further oversight, additional cost would result.

Total Cost = \$0

Section 37.675.5

This section requires each state department to submit a revised workforce diversity plan to OEO annually. OEO is required to review and approve each submitted plan. OEO assumes that the review and approval process will require one hour per department for the OEO Director and a Fiscal and Administrative Manager.

ASSUMPTION (continued)

Total Cost = \$1,092 annually (16 hours x \$68.24 per hour (\$41.67 Director's/\$26.57 Fiscal & Adm. Mgr.'s hourly salaries combined)

OEO anticipates being able to absorb the costs stated above. However, until the FY20 budget is final, the program cannot identify specific funding sources.

**Oversight** notes that the OEO has stated the proposal's costs could be absorbed. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Officials from the **Office of Administration - Budget and Planning (B&P)** assume this proposal:

- o has no direct impact on B&P.
- o has no direct impact on general and total state revenues.
- o will not impact the calculation pursuant to Art. X, Sec. 18(e).

Officials from the **Office of the Governor (GOV)** assume the Governor shall appoint an officer to head the Missouri Office of Equal Opportunity and be advised on issues regarding equal employment opportunity, workforce diversity, efforts to administer workforce diversity action goals, and timetables for implementation throughout the departments and offices of state government.

**Oversight** assumes GOV is provided with core funding to handle a certain amount of activity each year. Oversight assumes GOV could absorb the costs related to this proposal.

**Oversight** notes, according to the Office of Administration budget submission, the Office of Equal Opportunity has a FY 2019 appropriation of \$376,898 (\$293,176 personal service for 6.5 FTE plus \$83,722 of expense & equipment) of General Revenue. Expenditures by the OEO for the past three years have been:

FY 2016	\$276,355;
FY 2017	\$295,313; and
FY 2018	\$290,742

In the fiscal note, Oversight will reflect this transfer from the State Office of Equal Employment Opportunity to the new Missouri Office of Equal Opportunity based on their FY 2018 expenditures

ASSUMPTION (continued)

Officials from the **Attorney General's Office, Department of Elementary and Secondary Education, Department of Higher Education, Department of Revenue, Department of Public Safety (Office of the Director, Alcohol & Tobacco Control, Fire Safety, Gaming Commission, Missouri National Guard, State Emergency Management Agency) Office of the Governor, Joint Committee on Administrative Rules, Missouri Lottery Commission, Missouri Consolidated Health Care Plan, Missouri Department of Conservation, Missouri Ethics Commission, Missouri House of Representatives, Office of the Lieutenant Governor, Department of Transportation, Office of Prosecution Services, Missouri State Employee's Retirement System, MoDOT & Patrol Employees' Retirement System, Office of Administration, Office of Administration - Administrative Hearing Commission, Office of the State Courts Administrator, Office of the State Auditor, Missouri Senate, Office of the Secretary of State, Office of the State Public Defender, Office of the State Treasurer and the State Tax Commission** each assume the proposal will have no fiscal impact on their respective organizations.

**Oversight** notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note.

Officials from the **Department of Economic Development, the Department of Transportation, the Department of Natural Resources, the Department of Public Safety (Capital Police and Missouri Veterans Commission), the Department of Health and Senior Services, the Department of Corrections, the Department of Social Services, the Department of Mental Health, the Department of Agriculture, the Department of Insurance, Financial Institutions and Professional Registration and the Department of Labor and Industrial Relations** each defer to the Office of Administration to estimate the fiscal impact of the proposed legislation on their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
<b>GENERAL REVENUE</b>			
<u>Savings</u> - of existing Missouri Office of Equal Employment Opportunity			
Personal Service (6.5 FTE)	\$207,714	\$207,714	\$207,714
Expense & Equipment	<u>\$83,028</u>	<u>\$83,028</u>	<u>\$83,028</u>
Total Savings -	\$290,742	\$290,742	\$290,742
<u>Costs</u> - of new Missouri Office of Equal Opportunity			
Personal Service (6.5 FTE)	(\$207,714)	(\$207,714)	(\$207,714)
Expense & Equipment	<u>(\$83,028)</u>	<u>(\$83,028)</u>	<u>(\$83,028)</u>
Total Costs -	<u>(\$290,742)</u>	<u>(\$290,742)</u>	<u>(\$290,742)</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Currently, the Missouri Office of Equal Opportunity is established by executive order within the Office of Administration. This bill establishes by statute the Office of Equal Opportunity in substantially the same form as the executive order.

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

Attorney General's Office  
Department of Agriculture  
Department of Economic Development  
    Public Service Commission  
    Office of the Public Council  
    Division of Energy  
Department of Elementary and Secondary Education  
Department of Higher Education  
Department of Health and Senior Services  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Mental Health  
Department of Natural Resources  
Department of Corrections  
Department of Labor and Industrial Relations  
Department of Revenue  
Department of Public Safety  
    Office of the Director  
    Division of Alcohol and Tobacco Control  
    Capitol Police  
    Fire Safety  
    Missouri Gaming Commission  
    Missouri National Guard  
    State Emergency Management Agency  
    Veterans Commission  
Department of Social Services  
Office of the Governor  
Joint Committee on Administrative Rules  
Joint Committee on Public Employee Retirement  
Missouri Lottery Commission  
Legislative Research  
Missouri Consolidated Health Care Plan  
Missouri Department of Conservation  
Missouri Ethics Commission  
Missouri House of Representatives  
Department of Transportation  
Office of Prosecution Services  
Missouri State Employee's Retirement System  
MoDOT & Patrol Employees' Retirement System

SOURCES OF INFORMATION (continued)

Office of Administration  
    Administrative Hearing Commission  
    Budget and Planning  
Office of the State Courts Administrator  
Office of the State Auditor  
Missouri Senate  
Office of the Secretary of State  
Office of the State Public Defender  
Office of the State Treasurer  
State Tax Commission



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