

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0727H.02C
Bill No.: HCS for HB 88
Subject: Labor and Management; Employees - Employers; Business and Commerce; Labor and Industrial Relations, Department of
Type: Original
Date: April 12, 2021

Bill Summary: This proposal establishes the Public Employee Janus Rights Act.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

- ☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- ☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Labor and Industrial Relations (DOLIR), Department of Commerce and Insurance, Department of Elementary and Secondary Education, Department of Higher Education and Workforce Development, Department of Mental Health, Department of Health and Senior Services, Department of Natural Resources, Department of Corrections, Department of Revenue, Department of Public Safety – Alcohol and Tobacco Control; Capital Police; Fire Safety; Director’s Office; Gaming Commission; National Guard; Highway Patrol; State Emergency Management Agency, Veterans Commission, Department of Social Services, Missouri Department of Agriculture, Missouri Department of Conservation, Missouri Ethics Commission, Missouri Department of Transportation, Office of the Secretary of State, Office of the State Public Defender, Missouri House of Representatives, Missouri Senate, Joint Committee on Education, Joint Committee on Public Employee Retirement, Oversight Division, Missouri Lottery, Missouri Consolidated Health Care Plan, Missouri Higher Education Loan Authority, Economic & Policy Analysis Research Center, Office of the State Courts Administrator, Office of the Governor, Office of the State Auditor, and State Tax Commission** each assume the proposal will have no fiscal impact on their respective agencies.

Officials from the Office of Administration – Budget & Planning (B&P) assume Subsection 105.506.10 creates a fine of no more than \$500 per violation to any public body that fails to comply with the provisions of this section. To the extent any additional such revenues are deposited into the state treasury, TSR may increase.

The proposal has no direct impact on the calculation in Article X, Section 18(e).

Oversight notes that Article IX Section 7 of Constitution states “[that] All interest accruing from investment of the county school fund, the clear proceeds of all penalties, forfeitures and fines collected hereafter for any breach of the penal laws of the state, the net proceeds from the sale of estrays, and all other moneys coming into said funds shall be distributed annually to the schools of the several counties according to law.” Therefore, **Oversight** will reflect a potential unknown positive amount of fine revenue to School District Funds on the fiscal note.

In previous version of this proposal, [HB 88 \(0727-01\) - 2021](#), officials from the **Saint Louis County Police Department** assumed proposed legislation would have a fiscal impact on the St. Louis County Police Department. If passed, the legislation would require every member of the Department’s collective bargaining entity to annually complete two forms related to the withholding of membership dues from their paycheck.

The Department currently has several collective bargaining units that consist of commissioned employees and non-commissioned employees that are represented by the Fraternal Order of

Police. Currently, the organization provides forms that are completed by employees to have membership dues deducted from their paycheck. Additionally, a form is available to stop the deduction of membership dues which may be submitted at any time. However, the forms are not required to be completed every twelve months by members. Based on the proposed legislation, the forms currently utilized by the Department would need to be revised and the Fiscal Services Unit would have an increased workload.

It is estimated that based on the current membership, and the two forms that must be completed, that the Fiscal Services Unit would have roughly 1,800 forms to process annually. The hourly salary of a Fiscal Services employee on average is \$40.00 per hour including fringes. If they estimate that each form takes a Fiscal Services Unit employee 5 minutes to process, then the total time spent doing so would result in 150 hours of work which translates to \$6,000 annually or \$18,000 over the course of three years.

In previous version of this proposal, [HB 88 \(0727-01\) - 2021](#), officials from the **Saint Clair Fire Protection district (STCL) – Franklin** assumed the proposal would have a direct fiscal impact on their agency.

Oversight notes that the Saint Louis County Police Department and Saint Clair Fire Protection district (STCL) – Franklin both assumed the proposal would have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact (the police departments & fire departments in Missouri are able to absorb the cost) to “Unknown” (police departments & fire departments in Missouri are not able to absorb the cost) on the fiscal note.

Official from the **City of Claycomo, City of Corder, City of Kansas City, City of O’Fallon, City of Springfield, City of Saint Louis – Budget Division, Kansas City Police Department, and Fruitland Area Fire Protection District – Cape Girardeau** assume the proposal will have no direct fiscal impact on their respective organizations.

Officials from the **Northwest Missouri State University and University of Central Missouri** both assume the proposal will have no fiscal impact on their respective organizations.

Oversight notes the **HCS** proposal does not require DOLIR to promulgate and ensure compliance with the rules but rather the public body shall require clear and compelling evidence that such authorization has been freely given by a public employee. (See attached response from DOLIR in MOLIS regarding the HCS changes.) Additionally, Section 105.506.10 creates a fine of no more than \$500 per violation to any public body that fails to comply with the provisions of this section.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other school districts, counties, cities, and colleges were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
LOCAL POLITICAL SUBDIVISION			
<u>Revenue gain – Schools §105-506.10 Fines (up to \$500 p.3)</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs – fined public bodies §105-506.10 Fines (up to \$500 p.3)</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Cost – implementation of the proposal for various entities	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>	<u>\$0 to (Unknown)</u>
NET EFFECT ON THE LOCAL POLITICAL SUBDIVISIONS	<u>(Unknown) to Unknown</u>	<u>(Unknown) to Unknown</u>	<u>(Unknown) to Unknown</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

Currently, a public body may withhold fees from public employee paychecks to pay labor organization dues, agency shop fees, or any other fees paid to a labor organization only upon the annual consent of such public employee. Annual consent is also required for labor organizations to use such fees or dues for political purposes.

This bill requires the public body shall provide clear and compelling evidence that such authorization has been freely given by a public employee on annual basis.

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

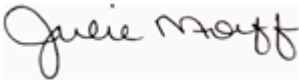
SOURCES OF INFORMATION

Department of Labor and Industrial Relations
Department of Commerce and Insurance
Department of Elementary and Secondary Education
Department of Higher Education and Workforce Development
Department of Mental Health
Department of Health and Senior Services
Department of Natural Resources
Department of Corrections
Department of Labor and Industrial Relations
Department of Revenue
Department of Public Safety -

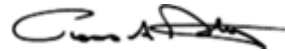
- Alcohol and Tobacco Control
- Capital Police
- Fire Safety
- Director's Office
- Gaming Commission
- National Guard
- Highway Patrol
- State Emergency Management Agency
- Veterans Commission

Department of Social Services
Missouri Department of Agriculture
Missouri Department of Conservation
Missouri Ethic Commission
Missouri Department of Transportation
Office of the Secretary of State
Office of the State Public Defender
Missouri House of Representatives
Missouri Senate

Joint Committee on Education
Joint Committee on Public Employee Retirement
Oversight Division, Missouri Lottery
Missouri Consolidated Health Care Plan
Missouri Higher Education Loan Authority
Economic & Policy Analysis Research Center
Office of the State Courts Administrator
Office of the Governor
Office of the State Auditor
State Tax Commission
Northwest Missouri State University
University of Central Missouri
City of Claycomo
City of Corder
City of Kansas City
City of O'Fallon
City of Springfield
City of Saint Louis – Budget Division
Kansas City Police Department
Fruitland Area Fire Protection District – Cape Girardeau



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April 12, 2021



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