

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1808H.02C  
Bill No.: HCS for HB Nos. 846 & 407  
Subject: State Employees  
Type: Original  
Date: March 11, 2021

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Bill Summary: This proposal modifies provisions governing the payment of salaries out of the state treasury.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue Fund	(\$143,640)	\$0	\$0
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$143,640)</b>	<b>\$0</b>	<b>\$0</b>

\*The Office of Administration notes that if the proposed changes can be delayed until the replacement system for SAM II is implemented (estimated to be 3-5 years) there would be no fiscal impact for this change.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
<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.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</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 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<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 \$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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of Administration – Information Technology (ITSD)** state the proposed legislation would require state employees to be paid every fourteen days. Currently, employees are paid on the 15th of the month and the last day of the month, with adjustment for weekends and holidays. The change would require modifications to the SAM II system, and require changes to related projects and systems. ITSD would likely see impact to data and reports, along with other errors that would occur after implementation, until all the changes mature because of complex program interaction and multiple possible scenarios that could occur.

The estimate assumes work for project management coding and testing the changes. The business staff would need to be heavily involved in the analysis and requirements gathering, as well as, the testing. ITSD has not accounted for business staff hours in this estimate. It is worth noting that there is a current effort underway to replace the SAM II system, with two week payrolls likely to be included in the new system. If the proposed changes can be delayed until the replacement system is implemented, estimated to be 3-5 years, there would be no fiscal impact for this fiscal note.

**Oversight** notes ITSD assumes that every new IT project/system will be bid out because all their resources are at full capacity. For this bill, ITSD assumes they will contract out the programming changes needed for SAMII. ITSD estimates the project would take 1557 hours at a contract rate of \$95 for a total cost of \$143,640.

**Oversight** notes that an average salary for a current IT Specialist within ITSD is approximately \$54,641, which totals roughly \$85,000 per year when fringe benefits are added. Assuming that all ITSD resources are at full capacity, Oversight assumes ITSD may (instead of contracting out the programming) hire an additional IT Specialist to perform the work required from this bill; however, for fiscal note purposes, Oversight will reflect the ITSD estimated cost of \$143,640 in FY 2022.

Officials from the **Department of Elementary and Secondary Education, the Department of Higher Education and Workforce Development, the Department of Corrections, the Department of Revenue, the Department of Public Safety (Office of the Director, Capitol Police, Alcohol & Tobacco Control, Fire Safety, Gaming Commission, Missouri Highway Patrol, Missouri National Guard, State Emergency Management Agency), the Department of Social Services, the Office of the Governor, the Joint Committee on Administrative Rules, the Department of Agriculture, the Missouri Ethics Commission, the Missouri House of Representatives, the Oversight Division, the Department of Transportation, the Office of the State Auditor, the Missouri Senate, the Office of the Secretary of State, the Office of the**

**State Public Defender**, the **Office of the State Treasurer** and the **State Tax Commission** each assume the proposal will have no fiscal impact on their respective organizations for this proposal.

In response to a previous version, officials from the **Office of the State Courts Administrator**, the **Office of Administration (Administrative Hearing Commission and Budget and Planning)**, the **Office of Prosecution Services**, the **Missouri Department of Conservation**, the **Attorney General's Office**, the **Department of Economic Development**, the **Missouri Lottery Commission**, the **Missouri Consolidated Health Care Plan**, each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

**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 for these agencies.

Officials from the **Department of Natural Resources**, the **Department of Commerce and Insurance**, the **Department of Health and Senior Services**, the **Department of Mental Health** and the **Department of Natural Resources** defer to the Office of Administration for the potential fiscal impact of this proposal.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
<b>GENERAL REVENUE FUND</b>			
<u>Cost – ITSD Sam II Programming</u>	<u>(\$143,640)</u>	<u>\$0</u>	<u>\$0</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>(\$143,640)</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<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

Current law requires the salaries of all elective and appointive officers and employees of the state shall be paid out of the state treasury, in semimonthly or monthly installments as designated by the commissioner of administration. This act allows salaries to additionally be paid out in biweekly installments.

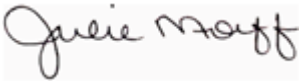
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

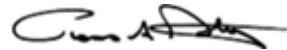
Attorney General's Office  
Department of Commerce and Insurance  
Department of Economic Development  
Department of Elementary and Secondary Education  
Department of Higher Education and Workforce Development  
Department of Health and Senior Services  
Department of Mental Health  
Department of Natural Resources  
Department of Corrections  
Department of Labor and Industrial Relations  
Department of Revenue  
Department of Public Safety  
Department of Social Services  
Office of the Governor  
Joint Committee on Public Employee Retirement  
Joint Committee on Administrative Rules  
Missouri Lottery Commission  
Legislative Research  
Oversight Division  
Local Government Employees Retirement System  
Missouri Consolidated Health Care Plan  
Missouri Department of Agriculture  
Missouri Department of Conservation  
Missouri Ethics Commission  
Missouri House of Representatives  
Office of the Lieutenant Governor  
Missouri Department of Transportation  
Missouri State Employee's Retirement System

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MoDOT & Patrol Employees' Retirement System  
Missouri Office of Prosecution Services  
Office of Administration  
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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