

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0214H.011  
 Bill No.: HB 337  
 Subject: State Employees; Employees - Employers; Department of Labor and Industrial Relations; State Departments; Labor and Management  
 Type: Original  
 Date: March 3, 2025

Bill Summary: This proposal modifies provisions relating to holiday leave from work for alternative work schedules.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue Fund	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>

\*According to OA, the unknown cost would consider the number of employees working the compressed work week, the number of holidays defined in law and granted by executive order, and these employees' calculated hourly rate multiplied times 2 hours (for the number of hours that exceed the 8-hour holiday period). Oversight assumes these cost could exceed \$250,000.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Other State Funds*	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</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 2026</b>	<b>FY 2027</b>	<b>FY 2028</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 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §105.009 – Alternative Work Schedules

Officials from the **Office of Administration – Division of Purchasing (OA)** assume this proposal specifies if a state holiday falls on a state employee's regularly scheduled ten-hour workday, the employee shall not be required to use annual leave to make up the difference between the eight hours of credited holiday and the employee's regularly scheduled ten-hour day.

OA notes that RSMo, 1 CSR 5.010(2)(G) states, “(G) For purposes of these rules, a holiday is considered as a period of eight (8) hours.

OA assumes this proposal indicates employees cannot be mandated to use annual leave for the 2 extra hours. It does not say that it's not allowed. Based upon OA's interpretation:

1. Employees could request annual leave, comp time, or leave without pay for the 2-hour difference.
2. Or OA's Appointing Authority (AA)/Commissioner can determine if the extra 2 hours will be compensated under 1 CSR 20-5.020(8)(B)5, which states “5. Because of extraordinary reasons sufficient in the opinion of the appointing authority to warrant such time off with compensation”.

If option 1. is followed, there is no cost. If option 2. is followed, the cost would vary depending on upon OA's AA/Commissioner approving the number of OA employees allowed to work a compressed 4-day work week composed of 10-hour days. The cost of this option would consider the number of employees working the compressed work week, the number of holidays defined in law and granted by executive order, and these employees' calculated hourly rate multiplied times 2 hours (for the number of hours that exceed the 8-hour holiday period).

Based on the language proposed, the Office of Administration, Division of Personnel, concludes that the fiscal impact will be \$0 to unknown.

Officials from the **Office of the State Auditor (SAO)** state that the SAO currently affords staff members the option to elect to work an alternative ten-hour, four-day work week. When a state holiday falls on an employee's regularly scheduled work day, the employee receives 8 holiday hours for the day. The employee has the option to request annual leave or flex the additional two hours. At current staffing levels, the SAO could lose out on 2,730 working hours in a calendar year (13 holidays x 2 hours X 105 employees) or the equivalent of 1.3 FTE. If the SAO is fully staffed at the budgeted 157 FTE, that impact rises to 4,082 working hours, or the equivalent of 2 FTE. Due to the fact that much of the work conducted by the SAO is statutorily required and/or time sensitive, the provisions contained in this proposed legislation could require the addition of 2 staff auditors.

**Oversight** notes the cost of 2 FTE is estimated to be around \$180,000. Oversight assumes this estimation is based on all state holidays landing on a 10 hour work day.

**Oversight** does not have any information to the contrary. Oversight assumes the range of cost is possible based on interpretation of the proposed language. Oversight notes the number of employees who work a 10 hour/day schedule is unknown and therefore utilization of this proposed legislation is unknown.

**Oversight** will range the cost as \$0 (employees can choose to use annual/comp time or leave without pay to make up the two-hour difference (Option 1 listed above)) to unknown cost (time is given off without having to take leave (Option 2 listed above)) to the General Revenue Fund and Other State Funds.

**Oversight** notes that if each agency allows a flex schedule, each agency could have a potential cost similar to the SAO. Therefore, Oversight assumes the cost could exceed \$250,000.

Officials from the **Office of the State Courts Administrator (OSCA)** assume there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

In response to a similar proposal from last year, HB 1565, officials from the **OSCA** assumed the proposal would have no fiscal impact on their organization.

**Oversight** does not anticipate an impact to OSCA. If this assumption is incorrect, this would alter the fiscal impact as presented in this fiscal note. If additional information is received, Oversight will review it to determine if an updated fiscal note should be prepared and seek approval to publish a new fiscal note.

Officials from the **Attorney General's Office, Office of Administration - Administrative Hearing Commission, the Department of Economic Development, the Department of Elementary and Secondary Education, the Department of Higher Education and Workforce Development, the Department of Labor and Industrial Relations, the Department of Revenue, the Department of Public Safety (Capitol Police, Alcohol & Tobacco Control, Fire Safety, Gaming Commission, Missouri Highway Patrol, State Emergency Management Agency and Veterans Commission), the Missouri National Guard, the Department of Social Services, the Office of the Governor, the Missouri Department of Agriculture, the Missouri Ethics Commission, the Missouri National Guard, the Joint Committee on Administrative Rules, the Joint Committee on Public Employee Retirement, the Missouri Lottery Commission, the Missouri Consolidated Health Care Plan, the Missouri House of Representatives, the Missouri Senate, the Office of the Secretary of State, the Office of the State Public Defender, the Office of the State Treasurer, the Legislative Research, the Oversight Division, the Missouri State Employees Retirement System and the State Tax Commission** each assume the proposal will have no fiscal impact on their respective organizations for this proposal.

**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 **Office of Administration - Budget and Planning**, the **Department of Commerce and Insurance**, the **Department of Health and Senior Services**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Public Safety – Directors Office**, the **Missouri Department of Conservation**, and the **Missouri Department of Transportation** defer to the Office of Administration for the potential fiscal impact of this proposal.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>GENERAL REVENUE FUND*</b>			
<u>Cost – OA</u> Alternative Work Schedules §105.009	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND</b>	<b><u>\$0 to</u></b> <b><u>(Unknown)</u></b>	<b><u>\$0 to</u></b> <b><u>(Unknown)</u></b>	<b><u>\$0 to</u></b> <b><u>(Unknown)</u></b>
<b>OTHER STATE FUNDS*</b>			
<u>Cost – OA</u> Alternative Work Schedules §105.009	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT TO OTHER STATE FUNDS</b>	<b><u>\$0 to</u></b> <b><u>(Unknown)</u></b>	<b><u>\$0 to</u></b> <b><u>(Unknown)</u></b>	<b><u>\$0 to</u></b> <b><u>(Unknown)</u></b>

\*According to OA, the unknown cost would consider the number of employees working the compressed work week, the number of holidays defined in law and granted by executive order, and these employees’ calculated hourly rate multiplied times 2 hours (for the number of hours that exceed the 8-hour holiday period). Oversight assumes these cost could exceed \$250,000.

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	\$0	\$0	\$0

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

The bill allows for flexibility in work schedules for State agencies allowing implementation of a compressed work week schedule of a four-day work week composed of 10 hours a day, if deemed appropriate by the relevant authorities. If a State holiday falls on an employee's regularly scheduled 10 hour work day, the employee will not be required to use his or her own annual leave to make up the difference between the eight hours of credited holiday time and the employee's usual 10 hour day.

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  
    Office of the Director  
    Division of Alcohol and Tobacco Control  
    Capitol Police  
    Fire Safety  
    Missouri Gaming Commission  
    Missouri Highway Patrol  
    Missouri National Guard  
    State Emergency Management Agency  
    Missouri Veterans Commission  
Department of Social Services  
Office of the Governor  
Joint Committee on Public Employee Retirement  
Joint Committee on Administrative Rules  
Missouri Lottery Commission

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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

MoDOT & Patrol Employees' Retirement System

Missouri Office of Prosecution Services

Office of Administration

Administrative Hearing Commission

Budget and Planning

Facilities Management, Design and Construction

Office of the State Courts Administrator

Office of the State Auditor

Missouri Senate

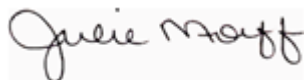
Office of the Secretary of State

Office of the State Public Defender

Office of the State Treasurer

Public Schools and Education Employee Retirement Systems

State Tax Commission



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