

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0715-01
Bill No.: HB 190
Subject: Employees - Employers; Labor and Industrial Relations Department
Type: Original
Date: January 14, 2009

Bill Summary: This proposal modifies the job training program by expanding opportunities for pre-employment training.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	(\$1,000,000)	(\$2,500,000)	(\$4,000,000)
Total Estimated Net Effect on General Revenue Fund	(\$1,000,000)	(\$2,500,000)	(\$4,000,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Missouri Job Development	\$0	\$0	\$0
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 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
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 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Labor and Industrial Relations** assume the proposal would not fiscally impact their agency.

Officials from the **Department of Economic Development (DED)** state no new FTE would be needed as a result of this proposal as existing staff will be able to absorb the additional workload. Program costs will increase due to the increased need and demand to fund pre-employment incentive projects as defined through this legislation. At an estimated cost of \$100,000 per project, we project year one projects will cost \$1 million. As economic incentive projects commit, this estimate is anticipated to increase to \$2.5 million in FY 2011 and \$4 million by FY 2012.

Oversight will utilize DED's estimate of increased program usage resulting from the changes made in the proposal. Oversight will show the increased appropriation from the General Revenue Fund and the increased program expenses as a zero net effect to the Missouri Job Development Fund (0600).

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
GENERAL REVENUE			
<u>Transfer Out</u> - to the Missouri Job Development Fund for increase in job training services from expanded guidelines	<u>(\$1,000,000)</u>	<u>(\$2,500,000)</u>	<u>(\$4,000,000)</u>
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(\$1,000,000)</u>	<u>(\$2,500,000)</u>	<u>(\$4,000,000)</u>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2010 (10 Mo.)	FY 2011	FY 2012
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**MISSOURI JOB DEVELOPMENT
FUND**

<u>Transfer In</u> - from General Revenue	\$1,000,000	\$2,500,000	\$4,000,000
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<u>Expense</u> - Department of Economic Development - expanded industry training programs	<u>(\$1,000,000)</u>	<u>(\$2,500,000)</u>	<u>(\$4,000,000)</u>
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ESTIMATED NET EFFECT TO THE MISSOURI JOB DEVELOPMENT FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<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

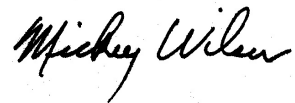
This proposal allows the Department of Economic Development to include pre-employment training in its new or expanding industry training. The bill specifies what services may be provided including development of training plans, the provision of training through qualified training staff, fees for training professionals, and transportation expenses if the training can be more effectively provided outside the community where the jobs will be located.

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

RS:LR:OD (12/02)

SOURCES OF INFORMATION

Department of Economic Development
Department of Labor and Industrial Relations

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
January 14, 2009