

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0355-01  
Bill No.: HB 259  
Subject: State Employees; Holidays  
Type: Original  
Date: March 18, 2013

---

Bill Summary: This proposal specifies that a state employee who works 10-hour days and 40 hours per week cannot be required to take two hours of vacation leave for paid holidays.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<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 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</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 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Office of Administration - Division of Personnel** assume they would need to ensure all agencies are made aware of this change in the event that they would need to change their existing policies. That could be done with existing resources.

Officials at the **Department of Elementary and Secondary Education** assume they identified 47 employees in central office (CO) and 94 employees at Vocational Rehabilitation and Disability Determinations (VR/DD) which currently work the 10-hour day. The estimated cost is \$48,441.96. The total was calculated using average pay rates and could represent the potential cost of allowing those state employees who work ten-hour days and forty hours per week to forego taking two hours of vacation leave for paid holidays; however, there are unknowns that must be considered: we cannot know when or if we will have to pay out those two hours or at what pay rate the employee will earn if the payout occurs at termination. If an employee terminates without a leave balance, the dollar cost associated with that employee's leave pay out will be zero. Based on these unknowns and estimations, it would appear that the cost of this proposal will be less than \$100,000.

Officials at the **Office of Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials at the **Department of Social Services** allow their employees other options regarding their work schedule so there is no cost savings to the Department from this proposal.

Officials at the **Department of Corrections (DOC)** assume DOC has employees who work four 10-hour shifts per week and they are already allowed to alter their work hours within a holiday work week and/or pay period to accommodate the 2-hour difference between the 8-hour holiday compensation and their 10-hour shift if they choose to not take 2 hours annual (vacation) or compensatory leave for the difference.

If opting to also allow leave without pay (LWOP) is the intent of this proposal, and if employees use that option, a savings of DOC Personal Services (PS) funds would occur. DOC is unsure how often employees would actually opt for using LWOP, however, as having their wages reduced would also reduce the accrual of their annual and sick leave balances as well as their total annual wages, therefore impacting calculations of potential retirement and social security benefits that are based on said earnings. DOC is unsure what impact passage of this bill might have statewide, but OA Personnel will address those issues.

JH:LR:OD

ASSUMPTION (continued)

Officials at the **Department of Conservation, Department of Health and Senior Services, Department of Higher Education, Department of Insurance, Financial Institutions and Professional Registration, Department of Labor and Industrial Relations, Department of Mental Health, Department of Public Safety - Alcohol and Tobacco Control, Department of Public Safety - Capitol Police, Department of Public Safety - Fire Safety, Department of Revenue, Missouri Highway Patrol, Missouri Housing Development Commission, Missouri National Guard, Missouri Veterans Commission, Office of Administration - Budget and Planning, Office of Prosecution Services, Office of the Secretary of State, Office of the State Auditor, Office of State Courts Administrator, Office of the State Public Defender, Office of State Treasurer** and the **State Emergency Management Agency** each assume there is no fiscal impact to their organization from this proposal.

**Oversight** assumes that since most agencies have a policy in place to give the employee options during the holiday weeks, this proposal would have little to no impact on state revenue.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<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

The proposed legislation appears to have no direct fiscal impact.

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 Conservation  
Department of Corrections  
Department of Elementary and Secondary Education  
Department of Health and Senior Services  
Department of Higher Education  
Department of Insurance, Financial Institutions and Professional Registration  
Department of Labor and Industrial Relations  
Department of Mental Health  
Department of Public Safety  
    Alcohol and Tobacco Control  
    Capitol Police  
    Fire Safety  
Department of Revenue  
Department of Social Services  
Missouri Highway Patrol  
Missouri Housing Development Commission  
Missouri National Guard  
Missouri Veterans Commission  
Office of Administration  
    Budget and Planning  
    Division of Personnel  
Office of Attorney General  
Office of Prosecution Services  
Office of the Secretary of State  
Office of the State Auditor  
Office of State Courts Administrator  
Office of the State Public Defender  
Office of State Treasurer  
State Emergency Management Agency



Ross Strope

L.R. No. 0355-01  
Bill No. HB 259  
Page 6 of 6  
March 18, 2013

Acting Director  
March 18, 2013

JH:LR:OD