

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0653-01
Bill No.: SB 190
Subject: Alcohol; Drugs and Controlled Substances; Employees - Employers; Employment Security; Labor and Industrial Relations Dept.; Labor and Management
Type: Original
Date: January 13, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Unemployment Compensation Trust Fund	Unknown	Unknown	Unknown
Total Estimated Net Effect on <u>All</u> Federal Funds	Unknown	Unknown	Unknown

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration – Division of Personnel, Department of Transportation, Department of Conservation, Department of Economic Development – Division of Workforce Development** and the **Office of the State Courts Administrator** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Department of Labor and Industrial Relations (DOL)** assume the proposal could decrease the amount of benefits paid under the suspension and discharge provisions for failing to pass a drug test. DOL notes that (1) reasonable suspicion in the case of a random test, (2) conduct showing impairment to the extent that it has an impact on the work place, or (3) the individual is in a safety sensitive position, would no longer be required for misconduct to apply. Based on the calendar year 2001, DOL approximates 43 claims could have been affected if the proposal had been enacted, resulting in an estimated savings of \$121,000 to the Unemployment Compensation Trust Fund (UCTF). DOL notes the Division of Employment Security is not able to identify other claims under the suspension and work search provisions that could have been affected. DOL assumes the impact to the UCTF cannot be predicted and is, therefore, unknown.

FISCAL IMPACT - State Government

FY 2004
(10 Mo.)

FY 2005

FY 2006

FEDERAL FUNDS

**UNEMPLOYMENT COMPENSATION
TRUST FUND**

Savings –Division of Employment Security
 Potential decrease in benefits paid

Unknown

Unknown

Unknown

FISCAL IMPACT - Local Government

FY 2004
(10 Mo.)

FY 2005

FY 2006

\$0

\$0

\$0

FISCAL IMPACT - Small Business

This proposal may save small business employers from making unemployment payments to employees dismissed for misconduct related to drugs and/or alcohol.

DESCRIPTION

This proposal deems a positive test result for controlled substances or for blood alcohol content of eight-hundredths of 1 percent or more as misconduct connected with work. Claimants suspended or terminated for a positive test result are ineligible for benefits. Such claimants may become eligible if they participate in a state approved drug or alcohol treatment program. Suspensions of four weeks or more shall be treated as a discharge.

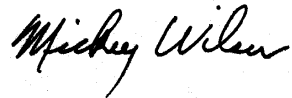
Employers suspending or terminating employees pursuant to this proposal must publicly post a controlled substance and alcohol workplace policy which warns that a positive test result will be deemed misconduct and may result in suspension, drug treatment intervention, or termination.

This proposal 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 Economic Development – Division of Workforce Development
Office of Administration – Division of Personnel
Department of Transportation
Department of Conservation
Office of the State Courts Administrator

A handwritten signature in black ink that reads "Mickey Wilson". The signature is fluid and cursive, with the first name "Mickey" and last name "Wilson" clearly distinguishable.

Mickey Wilson, CPA
Director

January 13, 2003