COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1962-01
Bill No.: SB 607
Subject: Unemployment Compensation; General Assembly; County Officials
Type: Original
Date: March 7, 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 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Unemployment Compensation Trust Fund	Less than $25,000	Less than $25,000	Less than $25,000
Total Estimated Net Effect on All Federal Funds	**Less than $25,000**	**Less than $25,000**	**Less than $25,000**

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 **Counties of Boone**, **St. Charles** and **St. Louis** and the **City of St. Louis** did not respond to our fiscal impact request.

Officials from the **Office of Administration – Division of Accounting**, **Department of Transportation**, **City of Kansas City** and **County of Cole** assume the proposal would have no fiscal impact on their agencies.

Officials from the **City of Springfield** assume the proposal could result in savings to the City but are unable to estimate how much.

Officials from the **Department of Conservation** assume the proposal would have insignificant impact on their agency's funds.

Officials from the **Department of Labor and Industrial Relations (DOL)** note currently, section 288.060.3, RSM0, requires that when calculating the weekly benefit amount of a partially unemployed claimant, the amount of wages earned in excess of $20 are to be deducted from the

ASSUMPTION (continued)

claimant's weekly benefit amount. DOL notes, however, currently pay earned by an elected official is not considered wages when making this computation. DOL states this proposal would make pay earned by an elected official considered as wages when calculating the claimant's weekly benefit amount. DOL states the fiscal impact of this proposal cannot be estimated as wages earned by an elected official are not reportable in the base period. DOL estimates the amount of the reduction in benefits paid from the Unemployment Compensation Trust Fund as a result of this change would not exceed $25,000 annually.

Oversight notes the estimate from DOL for the Unemployment Compensation Trust Fund accounts for all unemployment claims, private and public. Accordingly, **Oversight** is showing no additional impact to state or local governments.

FISCAL IMPACT - State Government	FY 2004 (10 Mo.)	FY 2005	FY 2006
FEDERAL FUNDS			
UNEMPLOYMENT COMPENSATION TRUST FUND			
Savings – DOL			
Potential Reduction in Benefits Paid to Elected Officials	**Less than $25,000**	**Less than $25,000**	**Less than $25,000**

FISCAL IMPACT - Local Government	FY 2004 (10 Mo.)	FY 2005	FY 2006
	$0	**$0**	**$0**

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal removes the salaries of elected officials from those salaries which are not considered wages when determining the amount a partially unemployed employee is entitled to receive in a given week.

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

Office of Administration – Division of Accounting
Department of Transportation
City of Kansas City
County of Cole
City of Springfield
Department of Conservation
Department of Labor and Industrial Relations

NOT RESPONDING
Boone County
St. Charles County
St. Louis County
City of St. Louis

Mickey Wilson

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DIRECTOR

KLR:LR:OD (12/02)

MARCH 7, 2003