

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3073-01
Bill No.: SB 932
Subject: Unemployment Compensation; General Assembly, County Officials
Type: Original
Date: January 20, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Unemployment Compensation Trust Fund	Less than \$25,000	Less than \$25,000	Less than \$25,000
Total Estimated Net Effect on <u>All</u> State Funds	Less than \$25,000	Less than \$25,000	Less than \$25,000

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration, Division of Personnel**, assume this proposal would have no impact on their organization.

Officials from the **Department of Labor and Industrial Relations (DOL)** assume the fiscal impact of this proposal cannot be estimated as wages earned by an elected official are not reportable in the base period. However, it is DOL's estimation that 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.

In response to a similar proposal in the prior session, officials from the **Office of Administration – Division of Accounting**, the **Department of Transportation**, the **City of Kansas City** and the **County of Cole** assume the proposal would have no fiscal impact on their organizations.

In response to a similar proposal in the prior session, officials from the **City of Springfield** assumed the proposal could result in savings to the City but are unable to estimate how much.

ASSUMPTION (continued)

In response to a similar proposal in the prior session, officials from the **Department of Conservation** assumed the proposal would have insignificant impact on their agency's funds.

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.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
UNEMPLOYMENT COMPENSATION TRUST FUND			
<u>Savings – DOL</u>			
Potential Reduction in Benefits Paid to Elected Officials	<u>Less than \$25,000</u>	<u>Less than \$25,000</u>	<u>Less than \$25,000</u>
ESTIMATED NET EFFECT ON UNEMPLOYMENT COMPENSATION TRUST FUND	<u>Less than \$25,000</u>	<u>Less than \$25,000</u>	<u>Less than \$25,000</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<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.

DESCRIPTION

This proposal would remove 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 legislation 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 Personnel
Department of Labor and Industrial Relations



Mickey Wilson, CPA
Director
January 20, 2004