

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3234H.02P  
Bill No.: Perfected HCS for HB 1656  
Subject: Employees - Employers; Political Subdivisions  
Type: Original  
Date: March 24, 2022

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Bill Summary: This proposal modifies provisions relating to certain public employees.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>				
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Fully Implemented (FY 2027)</b>
General Revenue	(\$48,154)	(\$117,881)	(\$171,770)	(\$196,581)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$48,154)</b>	<b>(\$117,881)</b>	<b>(\$171,770)</b>	<b>(\$196,581)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>				
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>Fully Implemented (FY 2027)</b>
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>				
FUND AFFECTED	FY 2023	FY 2024	FY 2025	Fully Implemented (FY 2027)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>				
FUND AFFECTED	FY 2023	FY 2024	FY 2025	Fully Implemented (FY 2027)
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>\$0</b>

- ☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- ☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>				
FUND AFFECTED	FY 2023	FY 2024	FY 2025	Fully Implemented (FY 2027)
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **§§84.344, 285.040, 285.043, 320.097, 320.210 – Employee Residency Requirements and Fire Marshal Employees**

In response to a previous version, officials from the **Branson Police Department** assumed this proposal will increase employment and hiring opportunities for the Department. The city limits the Department's ability to fund basic police academy students which are the only applications that are received. The Department is unable to employ these applicants without the POST Certifications.

In response to a previous version, officials from the **Department of Corrections**, the **Department of Public Safety's Office of the Director**, the **City of O'Fallon**, the **City of Springfield**, the **Springfield Police Department**, the **St. Louis County Police Department**, the **Fruitland Area Fire Protection District**, the **Carroll County 911 Board**, , the **Little Blue Valley Sewer District**, the **Morgan County PWSD #2**, the **St. Charles County PWSD #2**, the **Wayne County PWSD #2**, the **University of Missouri System**, the **City of St. Louis**, the **Jackson County Board of Elections**, the **Platte County Board of Elections**, the **St. Louis County Board of Elections**, the **Bevier Fire Protection District**, the **Dallas County R-I School District**, the **University of Central Missouri** and the **St. Charles Community College** each assumed the proposal will have no fiscal impact on their respective organizations.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

#### **House Amendment #1**

**Oversight** assumes this amendment is for a title change and will have no direct fiscal impact on this proposal.

#### **House Amendment #2 - §§575.095 & 578.710 – Offenses to Judicial Officers and Offense of Unlawful Disclosing of Personally Identifiable Information (Respectively)**

Officials from the **Department of Corrections (DOC)** assume this amendment creates one new class B felony and two new class D felony offenses for disclosing personal information of judicial officials, law enforcement officers, and elected officials.

Given the seriousness of class B felony offenses and that the introduction of a completely new class B felony offense is a rare event, the DOC assumes the admission of one person per year to prison following the passage of the legislative proposal.

Offenders committed to prison with a class B felony as their most serious sentence who were first released sometime during fiscal years 2019, 2020 and 2021, had an average sentence length of 9.0 years and served, on average, 3.4 years in prison prior to first release. The DOC assumes one third of the remaining sentence length will be served in prison as a parole return, and the rest of the sentence will be served on supervision in the community.

The cumulative impact on the DOC is estimated to be 5 additional offenders in prison and 4 additional offenders on field supervision by FY 2031.

Change in prison admissions and probation openings with legislation

	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
<b>New Admissions</b>										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	1	1	1	1	1	1	1	1	1	1
<b>Probation</b>										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	0	0	0	0	0	0	0	0	0	0
<b>Change (After Legislation - Current Law)</b>										
Admissions	1	1	1	1	1	1	1	1	1	1
Probations										
<b>Cumulative Populations</b>										
Prison	1	2	3	4	5	5	5	5	5	5
Parole						1	2	3	4	4
Probation										
<b>Impact</b>										
Prison Population	1	2	3	4	5	5	5	5	5	5
Field Population						1	2	3	4	4
<b>Population Change</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>9</b>

For each new nonviolent class D felony, the DOC estimates three people will be sentenced to prison and five to probation. The average sentence for a nonviolent class D felony offense is 5 years, of which 2.8 years will be served in prison with 1.7 years to first release. The remaining 2.2 years will be on parole. Probation sentences will be 3 years.

The cumulative impact on the DOC is estimated to be 17 additional offenders in prison and 43 additional offenders on field supervision by FY 2027.

Change in prison admissions and probation openings with legislation

	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
<b>New Admissions</b>									
Current Law	0	0	0	0	0	0	0	0	0
After Legislation	7	7	7	7	7	7	7	7	7
<b>Probation</b>									
Current Law	0	0	0	0	0	0	0	0	0
After Legislation	10	10	10	10	10	10	10	10	10
<b>Change (After Legislation - Current Law)</b>									
Admissions	7	7	7	7	7	7	7	7	7
Probations	10	10	10	10	10	10	10	10	10
<b>Cumulative Populations</b>									
Prison	7	14	20	21	22	22	22	22	22
Parole	0	0	1	7	13	14	15	16	17
Probation	10	20	30	30	30	30	30	30	30
<b>Impact</b>									
Prison Population	7	14	20	21	22	22	22	22	22
Field Population	10	20	31	37	43	44	45	46	47
<b>Population Change</b>	<b>17</b>	<b>34</b>	<b>51</b>	<b>58</b>	<b>65</b>	<b>66</b>	<b>67</b>	<b>68</b>	<b>69</b>

Combined Cumulative Estimated Impact

The combined cumulative estimated impact on the department is 22 additional offenders in prison and 47 additional offenders on field supervision by FY 2031.

Change in prison admissions and probation openings with legislation

	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
<b>New Admissions</b>									
Current Law	0	0	0	0	0	0	0	0	0
After Legislation	7	7	7	7	7	7	7	7	7
<b>Probation</b>									
Current Law	0	0	0	0	0	0	0	0	0
After Legislation	10	10	10	10	10	10	10	10	10
<b>Change (After Legislation - Current Law)</b>									
Admissions	7	7	7	7	7	7	7	7	7
Probations	10	10	10	10	10	10	10	10	10
<b>Cumulative Populations</b>									
Prison	7	14	20	21	22	22	22	22	22
Parole	0	0	1	7	13	14	15	16	17
Probation	10	20	30	30	30	30	30	30	30
<b>Impact</b>									
Prison Population	7	14	20	21	22	22	22	22	22
Field Population	10	20	31	37	43	44	45	46	47
<b>Population Change</b>	<b>17</b>	<b>34</b>	<b>51</b>	<b>58</b>	<b>65</b>	<b>66</b>	<b>67</b>	<b>68</b>	<b>69</b>

	# to prison	Cost per year	Total Costs for <b>prison</b>	# to probation & parole	Cost per year	Total cost for <b>probation and parole</b>	Grand Total - Prison and Probation (includes 2% inflation)
Year 1	7	(\$8,255)	(\$48,154)	10	\$0	\$0	(\$48,154)
Year 2	14	(\$8,255)	(\$117,881)	20	\$0	\$0	(\$117,881)
Year 3	20	(\$8,255)	(\$171,770)	31	\$0	\$0	(\$171,770)
Year 4	21	(\$8,255)	(\$183,966)	37	\$0	\$0	(\$183,966)
Year 5	22	(\$8,255)	(\$196,581)	43	\$0	\$0	(\$196,581)
Year 6	22	(\$8,255)	(\$200,512)	44	\$0	\$0	(\$200,512)
Year 7	22	(\$8,255)	(\$204,522)	45	\$0	\$0	(\$204,522)
Year 8	22	(\$8,255)	(\$208,613)	46	\$0	\$0	(\$208,613)
Year 9	22	(\$8,255)	(\$212,785)	47	\$0	\$0	(\$212,785)
Year 10	22	(\$8,255)	(\$217,041)	47	\$0	\$0	(\$217,041)

**Oversight** does not have any information contrary to that provided by DOC. Therefore, Oversight will reflect DOC's estimated impact for fiscal note purposes.

If this impact statement has changed from statements submitted in previous years, it could be due to an increase/decrease in the number of offenders, a change in the cost per day for institutional offenders, and/or an increase in staff salaries.

If the projected impact of legislation is less than 1,500 offenders added to or subtracted from the department's institutional caseload, the marginal cost of incarceration will be utilized. This cost of incarceration is \$22.616 per day or an annual cost of \$8,255 per offender and includes such costs as medical, food, and operational E&E. However, if the projected impact of legislation is 1,500 or more offenders added or removed to the department's institutional caseload, the full cost of incarceration will be used, which includes fixed costs. This cost is \$88.12 per day or an annual cost of \$32,162 per offender and includes personal services, all institutional E&E, medical and mental health, fringe, and miscellaneous expenses. None of these costs include construction to increase institutional capacity.

DOC's cost of probation or parole is determined by the number of P&P Officer II positions that are needed to cover its caseload. The DOC average district caseload across the state is 51 offender cases per officer. An increase/decrease of 51 cases would result in a cost/cost avoidance equal to the salary, fringe, and equipment and expenses of one P&P Officer II. Increases/decreases smaller than 51 offender cases are assumed to be absorbable.

In instances where the proposed legislation would only affect a specific caseload, such as sex offenders, the DOC will use the average caseload figure for that specific type of offender to calculate cost increases/decreases.

In response to similar legislation from 2021, Perfected HCS for HB 59, officials from the **Attorney General's Office**, the **Department of Health and Senior Services**, the **Department of Public Safety's Fire Safety & Office of the Director**, the **Ellisville Police Department**, the **Pettis County Ambulance District**, the **St. Louis County Police Department**, the **Crawford County 911 Board**, the **Boone County Sheriff's Department**, the **Crestwood Police Department**, the **Springfield Police Department** and the **Nodaway County Ambulance District** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

House Amendment #3 - §285.575 – Whistleblower's Protection Act

In response to similar legislation from this year, HB 1941, officials from the **Office of the Secretary of State (SOS)** noted many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with its core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Department of Corrections** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this section.

In response to similar legislation from this year, HB 1941, officials from the **Department of Public Safety's Office of the Director** deferred to the **Office of Administration** for the potential fiscal impact of this proposal.

In response to similar legislation from this year, HB 1941, officials from the **Attorney General's Office**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **Department of Health and Senior Services**, the **Department of Mental Health**, the **Department of Labor and Industrial Relations**, the **Department of Revenue**, the **Department of Public Safety (Capitol Police, Fire Safety, Missouri National Guard, State Emergency Management Agency and Veterans Commission)**, the **Office of the Governor**,

the **Joint Committee on Administrative Rules**, the **Joint Committee on Public Employee Retirement**, the **Missouri Department of Conservation**, the **Petroleum Storage Tank Insurance Fund**, the **University of Missouri System**, the **Missouri Ethics Commission**, the **Office of Administration (Administrative Hearing Commission and Budget and Planning)**, the **Missouri Higher Education Loan Authority**, the **Office of the State Courts Administrator**, the **Office of the State Auditor**, the **Missouri Senate**, the **Office of the State Public Defender**, the **City of Springfield**, **St. Louis City**, the **Springfield Police Department**, the **St. Louis County Police Department**, the **Crawford County 911 Board**, the **Nodaway County Ambulance District** and the **St. Charles Community College** each assumed the proposal will have no fiscal impact on their respective organizations for this proposal.

**Oversight** notes that the above mentioned agencies have stated the proposal would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for this section.

Bill as Amended

Officials from the **Department of Commerce and Insurance**, the **Department of Natural Resources**, **Department of Public Safety's Division of Alcohol and Tobacco Control**, **Missouri Gaming Commission**, the **Missouri Highway Patrol**, the **Missouri Department of Agriculture**, the **Missouri Department of Transportation**, the **MODOT & Patrol Employees' Retirement System**, the **Department of Social Services**, the **City of Claycomo**, the **City of Kansas City**, the **Phelps County Sheriff**, the **Kansas City Police Department**, the **St. Joseph Police Department**, the **Boone County Fire Protection District**, **Metropolitan St. Louis Sewer District**, **South River Drainage District** **Missouri State University**, the **Hermann Area Hospital District**, the **Missouri House of Representatives**, the **Joint Committee on Education**, **Legislative Research**, the **Oversight Division**, the **Office of the State Treasurer**, the **Missouri Lottery**, the **Missouri Consolidated Health Care Plan**, the **Missouri Office of Prosecution Services**, the **Missouri State Employee's Retirement System** and the **State Tax Commission** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

**Oversight** only reflects the responses received from state agencies and political subdivisions; however, other cities, counties, local law enforcement, fire protection districts, ambulance districts, schools, colleges, utilities and hospitals were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.



<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025	Fully Implemented (FY 2027)
<b>GENERAL REVENUE</b>				
Costs – DOC – (\$§575.095,578.710) – Increase to incarceration costs p. 3-6	<u>(\$48,154)</u>	<u>(\$117,881)</u>	<u>(\$171,770)</u>	<u>(\$196,581)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$48,154)</u></b>	<b><u>(\$117,881)</u></b>	<b><u>(\$171,770)</u></b>	<b><u>(\$196,581)</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025	Fully Implemented (FY 2027)
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

#### FISCAL IMPACT – Small Business

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

#### FISCAL DESCRIPTION

This bill modifies provisions relating to certain public employees.

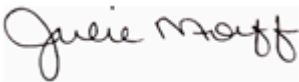
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

#### SOURCES OF INFORMATION

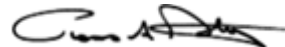
City of Kansas City  
 City of Claycomo  
 Branson Police Department  
 City of O’Fallon  
 Jackson County Board of Elections  
 Platte County Board of Elections  
 St. Louis County Board of Elections  
 Phelps County Sheriff’s Office  
 St. Joseph Police Department  
 Kansas City Police Department  
 Fruitland Area Fire Protection District  
 Carroll County 911 Board

Bevier Fire Protection District  
Dallas County R-I School District  
Missouri State University  
University of Central Missouri  
St. Charles Community College  
Little Blue Valley Sewer District  
Metropolitan St. Louis Sewer District  
Morgan County PWSD #2  
South River Drainage District  
St. Charles County PWSD #2  
Wayne County PWSD #2  
Hermann Area Hospital District  
Attorney General's Office  
Department of Commerce and Insurance  
Department of Economic Development  
Department of Elementary and Secondary Education  
Department of Higher Education and Workforce Development  
Department of Health and Senior Services  
Department of Mental Health  
Department of Natural Resources  
Department of Corrections  
Department of Labor and Industrial Relations  
Department of Revenue  
Department of Public Safety  
Department of Social Services  
Office of the Governor  
Joint Committee on Administrative Rules  
Joint Committee on Education  
Legislative Research  
Oversight Division  
Joint Committee on Public Employee Retirement  
Missouri Lottery Commission  
Missouri Consolidated Health Care Plan  
Department of Agriculture  
Missouri Department of Conservation  
MODOT & Patrol Employees' Retirement System  
Petroleum Storage Tank Insurance Fund  
University of Missouri System  
Missouri Ethics Commission  
Missouri House of Representatives  
Department of Transportation  
Office of Prosecution Services  
Office of Administration  
Missouri Higher Education Loan Authority

Missouri State Employees Retirement System  
Office of the State Courts Administrator  
Office of the State Auditor  
Missouri Senate  
Office of the State Public Defender  
Office of the State Treasurer  
State Tax Commission  
City of Springfield  
City of St. Louis City  
Springfield Police Department  
St. Louis County Police Department  
Crawford County 911 Board  
Nodaway County Ambulance District  
Office of the Secretary of State  
Ellisville Police Department  
Pettis County Ambulance District  
St. Louis County Police Department  
Crawford County 911 Board  
Boone County Sheriff's Department  
Crestwood Police Department  
Springfield Police Department  
Nodaway County Ambulance District  
Boone County Fire Protection District



Julie Morff  
Director  
March 24, 2022



Ross Strobe  
Assistant Director  
March 24, 2022