

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
(317) 232-9855

FISCAL IMPACT STATEMENT

LS 7689

BILL NUMBER: HB 1828

DATE PREPARED: Jan 20, 1999

BILL AMENDED:

SUBJECT: State employee labor matters.

FISCAL ANALYST: Susan Preble

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FUNDS AFFECTED: **GENERAL**
DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill has the following provisions:

- (1) Eliminates retention points as criteria for layoff and rehiring for state merit and non-merit employees;
- (2) Requires the state to compute military preference and length of service for determination of reduction in force for state employees;
- (3) Eliminates the requirement that retention points be computed to determine the order of layoff within each county and the provision that each county is considered to be an autonomous unit for layoff procedures;
- (4) Allows a state employee who is subject to layoff to displace another state employee in the same or lower class for any location within the state, if the employee has a higher seniority position than the employee being displaced;
- (5) Allows a state employee who has been laid off to have reemployment rights in any location within the state.

Effective Date: Upon passage; July 1, 1999.

Explanation of State Expenditures: This bill eliminates retention points in order to allow state employees who are subject to layoff to transfer to counties other than contiguous counties. While state layoffs are not common occurrences, passage of this bill may increase some state expenditures in the event future layoffs occur. Provision (1) of this bill will save administrative costs associated with the time required to calculate retention points for state merit employees (retention points are normally not calculated for non-merit employees).

State expenditures would increase if, as a result of bumping an employee from one county to another, the employee incurs moving expenses that are reimbursable by the state. Under current state travel policies, an employee's moving expenses can be reimbursed by the state under certain guidelines established by the Department of Administration. The allowable amount of reimbursement for a change of work station is limited to one-way mileage and one of several delineated moving rates.

Explanation of State Revenues:

Explanation of Local Expenditures:

Explanation of Local Revenues:

State Agencies Affected: State Personnel Department

Local Agencies Affected:

Information Sources: Keith Beesley, State Personnel Department, (317) 232-3062; *Financial Management Circular 97-1.1*, Sec. 8-3 (concerning work stations and moving), Department of Administration, July, 1997.