

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1658H.011
Bill No.: HB 769
Subject: Unemployment Compensation; Labor and Industrial Relations, Department of;
Labor and Management; Employees - Employers
Type: Original
Date: February 21, 2021

Bill Summary: The proposals authorizes the "Employment Security Program Integrity Act of 2021".

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	0	0	0

- 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.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Labor and Industrial Relations (DOLIR)** assume the proposal would not have a direct fiscal impact on their organization. The Division of Employment Security's current operational procedures comply with this bill's requirements, with the exception of the newly required written reports to the General Assembly.

However, this legislation does require the department utilize the Integrity Data Hub published by the UI Integrity Center of the National Association of State Workforce Agencies (NASWA). While the department is currently utilizing this hub, there may be future advances to other systems outside of the Integrity Data Hub that may more helpful to the department and/or the subscription costs for NASWA may shift. By mandating that the department use the Integrity Data Hub specifically, it may prevent the department from using any future systems, and could result in future fiscal impact if the subscription costs associated with NASWA change.

Officials from the **Department of Corrections, Crestwood Police Department, Kansas City Police Department, St. Joseph Police Department, and Saint Louis County Police Department** each assume the proposal would not have a direct fiscal impact on their organization.

Oversight notes the National Association of state Workforce Agencies (NASWA) provides critical cross-matching functionality to combat the challenges and urgencies of UI fraud such as Suspicious Actor Repository, ID Verification, Foreign IP Addresses, Suspicious Email Domain, Multi State Claims, etc. DOLIR has been in compliance with this specific proposal in last few years, with the exception of a written reports to the General Assembly. Per DOLIR there is a possibility of future costs associated with the transitioning to the new systems, outside of the NASWA capabilities; however, DOLIR does not anticipate any fiscal impact in FY 2022, 2023, 2024.

Officials from the above organizations assume the proposal will have no fiscal impact on their organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for state agencies and political subdivisions.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other local political subdivisions were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<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.

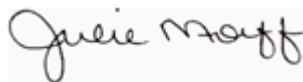
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

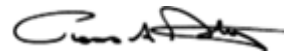
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Corrections
 Department of Labor and Industrial Relations
 Crestwood Police Department
 Kansas City Police Department
 St. Joseph Police Department
 Saint Louis County Police Department



Julie Morff
 Director
 February 21, 2021



Ross Strope
 Assistant Director
 February 21, 2021