

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4852-01
Bill No.: SB 1067
Subject: Administration, Office Of; Science and Technology; Telecommunications
Type: Original
Date: February 24, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> 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 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration, Division of Purchasing and Materials Management**, assume this proposal would have no fiscal impact on their organization.

Officials from the **Missouri Ethics Commission** did not estimate a fiscal impact for this proposal.

Oversight assumes this proposal would have no fiscal impact on the Missouri Ethics Commission.

ASSUMPTION (continued)

Officials from the **Office of Administration, Information Technology Services Division**, (ITSD) stated that a large portion of the duties included in this proposal are currently being performed by the State of Missouri Chief Information Officer and his staff in ITSD. Prior to FY06 these duties resided in the Office of Information Technology (OIT) which was consolidated into OA-ITSD. The costs to operate OIT in FY05 and FY04 are noted below:

	FY05	FY04
Personnel Costs	\$380,994	\$353,102
Expenses	\$939,348	\$405,059

ITSD stated that the majority of the funds used to pay for these expenditures were from the Office of Administration Revolving Fund, which then billed agencies for the OIT services. A major portion of the of these costs were paid from the state General Revenue Fund. Creating a new Office of Enterprise Technology similar to the size of the old OIT would increase expenditures to the General Revenue Fund.

ITSD included an estimate of the additional cost of providing a new Office of Enterprise Technology, including staff, benefits, and equipment and expenses totaling \$786,054 for FY 2007, \$800,000 for FY 2008, and \$815,000 for FY 2009.

Oversight assumes this proposal would be implemented by adding the responsibilities and authority in the proposal to the existing ITSD. Further, Oversight assumes that any additional cost would be minimal and could be absorbed with existing resources.

Oversight assumes the proposal could result in long-term but unknown savings to the General Revenue Fund and other state funds due to reducing duplication of services and coordinated purchasing. Oversight also assumes that any savings would likely be realized after FY 2009 and has not included those savings in this fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<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 create the Office of Enterprise Technology within the Office of Administration.

The office would be headed by a state Chief Information Officer who would be appointed by the Governor and subject to Senate confirmation. The office could contract for goods or services with public or private organizations and charge fees for services it provides; apply for, receive, and expend money from public agencies; apply for, accept, and disburse grants and other types of aid from the federal government and other public or private sources; contract with agencies of the federal government, local governmental units, the University of Missouri and other educational institutions, as necessary to perform its statutory duties.

The Chief Information Officer, in consultation with the Commissioner of the Office of Administration, could determine when it is cost-effective for agencies to develop and use shared information and telecommunications technology systems and services for the delivery of electronic government services. The Chief Information Officer may require agencies to use shared information and telecommunications technology systems and services, and could establish reimbursement rates to be billed to agencies and other governmental entities sufficient to cover the actual development, operating, maintenance, and administrative costs of the shared systems.

DESCRIPTION (continued)

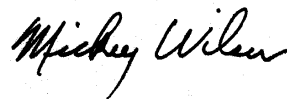
A state agency could not undertake an information and telecommunications technology project until it has been evaluated and approved by the Chief Information Officer. The Office of Administration would cancel the unencumbered balance of any appropriation allotted for a project not approved.

In consultation with the Attorney General and appropriate agency heads, the Chief Information Officer would develop security policies, guidelines, and standards, and install and administer data security systems on the state's computer facilities consistent with those policies, guidelines, standards, and state law to ensure the integrity of computer-based and other data and to ensure applicable limitations on access to data. The Chief Information Officer would be responsible for overall security of state agency networks connected to the Internet. Each department or agency head would be responsible for the security that organization's data.

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 Purchasing and Materials Management
Information Technology Services Division
Missouri Ethics Commission



Mickey Wilson, CPA
Director
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