

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0141-01
Bill No.: SB 88
Subject: Administration, Office of; Science and Technology; Telecommunications;
Type: Original
Date: January 25, 2007

Bill Summary: This proposal creates the office of enterprise technology.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|-----------------------------------|-----------------------------------|-------------------------------------|
| FUND AFFECTED | FY 2008 | FY 2009 | FY 2010 |
| General Revenue | (Unknown to \$958,758) | (Unknown to \$987,521) | (Unknown to \$1,017,147) |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | (Unknown to \$958,758) | (Unknown to \$987,521) | (Unknown to \$1,017,147) |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2008 | FY 2009 | FY 2010 |
| | | | |
| | | | |
| 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 2008 | FY 2009 | FY 2010 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2008 | FY 2009 | FY 2010 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2008 | FY 2009 | FY 2010 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials in the **Office of Administration's Information Technology Services** assume the majority of the duties included in RSMo 37.780 are currently being performed by the State of Missouri CIO and staff in OA-ITSD. The revisions to RSMo 37.780 do not appear to expand the powers or duties already included in OA-ITSD. Prior to FY06 these duties resided in the Office of Information Technology (OIT) which was consolidated into OA-ITSD, which now performs these duties.

The costs to operate OIT in FY05 are noted below:

| Budget Object | Total |
|----------------------------|--------------|
| Communication Serv & Supp | \$6,028.95 |
| Computer Equipment | \$2,729.93 |
| M&r Services | \$348.15 |
| Miscellaneous Expenses | \$3,033.07 |
| Office Equipment | \$182.94 |
| Professional Development | \$17,617.00 |
| Professional Services | \$332,320.25 |
| Salaries & Wages (5 Fte's) | \$380,994.99 |
| Fringe Benefits | \$144,788.10 |
| Supplies | \$30,784.35 |
| Travel, In-state | \$1,738.96 |
| Travel, Out-of-state | \$10,275.93 |
| Grand Total | \$930,832.62 |

Projected for FY08 958,758
 Projected for FY09 987,521
 Projected for FY10 1,017,147

ASSUMPTION (continued)

The majority of the funds used to pay for these expenditures were from the OA Revolving fund 0505, which then billed agencies for the OIT services. A major portion of the money used to pay for these services were paid by General Revenue funds. Creating a new Office of Enterprise Technology similar to the size of the old OIT would increase expenditures to General Revenue depending on the size and nature of the office.

Officials at the **Office of the Attorney General** (AGO) assume that depending on the recommendations of the Office of Enterprise Technology, including possible recommendations about consolidating certain electronic services to constituents, there could be some cost to the AGO. The AGO assumes that such costs could be absorbed with existing resources.

Officials at the **Office of the Secretary of State** assume this office does not fall under the purview of this bill. Assuming without conceding the applicability, this bill would have an unknown, yet significant, impact.

Officials at the **Office of Administration's Administrative Hearing Commission** and the **Office of the Governor** assume no fiscal impact from this proposal.

Oversight assumes this proposal is not clear as to whether it is expanding and renaming the existing OA-ITSD or whether it is creating a new agency with similar powers duties and responsibilities to OA-ITSD.

If this proposal expands and renames the existing OA-ITSD then the fiscal impact of this proposal is unknown. Many of the duties outlined in the proposal are currently being done by OA-ITSD so no new cost should arise. **Oversight** assumes that if it is determined that additional duties can not be performed then OA-ITSD could request additional funding through the appropriation process.

If this proposal creates a new agency then **Oversight** assumes the cost will be similar to the cost of the Office of Information Technology.

| <u>FISCAL IMPACT - State Government</u> | FY 2008 (10 Mo.) | FY 2009 | FY 2010 |
|---|---------------------|---------|---------|
|---|---------------------|---------|---------|

| <u>FISCAL IMPACT - Local Government</u> | FY 2008 (10 Mo.) | FY 2009 | FY 2010 |
|---|---------------------|------------|------------|
| | <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.

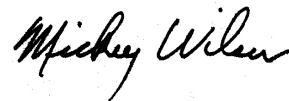
FISCAL DESCRIPTION

The proposed legislation appears to have no 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

Office of Administration- Administrative Hearing Commission
Office of Administration- Information Technology Services
Office of the Attorney General
Office of the Governor
Office of the Secretary of State- Information Technology



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Director
January 25, 2007