

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0598-01
Bill No.: SB 181
Subject: Attorney General; Boards, Commissions, Committees, Councils; Contracts and Contractors; Employees-Employers; Labor and Industrial Relations Department; Public Records, Public Meetings
Type: Original
Date: February 5, 2007

Bill Summary: Would create the Public Service Accountability Act.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

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 from the **Office of State Courts Administrator**, the **Office of Administration**, **Administrative Hearing Commission**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Labor and Industrial Relations**, the **Department of Transportation**, and the **City of Centralia** assume this proposal would have no fiscal impact on their organizations.

Officials from the **Office of the Attorney General** assume this proposal would create minimal costs that can be absorbed with existing resources.

Officials from the **Office of the Secretary of State (SOS)** stated that many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. 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 SOS for Administrative Rules is less than \$2,500. SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize 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 our office can sustain with our core budget. Therefore, we reserve 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.

Officials from the **Office of Administration, Division of Purchasing and Materials Management (DPMM)** assume this proposal would create an additional requirement for cost analysis by DPMM buyers before bidding for and awarding a "privatization" contract. DPMM stated that the additional requirements placed on contractors bidding on these types of contracts could reduce competition.

DPMM assumed the proposal would create additional workload and that DPMM would need an additional 1.0 FTE Buyer IV position. The new Buyer would either prepare the cost estimates to provide the services by public employees or review the cost estimates prepared by the state agencies. After the bids have been submitted, the Buyer would prepare comprehensive analyses of the contract costs.

DPMM submitted a cost estimate including the additional employee and related equipment and expenses totaling \$65,567 for FY 2008, \$77,720 for FY 2009, and \$ 80,051 for FY 2010.

ASSUMPTION (continued)

Oversight assumes that the additional requirements for contracts would be the primary responsibility of the contracting agency and the prospective contractor, and that any additional workload for DPMM could be absorbed with existing resources. If unanticipated costs are incurred or if multiple proposal are enacted which create additional workload for DPMM, resources could be requested through the budget process.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<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

This proposal could have a fiscal impact to small businesses which contract with the state or its political subdivisions.

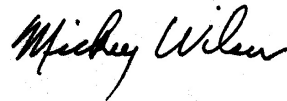
FISCAL DESCRIPTION

This proposal would create the Public Service Accountability Act.

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 State Courts Administrator
Office of the Secretary of State
Office of the Attorney General
Office of Administration
 Administrative Hearing Commission
 Division of Purchasing
Department of Economic Development
Department of Elementary and Secondary Education
Department of Labor and Industrial Relations
Department of Transportation
City of Centralia



Mickey Wilson, CPA
Director
February 5, 2007