

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2295-01  
Bill No.: SB 626  
Subject: Education, Higher; Employer - Employee; Employment Security  
Type: Original  
Date: March 13, 2007

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Bill Summary: This proposal enacts various provisions affecting illegal aliens.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(\$648,941 to Unknown)	(\$371,902 to Unknown)	(\$383,059 to Unknown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$648,941 to Unknown)</b>	<b>(\$371,902 to Unknown)</b>	<b>(\$383,059 to Unknown)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 7 pages.

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

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2008</b>	<b>FY 2009</b>	<b>FY 2010</b>
<b>Local Government</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

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## **FISCAL ANALYSIS**

### ASSUMPTION

Officials from the **Office of the Secretary of State - Business Services (SOS)** state it is unknown how many complaints would be filed since the bill is unclear; therefore, it is not possible to accurately estimate the fiscal impact. At a minimum, the SOS would need five FTE to include: a division director (at \$79,248 annually), an immigration attorney (at \$65,000 annually), an administrative assistant (at \$29,388 annually), one trainer/educator (at \$39,324 annually) and one Technician III (at \$28,368 annually).

It is also assumed there will need to be modifications to the existing Knowledge Base computer system for business registrations to allow for a registration "suspension" and the development of a new system to manage the enforcement of this legislation.

Officials from the **Office of the Secretary of State - Administrative Rules** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office 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 Secretary of State's office for Administrative Rules is less than \$2,500. The Secretary of State's office 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.

In response to a similar proposal from this year (SB 626), officials from the **Office of the Attorney General** assumed there would be some costs in implementing the provisions of Section 28.812.5, which requires all state agencies to implement the federal Basic Pilot program. While the AGO does not know the cost of implementing this program, the AGO assumes that any costs would be less than \$100,000.

Officials from the **Department of Higher Education (DHE)** assume the fiscal impact of this legislation is unknown. Outlined in the bill is the provision that the department shall enroll and participate in a program of electronic verification of work authorization regarding illegal immigrants but costs associated with this procedure, if any, are unknown. The department will be responsible for verifying employment eligibility for those employed once the verification program is utilized. Also, the DHE will be responsible for ensuring that illegal aliens are not

ASSUMPTION (continued)

eligible for admission to any community college.

The impact on the colleges and universities is unknown. In an effort to prohibit illegal aliens from gaining entry into higher education institutions, this proposal could result in institutions implementing new monitoring and admissions requirements. The costs of any such new procedures are unknown.

Officials from the **Office of Administration - Divisions of Purchasing and Materials Management, Facilities Management and Design and Construction, Department of Revenue** and the **Department of Labor and Industrial Relations** each assume the proposal would not fiscally impact their respective agencies.

Officials from the **Office of State Courts Administrator** assume the proposal would not fiscally impact the courts.

Officials from **Linn State Technical College, Metropolitan Community College and Lincoln University** each assume the proposal would not fiscally impact their respective schools.

Officials from the **City of Kansas City** assume they would incur the following costs, which are contingent upon the costs of investigations and the number of suspensions of licenses ordered by the State of Missouri:

- Section 28.812.5 - the City is required to be in the pilot program which will entail costs of verification of employees beyond what is now required.
- Section 28.815.4 - the City is required to suspend licenses of businesses when ordered by the State.

Officials from the **Office of Administration - Personnel Division** did not respond to our request for fiscal impact.

Officials from the **University of Missouri, St. Charles Community College**, the counties of **Warren, St. Louis, St. Charles, Lafayette, Jasper and Greene**, and the cities of **Springfield, Raytown, Mexico, Lebanon, and Fulton** did not respond to our request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>GENERAL REVENUE FUND</b>			
<u>Costs - Office of the Secretary of State</u>			
Personal Service	(\$207,140)	(\$256,025)	(\$263,706)
Fringe Benefits	(\$93,752)	(\$115,877)	(\$119,353)
Expense and Equipment	(\$48,049)	\$0	\$0
Notices to business (including postage)	(Unknown)	(Unknown)	(Unknown)
Computer Programming	(\$300,000)	\$0	\$0
<u>Total Costs - SOS</u>	More than (\$648,941)	More than (\$371,902)	More than (\$383,059)
FTE Change - SOS	5 FTE	5 FTE	5 FTE
<u>Costs - to various state agencies</u>			
To implement the Pilot Program	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b>(\$648,941 to <u>Unknown</u>)</b>	<b>(\$371,902 to <u>Unknown</u>)</b>	<b>(\$383,059 to <u>Unknown</u>)</b>
Estimated Net FTE Change for General Revenue Fund	5 FTE	5 FTE	5 FTE
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2008 (10 Mo.)	FY 2009	FY 2010
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Costs - to political subdivisions and local government employers to actively enroll and participate in the basic pilot program</u>			
	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>(UNKNOWN)</u></b>	<b><u>(UNKNOWN)</u></b>	<b><u>(UNKNOWN)</u></b>

FISCAL IMPACT - Small Business

Small businesses that are registered with the Secretary of State must participate in the Pilot Program.

### FISCAL DESCRIPTION

This proposal enacts provisions affecting illegal aliens.

The Division of Immigration Compliance is created inside the office of the Secretary of State to implement new provisions in the law that deny employment to illegal aliens.

It is illegal to employ unauthorized aliens and the act mandates that every employer in the state participate in the federal Basic Pilot Program in order to verify an employee's work authorization status as a condition of employment. Certificates of incorporation and other business licenses and registrations will be suspended when an employer employ's unauthorized aliens. Steps for curing violations are enumerated.

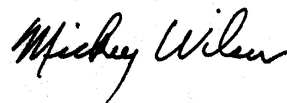
Illegal aliens are barred from attending all public universities in the state.

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 the Secretary of State  
Department of Labor and Industrial Relations  
Office of Administration  
Department of Revenue  
Office of the State Courts Administrator  
Office of the Attorney General  
Lincoln University  
Linn State Technical College  
Metropolitan Community College  
City of Kansas City

**NOT RESPONDING: Office of Administration - Personnel Division, University of Missouri, St. Charles Community College, counties of Warren, St. Louis, St. Charles, Lafayette, Jasper and Greene, and the cities of Springfield, Raytown, Mexico, Lebanon, and Fulton**



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Director  
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