

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2515-01  
Bill No.: SB 622  
Subject: Contracts and Contractors; Drugs and Controlled Substances; Employees -  
Employers; Public Buildings  
Type: Original  
Date: March 23, 2007

Bill Summary: This proposal requires construction employees to take drug tests before working on projects on school and state property.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>       |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2008    | FY 2009    | FY 2010    |
|   |            |            |            |
|   |            |            |            |
| <b>Total Estimated Net Effect on General Revenue Fund</b> | <b>\$0</b> | <b>\$0</b> | <b>\$0</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 5 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>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

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## **FISCAL ANALYSIS**

### ASSUMPTION

Officials at the **Department of Elementary and Secondary Education (DESE)** assume there is no state cost to the foundation formula associated with this proposal. Should the new crimes and amendments to current law result in additional fines or penalties, DESE cannot know how much additional money might be collected by local governments or the DOR to distribute to schools. To the extent fine revenues exceed 2004-2005 collections, any increase in this money distributed to schools increases the deduction in the foundation formula the following year. Therefore the affected districts will see an equal decrease in the amount of funding received through the formula the following year; unless the affected districts are hold-harmless, in which case the districts will not see a decrease in the amount of funding received through the formula (any increase in fine money distributed to the hold-harmless districts will simply be additional money). An increase in the deduction (all other factors remaining constant) reduces the cost to the state of funding the formula.

Officials at the **Missouri Department of Conservation (MDC)** assume the proposed legislation would appear to have indirect fiscal impact on MDC funds, since it would mainly affect contractors and subcontractors who work on state owned buildings. The exact amount of impact is unknown, but expected to be less than \$100,000 annually.

Officials at the **University of Missouri** assume this bill would require drug testing on all University construction contracts. Total cost impact to the University estimated at \$180,000 a year.

Officials at the **Department of Higher Education, Office of Administration, Metropolitan Community College, Office of the Secretary of State, Linn State Technical College, Missouri State University, University of Central Missouri, Department of Health and Senior Services, Lincoln University** and the **Missouri Department of Transportation** assume that there is no fiscal impact from this proposal.

**Oversight** assumes that this proposal would require contractors to establish and maintain a drug testing program while working on public projects. The cost of the program would be paid for by the contractors.

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

FISCAL IMPACT - Small Business

Small businesses having construction contracts with the state or universities would experience an increase in costs as a result of this proposal.

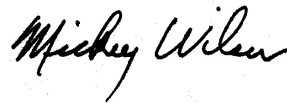
FISCAL DESCRIPTION

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

Department of Higher Education  
Department of Elementary and Secondary Education  
Department of Conservation  
Office of Administration  
Metropolitan Community College  
Office of the Secretary of State  
Linn State Technical College  
Missouri State University  
University of Missouri  
University of Central Missouri  
Department of Health and Senior Services  
Lincoln University  
Missouri Department of Transportation



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Director  
March 23, 2007