

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1496-01
Bill No.: SB 286
Subject: Office of Administration; Internet, World-Wide Web & Email; State Departments
Type: Original
Date: March 10, 2015

Bill Summary: This proposal requires that all state-owned data centers become consolidated to the State Data Center.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(\$5,500,000)	\$0	\$0
Total Estimated Net Effect on General Revenue	(\$5,500,000)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Conservation Commission	(Greater than \$100,000)	(Greater than \$100,000)	(Greater than \$100,000)
Total Estimated Net Effect on <u>Other</u> State Funds	(Greater than \$100,000)	(Greater than \$100,000)	(Greater than \$100,000)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration - Information Technology Services Division (ITSD)** assume that state agencies currently operating data centers would migrate to the State Data Center (SDC) to use SDC services like colocation, virtual servers, storage, etc. ITSD does not assume that they would consolidate their staff into ITSD. Any savings would therefore be realized by the agencies utilizing SDC services. ITSD is not aware of any state agency currently operating a Mainframe outside the SDC. ITSD assumes there would be no fiscal impact to ITSD because we would recover additional costs for additional services in the rates we charge for services.

Officials from the **Office of the Secretary of State** assume the costs of this proposal are unknown.

Officials from the **Missouri Department of Conservation** assumes a negative fiscal impact of greater than \$100,000.

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** assume this proposal will require the purchase of equipment to be used at the SDC for certain data, per federal law. Estimated expense to be incurred is \$5,500,000 for servers and networking equipment and connections.

Officials from the **Missouri Lottery Commission (LOT)** state their department is required contractually to have separate IT systems that are independent from other networks to protect the integrity of national lottery games. Our multi-state agreements preclude us from giving access to our network to anyone other than identified LOT employees. In the event of an imbalance in data between our vendor and our independent Internal Control System (ICS) on Draw Nights we are obligated to implement certain steps that could not be completed by Office of Administration (OA) personnel in a consolidated environment. LOT also conducts draws for our in-state games with unique process and procedures that from an auditing perspective could not be completed by OA. This proposal has no fiscal impact to the LOT.

ASSUMPTION (continued)

Officials from the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Health and Senior Services**, the **Department of Revenue**, the **Department of Natural Resources**, the **Department of Social Services**, the **Department of Public Safety - Office of the Director**, the **Department of Public Safety - Division of Alcohol and Tobacco Control**, the **Department of Agriculture**, the **Department of Mental Health**, the **Department of Elementary and Secondary Education**, the **Office of Administration - Budget and Planning** and the **Department of Corrections** defer to the Office of Administration - Information Technology Services Division for fiscal impact.

Officials from the **Attorney General's Office**, the **Office of the State Treasurer**, the **Missouri State Employees Retirement System**, the **State Tax Commission**, the **Missouri Consolidated Health Care Plan**, the **Department of Higher Education**, the **Department of Public Safety - Division of Fire Safety**, the **Department of Labor and Industrial Relations**, the **Department of Public Safety - Missouri Veterans Commission**, the **Joint Committee on Administrative Rules**, the **Administrative Hearing Commission**, the **Office of the State Auditor**, the **MoDOT and Patrol Employees Retirement System**, the **Joint Committee on Public Employee Retirement**, the **Missouri Lieutenant Governor**, and the **Missouri Ethics Commission** each assume the current proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
GENERAL REVENUE FUND			
<u>Costs - MHP</u>			
Purchase of servers and networking equipment and connections for SDC	<u>(\$5,500,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$5,500,000)</u>	<u>\$0</u>	<u>\$0</u>
 CONSERVATION COMMISSION FUND			
<u>Costs - Consolidation to SDC</u>			
	(Greater than <u>\$100,000</u>)	(Greater than <u>\$100,000</u>)	(Greater than <u>\$100,000</u>)
ESTIMATED NET EFFECT ON CONSERVATION COMMISSION FUND	<u>(Greater than \$100,000)</u>	<u>(Greater than \$100,000)</u>	<u>(Greater than \$100,000)</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<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

This proposal requires that all executive department, executive, legislative, and judicial branch, and all other state-owned data centers become consolidated to the State Data Center by October 1, 2016.

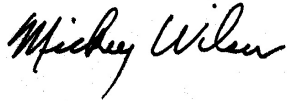
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration - Information Technology Services Division
Office of the Secretary of State
Missouri Department of Conservation
Department of Public Safety - Missouri Highway Patrol
Missouri Lottery Commission
Department of Insurance, Financial Institutions and Professional Registration
Department of Health and Senior Services
Department of Revenue
Department of Natural Resources
Department of Social Services
Department of Public Safety - Office of the Director
Department of Public Safety - Division of Alcohol and Tobacco Control
Department of Agriculture
Department of Mental Health
Department of Elementary and Secondary Education
Office of Administration - Office of Administration - Budget and Planning
Department of Corrections
Attorney General's Office
Office of the State Treasurer
Missouri State Employees Retirement System
State Tax Commission
Missouri Consolidated Health Care Plan
Department of Higher Education
Department of Public Safety - Division of Fire Safety
Department of Labor and Industrial Relations
Department of Public Safety - Missouri Veterans Commission
Joint Committee on Administrative Rules

SOURCES OF INFORMATION (continued)

Administrative Hearing Commission
Office of the State Auditor
MoDOT and Patrol Employees Retirement System
Joint Committee on Public Employee Retirement
Missouri Lieutenant Governor
Missouri Ethics Commission



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March 10, 2015

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