

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4101-02
Bill No.: SCS for SB 704
Subject: Office of Administration; Office of the State Auditor; Department of Elementary and Secondary Education; Department of Higher Education; State; Federal - State Relations; Governor and Lieutenant Governor; State Departments
Type: Original
Date: January 29, 2016

Bill Summary: This proposal requires all departments and divisions of the state, including statewide offices, to post copies of contracts entered into for provision of legal services from outside firms on the Missouri Accountability Portal.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
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 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Economic Development**, the **Department of Mental Health**, the **Department of Revenue**, the **Department of Public Safety - Missouri Highway Patrol**, the **Office of Administration - Budget and Planning** each defer to Office of Administration - Information Technology Services Division for fiscal impact.

In response to a previous version of this proposal, officials from the **Missouri House of Representatives**, the **Department of Natural Resources**, the **Department of Agriculture**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Corrections**, and the **Department of Social Services** each deferred to Office of Administration - Information Technology Services Division for fiscal impact.

Officials from the **Office of the State Courts Administrator** state there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Office of the Governor, the **Department of Higher Education**, the **Department of Labor and Industrial Relations**, the **Department of Public Safety - Capitol Police**, the **Department of Public Safety - Division of Fire Safety**, the **Department of Public Safety - Missouri Gaming Commission**, the **Joint Committee on Public Retirement**, the **Legislative Research**, the **Missouri Consolidated Health Care Plan**, the **Office of Prosecution Services**, the **Missouri State Employees Retirement System**, the **MoDOT and Patrol Employees Retirement System**, the **Administrative Hearing Commission**, the **Office of the State Auditor** each assume the current proposal would not fiscally impact their agency.

In response to a previous version of this proposal, officials from the **Department of Elementary and Secondary Education**, the **Department of Health and Senior Services**, the **Department of Public Safety - Director's Office**, the **Department of Public Safety - Division Alcohol and Tobacco Control**, the **Department of Public Safety - Missouri Veterans Commission**, the **Missouri Lottery Commission**, the **Missouri Department of Conservation**, the **Missouri Ethics Commission**, the **Missouri Lieutenant Governor**, the **Department of Transportation**, the **Missouri Senate**, the **Office of the State Treasurer** and the **State Tax Commission** each assumed the proposal would not fiscally impact their respective agencies.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and

ASSUMPTION (continued)

regulations to implement the act. The 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 the SOS for Administrative Rules is less than \$2,500.

The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs.

However, the SOS also recognizes 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 the office can sustain with the core budget. Therefore, the SOS reserves 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.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Attorney General's Office** assume that any potential costs arising from this proposal can be absorbed with existing resources.

In response to a previous version of this proposal, officials from the **Joint Committee on Administrative Rules** stated that the proposal is not anticipated to cause a fiscal impact to their agency beyond its current appropriation.

In response to a previous version of this proposal, officials from the **Office of Administration - Information Technology Services Division (ITSD)** assumed the proposal would require changes to be made to the Missouri Accountability Portal to provide for the ability to post certain information of legal service contracts from outside firms onto the portal. This would require 133.92 hours of consultant work by ITSD at \$75 per hour this equates to a fiscal impact of \$10,044 for FY17. The annual maintenance of the system will require \$2,059 in FY18 and \$2,110 in FY19.

Oversight assumes ITSD would be able to absorb some of the programming costs, resulting in a minimal negative fiscal impact.

ASSUMPTION (continued)

Officials from the **City of Jefferson** state they do not have the ability to access the State’s public accountability portal and cannot estimate the cost of this proposal.

Officials from the **Springfield Police Department** assume the current proposal would not fiscally impact their agency.

Officials from the **Cole County Sheriff’s Department** assume this proposal would have significant fiscal impact.

Officials from the **Boone County Sheriff’s Department** assume the current proposal would not fiscally impact their agency.

Officials from the **County of St. Louis** and **City of Kansas City** each assume the current proposal would not fiscally impact their local governments.

Oversight assumes the Senate Committee Substitute requires all local political subdivisions, state departments, and all institutes of higher education to make audit reports available on the Missouri Accountability Portal. All audits completed by the Office of the State Auditor are on their website. The Office of Administration can add a link with existing resources. Oversight also assumes Political Subdivisions can submit links or electronic versions of their audit reports to Office of Administration to post on the portal, all with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<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 direct fiscal impact.

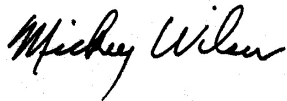
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture
Department of Economic Development
Department of Elementary and Secondary Education
Department of Higher Education
Department of Health and Senior Services
Department of Insurance, Financial Institutions and Professional Registration
Department of Mental Health
Department of Corrections
Department of Labor and Industrial Relations
Department of Revenue
Department of Public Safety
Department of Social Services
Joint Committee on Administrative Rules
Joint Committee on Public Retirement
Legislative Research
Missouri Lottery Commission
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Missouri Ethics Commission
Missouri Lieutenant Governor
Department of Transportation
Office of Prosecution Services
Missouri State Employees Retirement System
MoDOT and Patrol Employees Retirement System
Office of Administration
Office of the State Auditor
Missouri Senate
Office of the State Treasurer
State Tax Commission
Attorney General's Office
Department of Natural Resources

SOURCES OF INFORMATION (continued)

Office of the Governor
Missouri House of Representatives
City of Jefferson
County of St. Louis
City of Kansas City
Cole County Sheriff's Department
Boone County Sheriff's Department



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Director
January 29, 2016

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January 29, 2016