

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5440-06
Bill No.: Truly Agreed To and Finally Passed SS No. 2 for SCS for SB 802
Subject: Office of Administration; Corporations; Minorities
Type: Original
Date: June 18, 2018

Bill Summary: This proposal modifies provisions relating to non-profit women's and minority business enterprises.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
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 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration (OA) - Office of Equal Opportunity (OA-OEO)** assume this legislative process under Section 37.020.4 would allow the Commissioner of Administration to designate a not-for-profit organization as a minority business enterprise or a women's business enterprise for the sole purpose of competing in other states, provided that the organization is headquartered in Missouri and the collective majority of the organization's board of directors and executive management in charge of daily business operations are minorities or women.

OA-OEO assumes no additional FTE is anticipated. Because of the specific language limiting the number of potential not-for profits (NPO) applicants to those with the sole purpose of competing in another state, OEO anticipates a small number of NPOs seeking certification. It is assumed that the duties and responsibilities of OEO staff would expand to cover the additional work of certifying NPOs seeking certification. Additionally, OA would have to create the criteria for certifying these NPOs through rules and regulations.

Officials from the **Department of Higher Education, the Department of Economic Development, the Office of Administration - Division of Purchasing** and the **Department of Labor and Industrial Relations** assume the proposal will have no fiscal impact on their respective organizations.

Officials from the **State Technical College of Missouri, Missouri State University** and **University of Missouri** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a previous version ,officials from the **University of Central Missouri** and **Missouri Western State University** each assumed the proposal will have no fiscal impact on their respective organizations.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal could have an impact on small businesses.

FISCAL DESCRIPTION


This act permits the Commissioner of Administration to designate a non-profit organization a minority business enterprise or a women's business enterprise for the sole purpose of competing in other states.

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
Department of Economic Development
Department of Higher Education
Department of Labor and Industrial Relations
Missouri State University
University of Central Missouri
University of Missouri
Missouri Western State University
State Technical College of Missouri

Ross Strobe



Acting Director
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