

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4115-01
Bill No.: Perfected SB 544
Subject: Housing; Kansas City; and St. Louis City
Type: Original
Date: March 10, 2020

Bill Summary: This proposal creates a “Text-to-Donate” pilot program in Kansas City and St. Louis to provide services aimed at reducing the population of homeless persons in those cities.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|------------------------------|----------------|----------------|
| FUND AFFECTED | FY 2021 | FY 2022 | FY 2023 |
| General Revenue | (Less than \$100,000) | \$0 | \$0 |
| Total Estimated Net Effect on General Revenue | (Less than \$100,000) | \$0 | \$0 |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2021 | FY 2022 | FY 2023 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2021 | FY 2022 | FY 2023 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2021 | FY 2022 | FY 2023 |
| | | | |
| | | | |
| 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 2021 | FY 2022 | FY 2023 |
| Local Government | \$0 or (Unknown) | \$0 or (Unknown) | \$0 or (Unknown) |

FISCAL ANALYSIS

ASSUMPTION

Officials at the **City of St. Louis** state that according to the Director of the City's Information Technology Services Agency (ITSA), creating a site to manage a payment portal for a text-to-donate activity would have an estimated cost between \$30,000 and \$50,000 in the first year to buy or build a system. It would cost between \$5,000 and \$10,000 for annual maintenance.

The Department of Human Services estimates that it would cost between \$5,000 and \$10,000 annually to handle fiscal and programmatic tasks. The Department of Human Services was also unable to estimate potential revenue for this proposal.

Oversight notes that the proposal states that "The general assembly shall make a one-time appropriation to each city in a sufficient amount to authorize each city to provide initial signage promoting a newly created text-to-donate fund." Oversight is unclear from the proposal when this will occur or how much will be appropriated by the General Assembly. Oversight will assume that the appropriation would be authorized in FY 2021 and will reflect a cost of (Less than \$100,000) in FY 2021.

Oversight also assumes, for fiscal note purposes that donations to the text-to-donate funds will be spent on services to the homeless in the year donations are made.

Officials at the **Office of Administration's Division of Budget and Planning**, the **Missouri Department of Transportation** and the **City of Kansas City** each assume no fiscal impact to their respective agencies from this proposal.

Oversight notes the Office of Administration's Division of Budget and Planning, the Missouri Department of Transportation and the City of Kansas City have each stated the proposal would not have a direct fiscal impact on their respective organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for these agencies.

| <u>FISCAL IMPACT - State Government</u> | FY 2021 (10 Mo.) | FY 2022 | FY 2023 |
|--|---|--------------------------------|--------------------------------|
| GENERAL REVENUE FUND | | | |
| <u>Transfer out</u> - to appropriate funds for advertising text-to-donate programs | (Less than <u>\$100,000</u>) | <u>\$0</u> | <u>\$0</u> |
| ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND | (Less than <u>\$100,000</u>) | <u>\$0</u> | <u>\$0</u> |
| | | | |
| <u>FISCAL IMPACT - Local Government</u> | FY 2021 (10 Mo.) | FY 2022 | FY 2023 |
| CITIES OF ST. LOUIS AND KANSAS CITY | | | |
| <u>Transfer In</u> - funds to advertise the text-to-donate programs | Unknown, less than \$100,000 | \$0 | \$0 |
| <u>Income</u> - Donations to text-to-donate funds | Unknown | Unknown | Unknown |
| <u>Costs</u> - advertising the text-to-donate programs | (Unknown, less than \$100,000) | \$0 | \$0 |
| <u>Costs</u> - Services to the Homeless paid from text-to-donate funds | (Unknown) | (Unknown) | (Unknown) |
| <u>Costs</u> - St. Louis City - Payment portal for text-to-donate activity | (\$35,000 to <u>\$60,000</u>) | (\$10,000 to <u>\$20,000</u>) | (\$10,000 to <u>\$20,000</u>) |
| ESTIMATED NET EFFECT ON THE CITIES OF ST. LOUIS AND KANSAS CITY | <u>\$0 or (Unknown)</u> | <u>\$0 or (Unknown)</u> | <u>\$0 or (Unknown)</u> |

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This act creates a "Text-to-Donate" pilot program in Kansas City and St. Louis to provide services aimed at reducing the population of homeless persons in those cities. Each city shall create a fund within the city treasury to receive money for this program. This program will be funded by donations made via text messages. Each city shall provide the phone number to which donations can be sent via text message.

The cities shall be responsible for administering, promoting, securing donations to, and making distributions from the fund. Additionally, distributions from a city's fund shall only be made to pay for services aimed at reducing the homeless population of that city.

This act also requires the General Assembly to make a one-time appropriation sufficient to fund the initial signage promoting these funds. The signage shall be displayed in areas with a high population of homeless persons. Any further expenditures to promote a city's fund shall be paid out of the fund itself.

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

City of St. Louis
Office of Administration - Division of Budget and Planning
Missouri Department of Transportation
City of Kansas City



Julie Morff
Director
March 10, 2020



Ross Strope
Assistant Director
March 10, 2020