

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2330-03
BILL NO.: SB 583
SUBJECT: Education, Elementary and Secondary: Libraries
TYPE: Original
DATE: January 11, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$23,520)	(\$24,745)	(\$25,356)
Total Estimated Net Effect on <u>All</u> State Funds	(\$23,520)	(\$24,745)	(\$25,356)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government*	(UNKNOWN)	(UNKNOWN)	(UNKNOWN)

***Estimated to exceed \$100,000 annually.**

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator** assume the proposal would result in no fiscal impact to the agency.

Officials from the **Missouri River Regional Library** assume they would need one FTE Network Assistant (\$46,000) and one FTE Library Assistant (\$21,804). They would need equipment costing approximately \$30,000 annually. They also estimate needing web site registrations, database licensing and filtering software costing approximately \$125,000 annually.

Officials from the **Daniel Boone Regional Library** assume the proposal would result in personnel costs of approximately \$150,000 annually; capital improvements of approximately \$72,000 in FY 2001; and computer software and supplies of \$43,000 in FY 2001 and approximately \$9,000 annually in subsequent fiscal years.

Officials from the **Secretary of State's Office (SOS)** state Section 181.020(4), RSMo, directs the Missouri State Library to "furnish information and counsel as to the best means of establishing and maintaining libraries, selection of materials, cataloging, and other details of library management." To that end, the State Library employs staff within the Library Development Division to carry out this function. Library Development staff provide assistance through one on one consultation and training sessions. It is estimated that questions from public library directors, trustees, and those maintaining the software on library computers would require the services of the equivalent of .5 FTE. Personnel costs for .5 FTE (\$18,240) Library Consultant are based on budget rate for the position. Salary increases are projected at 4%. Expense and Equipment calculations are \$3,352 per each new .5 FTE. The **Oversight Division** used salaries increases of 2.5% in the fiscal impact.

SOS officials state it would not be possible to project a total cost of public libraries to install filtering software. Costs for filtering software vary widely by vendor and type, number of computer stations, and whether the software is installed on each "client" computer workstation or on a central server. The web pages of a sampling of filtering software vendors indicate approximate annual costs in the following ranges: \$150 for a site with 5 computers; \$500 to \$800 for 25 computers; and up to \$2,500 or more for a site with 125 computers. Several large library systems with many branches would have 100 or more computer stations requiring filtering software. Libraries choosing to install the filtering software on a server could also need to purchase suitable equipment for the installation. SOS officials also assume public libraries could have additional staff costs due to the legislation. Staff time required for installation and maintenance of filtering software could be significant. If all terminals have filtering software,

ASSUMPTION (continued)

requests from adults for access to unfiltered sites might require assistance from library staff. Requests to have sites unblocked would be processed individually, and could require individual adjustments of the software. Library staff would also have to monitor the use of the computer workstation, to ensure the filtering software is active when the workstation is used by minors. Library technical services staff would also need to spend considerable amounts of time, at least initially, checking to see that the filtering software did not block access to sites the library did not wish to block.

The proposal would require the SOS to establish rules and regulations for enforcement. The estimated cost of a page in the Missouri Register is \$22.50. The estimated cost of a page in the Code of State Regulations is \$26.50. The actual costs could be more or less than the number given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the proposal would result in no direct fiscal impact to DESE. At the local school district level, DESE assumes the following:

- 1) 140,286 computers in Missouri school districts with internet connectivity.
- 2) 42% of districts report using filtering software on 85% of their computers.
- 3) The distribution of these computers across districts is not known.
- 4) Filtering software ranges in cost from \$0 to \$25. Additionally, software prices and capabilities vary according to the target age level.

Given this information, DESE believes the cost of this legislation would be significant, i.e., in excess of \$100,000; however, DESE does not feel there is enough information available to construct a specific estimate.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
GENERAL REVENUE FUND			
<u>Cost-Secretary of State's Office</u>			
Personal Service	(\$15,200)	(\$18,696)	\$19,163
Fringe Benefits	(\$4,674)	(\$5,749)	(\$5,893)
Expense and Equipment	<u>(\$3,646)</u>	<u>(\$300)</u>	<u>(\$300)</u>
Total <u>Cost-SOS</u>	<u>(\$23,520)</u>	<u>(\$24,745)</u>	<u>(\$25,356)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
SCHOOL DISTRICTS			
<u>Cost-School Districts</u>			
Internet Access Filtering	(Unknown)	(Unknown)	(Unknown)
PUBLIC LIBRARIES			
<u>Cost-Public Libraries</u>			
Internet Access Filtering	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS*	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>	<u>(UNKNOWN)</u>

***Estimated to exceed \$100,000 annually.**

FISCAL IMPACT - Small Business

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

DESCRIPTION

The proposal would require public schools and public libraries which provide a public access computer to equip the computers with software that seeks to prevent minors from gaining access to material that is harmful to minors or purchase Internet connectivity from an Internet service provider that provides filter services to limit access to material harmful to minors.

Public libraries would be required to develop and implement by January 1, 2001, a policy that establishes measures to restrict minors from gaining computer access to material that is harmful to minors.

The Secretary of State would be required to establish rules and regulations for the enforcement of the requirements.

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

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January 10, 2000

Department of Elementary and Secondary Education
Secretary of State's Office
Missouri River Regional Library
Daniel Boone Regional Library
Office of State Courts Administrator

A handwritten signature in black ink, appearing to read "Jeanne Jarrett". The signature is written in a cursive style with a large initial "J".

Jeanne Jarrett, CPA
Director
January 11, 2000