

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3161-01  
Bill No.: SB 696  
Subject: State Departments; Appropriations  
Type: Original  
Date: January 28, 2002

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 6 pages.

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## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Office of Administration, Missouri State Employees Retirement System**, and the **State Highway Employees & Patrol Retirement System** did not respond to our fiscal impact request.

Officials from the **Office of the Governor, Office of the Lieutenant Governor, Missouri House of Representatives, Missouri Senate, Office of the Attorney General, State Auditor's Office, Missouri Public Defender, Office of the State Courts Administrator, Departments of Insurance, Labor and Industrial Relations, Agriculture, Health and Senior Services, Missouri Consolidated Health Care Plan, Capitol Police**, and the **State Emergency Management Agency** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Department of Economic Development** assume the proposal could result in additional overtime payments in preparing for the review. However, it is not estimated to be a significant impact.

Officials from the **Departments of Mental Health, Corrections**, and **Revenue** assume the proposed legislation would have either no or minimal fiscal impact on their agencies and any costs could be absorbed with existing resources.

Officials from the **State Treasurer's Office** assume the proposed legislation would not significantly impact their agency. Officials note that if the proposal substantially impacted its operations, they would request additional funding through the appropriations process.

Officials from the **Secretary of State's Office** assume that staff time to work with Office of Administration's Budget and Planning staff, who would be conducting the review, might be needed; however, most of the information would be contained in the Financial Data Warehouse. Officials note that until a decision is made on what the review will cover, it is impossible to determine cost.

Officials from the **Department of Natural Resources (DNR)** assume the level of effort that will be involved in the performance-based review evaluation that may be requested by the Budget and Appropriations Committee is unknown. Depending on the level of effort required in completing these performance-based reviews, DNR notes it may need to consider requesting resources for this effort.

Officials from the **Department of Conservation (MDC)** assume that a performance-based budget review could require some additional personnel time and, consequently, some fiscal impact. MDC

states that the amount of fiscal impact is unknown.

ASSUMPTION (continued)

Officials from the **Department of Transportation (DHT)** assume the performance-based review information necessary cannot be determined at this time. DHT assumes one additional Senior Budget Analyst will be needed to gather additional detailed information required in the proposal. DHT notes the Senior Budget Analyst will monitor and gather the information required for the performance-based budget reviews. DHT estimates annual costs, including salary, fringe and associated expense and equipment to be approximately \$70,000.

Officials from the **Department of Elementary and Secondary Education (DES)** assume the proposal would result in the need to hire one Senior Budget Analyst to develop, coordinate and/or conduct the cost/outcome analyses for the DES's individual services and programs. Annual costs, including salary, fringe and associated expense and equipment would be approximately \$70,000.

Officials from the **Missouri State Highway Patrol (MSHP)** note the proposal does not define how detailed the review would be; however, the MSHP assumes that if it were a very extensive review, additional FTE(s) would not be justified if the review was only done once every five years. MSHP states that if the reviews were required on a more regular basis, their Budget Division would need to request additional staff.

Officials from the **Department of Higher Education** assume no fiscal impact if the performance-based review applies only to their agency. Officials note that if the review includes one or more higher education institutions, costs could be incurred to hire additional resources.

Officials from the **Department of Social Services (DSS)** assume fiscal impact depends upon whether or not existing data on performance measures will be used in the performance-based review procedures and about which portion of the Department the review will be applied to. DSS assumes if existing data would be used in the review and if the review were somewhat limited in scope, the work could be performed by the existing budget staff with no significant additional costs incurred. DSS assumes if the proposal changes the current detailed-base review statute and requires that new procedures be developed, it is possible the intent would result in a substantially new system that would require a new set of data. DSS assumes if substantially new data is necessary and that the requirement will be applied to the entire Department additional costs, including two FTEs, computer programming, and associated expense and equipment would be approximately \$56,266 in FY 2003; \$92,969 in FY 2004; and \$87,099 in FY 2005.

**Oversight** assumes some agencies could experience an increased workload to implement this proposal. However, it is possible additional duties could be absorbed with existing resources. The proposal states that this review will occur at least once every five years, on a rotating basis, after January 1, 2004. Therefore, this date includes only 18 months of the scope of this fiscal note. If an

agency determines that additional resources are needed, such resources could be requested through the normal budgetary process.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
	<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.

DESCRIPTION

Currently, the selection of the department or agency or program for detailed base review is based on a majority concurrence of the Chairman of the House Budget Committee, the Chairman of the Senate Appropriations Committee, and the Director of the Division of Budget and Planning. The proposal requires that every department, division, and agency be reviewed at least once every five years, on a rotating basis, after January 1, 2004. The Chairman of the House Budget Committee, the Chairman of the Senate Appropriations Committee, and the Director of the Division of Budget and Planning are to decide what the review will cover. The review is to be based on a cost/outcome or cost/performance analysis which shall be developed, based on guidance from Budget and Planning, by the department, division, or agency for its individual services and programs.

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 the Governor  
Office of the Lieutenant Governor  
Missouri House of Representatives  
Missouri Senate

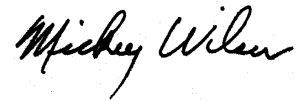
Office of the Attorney General  
State Auditor's Office  
Missouri Public Defender  
Office of the State Courts Administrator  
SOURCES OF INFORMATION (continued)

Department of Corrections  
Department of Insurance  
Department of Labor and Industrial Relations  
Department of Agriculture  
Department of Health and Senior Services  
Missouri Consolidated Health Care Plan  
Department of Public Safety  
    Capitol Police  
    State Emergency Management Agency  
    Missouri State Highway Patrol  
Department of Economic Development  
Department of Revenue  
Department of Mental Health  
Department of Natural Resources  
State Treasurer's Office  
Secretary of State's Office  
Department of Conservation  
Department of Transportation  
Department of Elementary and Secondary Education  
Department of Higher Education  
Department of Social Services

NOT RESPONDING

Office of Administration  
Missouri State Employees Retirement System  
State Highway Employees & Patrol Retirement System

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A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Acting Director

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