

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4447-01
Bill No.: SB 1089
Subject: Boards, Commissions, committees, Councils; Health, Public; Health Dept.
Type: Original
Date: February 20, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Life Sciences Research*	\$0	\$0	\$0
Healthy Families Trust**	(\$21,600,000)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>All</u> State Funds**	(\$21,600,000)	(Unknown)	(Unknown)

* Revenues and expenditures net to \$0. Subject to appropriations from the Healthy Families Trust Fund.

** Subject to Appropriations.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

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

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration (OA) - Division of Budget and Planning (BAP)** stated the proposed legislation should not result in additional costs or savings to the BAP. It is assumed the \$21.6 million Healthy Families Trust Fund - Life Sciences Account funding for life sciences grants would be transferred from OA to the Department of Health and Senior Services if this legislation is approved.

Officials from the **Office of the Secretary of State (SOS)** state this bill creates a "Life Sciences Research Program." The Department of Health and Senior Services may promulgate rules to implement this legislation. Based on experience with other divisions, the rules, regulations and forms issued by the Department of Health and Senior Services could require as many as 28 pages in the *Code of State Regulations*. For any given rule, roughly one-half again as many pages are published in the *Missouri Register* as are published in the Code because cost statements, fiscal notes and notices are not published in the Code. The estimated cost of a page in the *Missouri Register* is \$23.00. The estimated cost of a page in the *Code of State Regulations* is \$27.00. The actual costs could be more or less than the numbers given. The fiscal impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded and withdrawn. The SOS estimates the cost of this legislation to be \$1,722 [(28 pp x \$27) + (42 pp x \$23)].

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. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **State Auditor's Office (SAU)** assumed one additional Staff Auditor II (\$35,000) and related expense and equipment of \$8,760 would be needed to perform the duties of this proposal.

Officials from the **Department of Health and Senior Services (DOH)** stated the Public Health Manager (\$51,888) will provide direction and leadership to the program and to the Board. The Management Analyst II (\$43,308) will provide expertise in the development of grants and contracts for bidding and awarding the funds. The Clerk IV (\$26,460) will provide support to the Public Health Manager and the Management Analyst II. The Research Analyst III (\$40,716) will provide the expertise for establishing protocols for research, evaluating the merits of the applications for research received and provide technical assistance to the grantees for ensuring the protocols are adhered to.

ASSUMPTION (continued)

The Attorney (\$53,000) will review rules and regulations to implement the program and responsibilities of the board and provide expertise regarding the intellectual property rights as described in the proposed legislation, and review all grant applications and awards for propriety and compliance with the law and regulations. The Office Support Asst-Keyboards (\$20,472) will support the Research Analyst III and the Attorney and provide backup to the Clerk IV.

Board costs are based on the following operational costs for each board member per board meeting: \$65 per night lodging, \$45 per day meals, \$75 mileage round trip. Eight two day meetings per year are estimated. 8 members x (\$65 lodging, \$90 meals, \$75 mileage) = \$1,840 x 8 meetings = \$14,720 annual. No inflation has been assessed for board costs.

Oversight assumes income and expenditures from the Healthy Families Trust Fund would net to \$0. The amount reflects the amount of new funding requested from the Health Families Trust Fund in the FY 2003 Governor's budget request upon receiving tobacco settlement funds.

Oversight assumes that any funding is subject to appropriation.

Officials from the **Office of Attorney General, Office of the Governor, Office of State Treasurer, Missouri Senate and Office of State Courts Administrator** assume the proposed legislation would not fiscally impact their organizations.

FISCAL IMPACT - State Government

FY 2003
(10 Mo.)

FY 2004

FY 2005

HEALTHY FAMILIES TRUST FUND

HW-C:LR:OD (12/01)

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
<u>Costs - Life Sciences Research Board</u>			
Appropriation to Life Sciences			
Research Fund	<u>(\$21,600,000)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON HEALTHY FAMILIES TRUST FUND			
	<u>(\$21,600,000)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
LIFE SCIENCES RESEARCH FUND			
<u>Income - Life Sciences Research fund</u>			
Appropriations from Healthy Families			
Trust Fund	\$21,600,000	Unknown	Unknown
<u>Costs - State Auditor's Office</u>			
Personal Service Costs (1 FTE)	(\$27,327)	(\$33,612)	(\$34,452)
Fringe Benefits	(\$9,840)	(\$12,104)	(\$12,406)
Equipment and Expense	<u>(\$8,760)</u>	<u>(\$824)</u>	<u>(\$848)</u>
Total <u>Costs</u> - State Auditor's Office	<u>(\$45,927)</u>	<u>(\$46,540)</u>	<u>(\$47,706)</u>
<u>Costs - Department of Health and Senior Services</u>			
Personal Service Costs (6 FTE)	(\$185,962)	(\$228,734)	(\$234,452)
Fringe Benefits	(\$66,965)	(\$82,367)	(\$84,426)
Equipment and Expense	(\$103,084)	(\$87,180)	(\$89,795)
Grant Costs	<u>(\$21,198,062)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
Total <u>Costs</u> - Department of Health and Senior Services	<u>(\$21,554,073)</u>	<u>(Unknown exceeding \$398,281)</u>	<u>(Unknown exceeding \$408,673)</u>
ESTIMATED NET EFFECT ON LIFE SCIENCES RESEARCH FUND			
	<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>
<u>FISCAL IMPACT - Small Business</u>			

Small businesses would expect to be fiscally impacted to the extent they may receive grant-in-aids and incur additional expenses as a result of this proposal.

DESCRIPTION

This act creates a Life Sciences Research Program within the Department of Health. A nine member Life Sciences Research Board shall distribute grants to increase the capacity and infrastructure for, and improve the quantity and quality of, life science research in the state. The Board may make provisions for peer review panels to research and review grant proposals.

Grant recipients shall have the duty to ensure timely disclosure of their research findings to the scientific community, and to promote public availability of their inventions and other intellectual property developed in the performance of research funded by a grant award. Institutions or organizations receiving grant awards shall retain intellectual property rights, but the Life Sciences Board is authorized to adopt reasonable regulations to insure that intellectual property rights are utilized in the public interest.

The act prohibits grant moneys from being used for human cloning, abortion services, other than to save the life of the mother, or destructive human research, including the taking of organs of a living child, when the intended result is to cause serious harm to the child. "Child" is defined as a human at any stage of biological development of an unborn child from conception onward. The research projects include research and development into product safety and preventative care technologies.

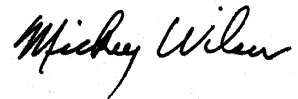
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration - Division of Budget and Planning
Office of the Secretary of State
Office of State Treasurer
Office of Attorney General
Office of State Courts Administrator
Missouri Senate
Office of the Governor
Department of Health and Senior Services

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State Auditor's Office

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large initial "M".

Mickey Wilson, CPA
Acting Director
February 20, 2002