

**COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION**

FISCAL NOTE

L.R. No.: 1560-04
Bill No.: Perfected SCS for SB 544
Subject: Administration, Office of; Auditor, State; General Assembly; Public Officers;
State Departments
Type: Original
Date: April 1, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Corrections** and the **Department of Revenue** did not respond to our fiscal impact request.

Officials from the **Department of Agriculture** did not respond to our fiscal impact request. However, in response to an earlier version of this proposal, officials assumed the proposal would have no fiscal impact on their agency.

Officials from the **Office of the Attorney General (AGO)** did not respond to our fiscal impact request. However, in response to an earlier version of this proposal, AGO assumed any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Department of Economic Development (DED)** did not respond to our fiscal impact request. However, in response to an earlier version of this proposal, DED assumed the proposal would result in an unknown fiscal impact. DED stated they cannot determine which programs would be begun after the effective date of this proposal, and subsequently when they would sunset, or how much information would be requested from their department during the review by the legislative branch. DED noted the requests for information could possibly result in overtime and assumed they would reallocate resources accordingly to meet the need for expense

ASSUMPTION (continued)

and equipment. DED stated they may need to implement a tracking system to make sure all program information is available to comply with this proposal.

Officials from the **Missouri House of Representatives, Missouri Senate, Office of the Governor, Office of the Lieutenant Governor, State Auditor's Office, State Treasurer's Office, Office of Administration – Deputy Commissioner's Office, Department of Elementary and Secondary Education, Department of Health and Senior Services, Department of Labor and Industrial Relations** and the **Department of Social Services** assume the proposal would have no fiscal impact on their agencies.

Officials from the **Department of Natural Resources** state their department would not anticipate a significant direct fiscal impact from this proposal.

Officials from the **Department of Conservation** state the fiscal impact from this proposal is not clearly known.

Officials from the **Department of Public Safety – Director's Office** assume the proposal would have an unknown fiscal impact on their department.

Officials from the **Department of Mental Health** state the process outlined in this proposal could result in staff spending a significant amount of time gathering data, however, it is assumed at this time that information required will be accumulated and presented by existing staff. Therefore, we show no fiscal impact as a result of this proposal.

Officials from the **Department of Insurance (MDI)** state the fiscal impact of cost or savings is unknown and will depend on committee review and recommendations. Impact on state revenue may also be impacted as many of the sections within MDI collect fees and tax revenue.

Officials from the **Department of Higher Education (DHE)** state the fiscal impact of this proposal is unknown. DHE notes the proposal is unclear as to whether higher education institutions are included in the definition of "agency." DHE notes it is also unknown, at this time, what resources will be required to provide information referenced in Section 23.256.

Officials from the **Department of Transportation (DHT)** assume the proposal could require additional staff time and other costs associated with reporting and review requirements. DHT assumes these costs can be absorbed.

ASSUMPTION (continued)

Officials from the **Secretary of State's Office** state this proposal bill creates the Missouri Sunset Act. The proposal could result in the committee on legislative research eliminating new agencies and either abolishing or moving rules to other agencies. These rules would be published in the Missouri Register and the Code of State Regulations. Based on experience with other divisions, the rules, regulations and forms either rescinded or moved as a result of sunset action by the legislative research committee could require pages being published in the Code of State Regulations and Missouri Register each year that the committee eliminates agencies. However, this will not happen until new programs sunset which could be at the latest 2009.

Officials from the **Research Division of the Committee on Legislative Research (LR)** assume no fiscal impact during the scope of the fiscal note period reflected in the fiscal note. However, LR notes that beginning in fiscal year 2007, the Committee would hold meetings. LR assumes there would be a minimum of one (1) meeting in FY 2007 which would cost a minimum of \$1,500 to \$2,900. LR assumes in FY 2008 there would be a minimum of two (2) meetings which would cost a minimum of \$3,000 up to \$14,500.

Officials from the **Oversight Division of the Committee on Legislative Research** assume no fiscal impact during the scope of the fiscal note period reflected in the fiscal note. However, Oversight notes that beginning in FY 2008, they would need seven FTE (2 Program Evaluator IIIs, 2 Program Evaluators IIs, 2 Program Evaluator Is and a Clerk Steno) for two evaluation teams which would conduct sunset evaluations year round. Oversight notes the cost of the additional FTE including, salaries, fringe benefits, expense and equipment and rent, to be \$540,218 annually, beginning in FY 2008.

Oversight reiterates the fiscal impact related to the proposal would not begin until FY 2007 and therefore shows no fiscal impact.

FISCAL IMPACT - State Government

FY 2004
(10 Mo.)

FY 2005

FY 2006

\$0

\$0

\$0

FISCAL IMPACT - Local Government

FY 2004
(10 Mo.)

FY 2005

FY 2006

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal creates the Missouri Sunset Act. Each new program enacted into law will sunset after a period of not more than six years. Legislation passed after August 28, 2003, shall indicate whether it contains a program subject to the Missouri sunset act. Any such program shall have a sunset clause clearly indicating the date it will sunset without reauthorization. A program may be re-authorized by the General Assembly for a period of up to twelve years.

Two years before a program is scheduled to sunset, the agency responsible for administering the program is required to submit certain information regarding the public need for the program to continue in existence to the Committee on Legislative Research. The Committee shall then hold public hearings and issue a report to the general assembly with recommendations on whether the program should continue, be reorganized, sunset or consolidated within state agencies not under review. Any recommendations that do not require statutory change shall be presented to the state auditor and used by the auditor in its next scheduled audit of the program to see how the agency has implemented the recommendations.

Programs that have been inactive for the two-year period prior to the scheduled sunset may be exempted from reporting, hearing and evaluation requirements. During each legislative session, Committee staff shall monitor legislation affecting programs that have undergone review and periodically report to the Committee any proposed legislative changes that would modify prior recommendations. Nothing in this proposal precludes the general assembly from terminating a program at an earlier date.

A program that is sunset shall continue in existence until June 30th of the following year. Any moneys remaining after sunset shall be transferred to general revenue. Property and records shall either go to the office of administration or a designated state agency. Bond indebtedness and other written obligations shall remain in effect until the terms are completed and paid in full.

DESCRIPTION (continued)

The Committee may inspect the records of any state agency and shall have the full cooperation of state agencies and officials. Any state employee displaced by the sunset of a program shall be assisted by the state in relocating the displaced employee.

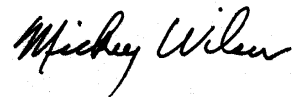
This proposal is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Committee on Legislative Research
Oversight Division
Research Division
Office of Administration
Department of Elementary and Secondary Education
Department of Higher Education
Department of Health and Senior Services
Department of Transportation
Department of Labor and Industrial Relations
Department of Insurance
Department of Conservation
Department of Mental Health
Department of Social Services
Department of Natural Resources
Department of Public Safety
Office of the Attorney General
State Treasurer's Office
Secretary of State's Office
State Auditor's Office
Office of the Governor
Office of the Lieutenant Governor
Missouri House of Representatives
Missouri Senate

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NOT RESPONDING
Department of Agriculture
Department of Corrections
Department of Economic Development
Department of Revenue
Office of the Attorney General

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

MICKEY WILSON, CPA
DIRECTOR

APRIL 1, 2003