

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1981-01
Bill No.: SB 660
Subject: Administration, Office of
Type: Original
Date: March 10, 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 6 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 Elementary and Secondary Education, Department of Health and Senior Services, Department of Agriculture, Department of Revenue, Department of Labor and Industrial Relations, Department of Insurance, Department of Social Services, Department of Mental Health, Department of Corrections, and Department of Natural Resources** assume this proposal would have no financial impact on their organizations.

Officials from the **Department of Public Safety; Office of the Director, Office of the Adjutant General, Division of Highway Safety, Division of Liquor Control, State Emergency Management Agency, Missouri State Water Patrol, Missouri State Highway Patrol, and Capitol Police** assume this proposal would have no financial impact on their organizations.

Officials from the **Department of Public Safety, Missouri Veterans Commission** assume this proposal could have an unknown impact on their organization.

ASSUMPTION (continued)

Officials from the **Missouri Department of Conservation** assume this proposal could result in some undetermined savings to the state and to the Conservation Commission Fund depending on how the reverse auctions are conducted.

In response to a similar proposal, officials from the **Division of Fire Safety** assume this proposal would have no financial impact on their organization.

Office of Administration, Division of Purchasing and Materials Management, assume this proposal would help to expedite the bid award process and provide an opportunity to obtain costs savings on behalf of the state. Training and operation of software would be necessary for staff to operate the reverse auction system. However, we do not view this as a significant effort.

Oversight assumes that any financial impact resulting from the implementation of the proposal would be insignificant.

In response to a similar proposal, officials from the **Office of the Secretary of State** assume this bill would require the Division of Purchasing and Materials Management to promulgate rules to enact this legislation. Based on experience with other divisions, the rules, regulations, and forms issued by the Division of Purchasing and Materials Management could require as many as 8 pages in the Code of State Regulations and half again as many pages in the Missouri Register because cost statements, fiscal notes and the like are not repeated in Code. These costs are estimated. The estimated cost of a page in the Register is \$23 and the estimated cost of a page in the Code is \$27. The actual cost could be more or less than the numbers given. The impact of the legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded or withdrawn. $((8 \times \$27) + (12 \times \$23) = \$492)$

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 **Department of Higher Education, Department of Economic Development, and the Department of Transportation**, did not respond to our request for information on this proposal.

FISCAL IMPACT - State Government

FY 2004
(10 Mo.)

FY 2005

FY 2006

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<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

This proposal would modify state procurement laws. Upon passage of the proposal, the commissioner of administration could authorize the use of the reverse auction procurement method to procure goods or nonprofessional services if the commissioner believes that practice would result in savings to the state. The office of administration would promulgate rules regarding the handling of the reverse auction process. The proposal would also eliminate certain restrictions on recycled content and bidding practices.

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

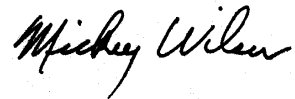
SOURCES OF INFORMATION

Office of Administration
 Division of Purchasing and Materials Management
Department of Conservation
Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Agriculture
Department of Revenue
Department of Insurance
Department of Natural Resources
Department of Labor and Industrial Relations
Department of Social Services
Department of Mental Health
Department of Corrections
Department of Public Safety
 Office of the Director
 Office of the Adjutant General
 Division of Liquor Control
 Division of Highway Safety
 Division of Fire Safety
 State Emergency Management Agency
 Missouri State Water Patrol
 Missouri State Highway Patrol
 Missouri Veterans Commission
 Capitol Police

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NOT RESPONDING

Department of Higher Education
Department of Economic Development
Department of Transportation

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

Mickey Wilson, CPA
Director
March 10, 2003