

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4584-01
Bill No.: Truly Agreed to and Finally Passed SB 1249
Subject: State Departments; Administration, Office of; Contracts and Contractors;
Business and Commerce
Type: Original
Date: May 18, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>Other</u> 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 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Auditor**, the **Department of Mental Health**, the **Department of Conservation**, the **Department of Labor and Industrial Relations**, the **Public School Retirement System**, the **Department of Elementary and Secondary Education**; the **Department of Economic Development**, **Public Service Commission**; the **Department of Public Safety**, **Division of Alcohol and Tobacco Control**, **Missouri Veterans Commission**, **Division of Fire Safety**, **State Emergency Management Agency**, **Capitol Police**, and **State Water Patrol**; the **Office of Administration**, **Division of Budget and Planning**, and, **Division of Design and Construction**; the **State Tax Commission**, the **Office of the Governor**, the **Department of Social Services**, the **Office of State Public Defender**, the **Missouri House of Representatives**, the **Missouri Gaming Commission**, and the **Missouri Senate**, assume this proposal would have no impact on their organizations.

ASSUMPTIONS (continued)

Officials from the **Office of the Lieutenant Governor** the **Office of Administration, Division of Purchasing and Materials Management**, and the **Department of Higher Education** assume this proposal would have an unknown cost on their organizations.

Officials from the **Office of the State Treasurer**, the **Department of Health and Senior Services**, the **Department of Revenue**, the **Office of State Courts Administrator**, the **Missouri Consolidated Health Care Plan**, the **Highway and Transportation Employees' and Highway Patrol Retirement System**, the **Department of Insurance**, the **Missouri State Highway Patrol**, assume this proposal would have no impact on their organizations.

Officials from the **Department of Transportation** (MODOT) assume that for all purchases, MODOT will be required to develop specifications and evaluation criteria that will allow us to seek fair and competitive bids that can be evaluated on price, performance and quality; perform an economic impact analysis for Missouri products versus the economic impact of products generated from out-of-state; and provide a written explanation to support an award to a non-Missouri manufacturer or service provider. MODOT will also have to defend its current contracting procedures and challenge the validity of any state law (such as this), which gives state bidding and contract statutory law superior treatment and application over binding federal-aid grant statutory or regulatory authority.

The amount of additional staff time that would be necessary to complete the additional duties is unknown. MODOT assumes that the duties can be completed with current staff possibly working overtime hours. An additional FTE may be required; however MODOT is unable to determine at this time if it would be necessary due to the uncertainty as to the number of products that would be affected and the legal challenges that could be raised. The negative fiscal impact is unknown.

Officials from the **Office of the Secretary of State** assume this proposal would require the addition of one additional Procurement Officer, and submitted an estimate of \$61,868 for salary, benefits, equipment and expense for FY 2006, and estimated annual costs of approximately \$57,000 for subsequent years.

Oversight assumes this proposal could be implemented with no or minimal impact since it codifies an existing executive order, and requires the use of a Missouri vendor only if quality is equal or better, and price is equal or less, than alternatives.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<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 codify Executive Order 03-27 into statute by expanding the preference given by state bodies to Missouri businesses.

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 State Auditor
Department of Mental Health
Department of Transportation
Department of Labor and Industrial Relations
Public School Retirement System
Department of Elementary and Secondary Education
Department of Economic Development
Public Service Commission

SOURCES OF INFORMATION (continued)

Department of Public Safety

- Division of Alcohol and Tobacco Control
- Missouri Veterans Commission
- Division of Fire Safety
- State Emergency Management Agency
- Capitol Police
- State Water Patrol

Office of Administration

- Division of Budget and Planning
- Division of Design and Construction
- Division of Purchasing and Materials Management

State Tax Commission

Office of the Governor

Department of Social Services

Office of State Public Defender

Missouri House of Representatives

Missouri Gaming Commission

Missouri Senate

Office of the Lieutenant Governor

Department of Conservation

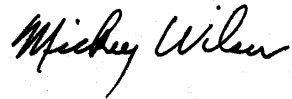
Office of the State Treasurer

Department of Conservation

Department of Higher Education

SOURCES OF INFORMATION (continued)

Department of Health and Senior Services
Department of Revenue
Office of State Courts Administrator
Missouri Consolidated Health Care Plan
Highway and Transportation Employees' and Highway Patrol Retirement System
Department of Insurance
Missouri State Highway Patrol
Office of the Secretary of State

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

Mickey Wilson, CPA
Director
May 18, 2004