

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0072-01
Bill No.: SB 18
Subject: Administration, Office of; Auditor; Education, Elementary and Secondary; State; Education, Higher; Elementary and Secondary Education Department; Federal-State Relations; Governor and Lt. Governor; State Departments
Type: Original
Date: January 10, 2013

Bill Summary: This proposal requires agencies to track federal fund usage, requires political subdivisions and charter schools to disclose indebtedness, requires the Governor to report withholdings, and removes the Auditor from the Board of Fund Commissioners.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>Other</u> 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 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of Administration (OA)** assume that a consolidated approach would be the most cost effective manner of reporting and that this information be accumulated and reported on the Missouri Accountability Portal (MAP).

This approach would establish a new MAP database table into which agencies will either interface data or perform maintenance online. With this method, a new tab and web pages would be added to MAP to display the data by selecting a state agency or 'all'. The proposal does not specify whether only active grants should be reported or if closed grants should be retained for historical reporting purposes. If historical data is needed, selection criteria should be added to choose active, closed, or 'all' grants. The data would also be made available in the MAP download section.

It is estimated that the total cost would be \$26,860 (\$85 per hr * 316 hrs) for IT consultants. It is assumed the cost could be absorbed unless the cumulative fiscal impact of legislation would require the request for additional funding.

Oversight assumes OA is provided with core funding to handle a certain amount of activity each year. Oversight assumes OA could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, OA could request funding through the appropriation process.

Officials at the **Office of Administration - Budget and Planning, Department of Agriculture, Department of Corrections, Department of Economic Development, Department of Health and Senior Services, Department of Higher Education, Department of Insurance, Financial Institutions and Professional Registration, Department of Labor and Industrial Relations, Department of Mental Health, Department of Natural Resources, Department of Public Safety** and the **Department of Revenue** each defer to the Office of Administration for fiscal impact.

Officials at the **Department of Social Services, Independence School District, Joint Committee on Administrative Rules, Metropolitan Community College, Missouri Department of Transportation, Missouri Highway Patrol, Missouri Southern State University, Missouri State University, Missouri Western State University, Office of the Governor, Office of Prosecution Services, Office of the State Auditor, Office of State Courts Administrator, Office of the State Public Defender, Office of State Treasurer,**

ASSUMPTION (continued)

Parkway School District, Special School District, St. Louis County, University of Central Missouri and the **University of Missouri** each assume there is no fiscal impact on their agency from this proposal.

Officials at the **Office of Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials at the **Missouri Veterans Commission** assume if this proposal is implemented through OA, similar to the stimulus reporting, then there would be no impact to the Commission.

Officials at the **Department of Conservation** assume an unknown impact expected to be less than \$100,000. Current grants have binding language regarding use of federal funds and the necessary administration for those purposes.

Officials at the **City of Columbia** and the **City of Kansas City** assume they cannot specifically estimate the fiscal impact of this bill. Depending on the format and extent of information required, this new state mandate has the potential to add relatively little or significant expense for local governments. If there are existing reports that may be submitted, this might require relatively little work going forward.

Officials at the **Northwest Missouri State University** assume costs for salary and benefits of a person reporting all the bond information. The estimated costs for each fiscal year is \$2,925 in FY 2014, and \$1,150 in FY 2015 and FY 2016.

Officials at the **Blue Springs School District** assume a cost of \$250 to \$500 to supply the required bond information.

Officials at the **Moberly Area Community College** assume a cost of \$500 to \$1,000 annually.

Officials at the **City of Raytown** assume a cost of \$1,500 annually.

Officials at the **St. Joseph School District** assume a cost of \$10,000 annually.

Officials at the **Linn State Technical College** assume an unknown impact.

ASSUMPTION (continued)

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

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.

Oversight assumes the political subdivisions, colleges and universities would be able to absorb any potential costs associated with this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<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.

FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

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

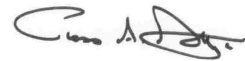
SOURCES OF INFORMATION

Blue Springs School District
City of Columbia
City of Kansas City
City of Raytown
Department of Agriculture
Department of Conservation
Department of Corrections
Department of Economic Development
Department of Health and Senior Services
Department of Higher Education
Department of Insurance, Financial Institutions and Professional Registration
Department of Labor and Industrial Relations
Department of Mental Health
Department of Natural Resources
Department of Public Safety
Department of Revenue
Department of Social Services
Independence School District
Joint Committee on Administrative Rules
Linn State Technical College
Metropolitan Community College
Missouri Department of Transportation
Missouri Highway Patrol
Missouri Southern State University
Missouri State University
Missouri Veterans Commission
Missouri Western State University
Moberly Area Community College
Northwest Missouri State University
Office of Administration
 Budget and Planning

JH:LR:OD

FISCAL DESCRIPTION (continued)

Office of Attorney General
Office of the Governor
Office of Prosecution Services
Office of the Secretary of State
Office of the State Auditor
Office of State Courts Administrator
Office of the State Public Defender
Office of State Treasurer
Parkway School District
Special School District
St. Joseph School District
St. Louis County
University of Central Missouri
University of Missouri



Ross Strope
Acting Director
January 10, 2013