

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3647H.02C
Bill No.: HCS for HB 1670
Subject: Health, Public; Political Subdivisions; Contracts and Contractors
Type: Original
Date: March 28, 2022

Bill Summary: Creates provisions relating to the COVID-19 vaccines.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Total Estimated Net Effect on FTE	0	0	0

- ☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- ☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§192.026 – Covid-19 vaccines

Officials from the **Department of Mental Health (DMH)** state the proposed legislation could affect the DMH's ability to contract with certain providers for necessary client services. It could prevent the Department from entering new contracts and cause the DMH to have to cancel existing contracts. It could also lead to a reduced pool of contractors available to provide services to the Department's clients. In addition, this requirement may put some DMH facilities and agencies at odds with federal requirements for licensure and/or Centers for Medicare & Medicaid Services (CMS) funding.

Due to the uncertainty surrounding a federal vaccination mandate, the DMH cannot calculate a fiscal impact on the Department at this stage; therefore, the fiscal impact to the DMH is unknown at this time.

Officials from the **Department of Labor and Industrial Relations (DOLIR)** state this bill could have an unknown fiscal impact on agency operations by limiting resources. Additionally, in the instances of sole source or critical contracts (i.e. emergency contracts such as the pandemic where there are supply shortages), having such a stipulation could mean that certain vendors could not be used which, in certain circumstances, may leave the state without the ability to secure required products/services.

Oversight does not have any information to the contrary. However, Oversight assumes removing the provisions prohibiting governmental organizations from contracting with businesses that require COVID vaccinations or proof of vaccination (§192.026.3 in introduced version of the bill) will eliminate the DMH's and DOLIR's potential impact and for fiscal note purposes, Oversight assumes the provisions of this proposal will have no fiscal impact on the DMH or DOLIR.

Officials from the **University of Central Missouri (UCM)** assume an indeterminate negative fiscal cost due to the potential for not being able to contract with providers for medical equipment or services, and the limited number of vendors available.

Oversight does not have any information to the contrary. However, Oversight assumes removing the provisions prohibiting governmental organizations from contracting with businesses that require COVID vaccinations or proof of vaccination will eliminate the UCM's potential impact and for fiscal note purposes, Oversight assumes the provisions of this proposal will have no fiscal impact on the UCM.

Officials from the **University of Missouri System** state they do not foresee any significant fiscal cost as a result of this proposal.

Oversight does not have any information to the contrary. For fiscal note purposes, Oversight will reflect a loss to College & University Funds of (\$0 to Unknown) annually.

Officials from the **Joint Committee on Public Employee Retirement (JCPER)** state the JCPER has reviewed HCS HB 1670. HCS HB 1670 has no direct fiscal impact to the Joint Committee on Public Employee Retirement. The proposal will not affect retirement plan benefits as defined in Section 105.660(9) and the JCPER's review of HCS HB 1670 indicates it would not create a "substantial proposed change" in future plan benefits as defined in Section 105.660(10).

Officials from the **Attorney General's Office, the Office of Administration, Divisions of: Administrative Hearing Commission, Facilities Management, Design and Construction and Budget and Planning, the Department of Commerce and Insurance, the Department of Economic Development, the Department of Elementary and Secondary Education, the Department of Higher Education and Workforce Development, the Department of Health and Senior Services, the Department of Natural Resources, the Department of Corrections, the Department of Revenue, the Department of Public Safety, Divisions of: Alcohol & Tobacco Control, Fire Safety, Director's Office, Missouri Gaming Commission, Missouri Highway Patrol, Missouri National Guard, Missouri Veterans' Commission and State Emergency Management Agency, the Department of Social Services, the Missouri Department of Agriculture, the Missouri Department of Conservation, the Missouri Ethics Commission, Missouri Department of Transportation, the MoDOT & Patrol Employees' Retirement System, the Office of the State Public Defender, the Cities of: Claycomo, Kansas City and Springfield, the Jackson County Election Authority, the Kansas City Board of Elections, the Platte County Election Authority, the St. Louis County Election Authority, Kansas City Health Department, the Phelps County Sheriff's Department, the Kansas City Police Department, the St. Joseph Police Department, the Fruitland Area Fire Protection District – Cape Girardeau, the Cole Camp Ambulance District, the Crawford County 911 Board, the Office of the State Treasurer, the Missouri House of Representatives, Legislative Research, the Oversight Division, the Missouri Senate, the Missouri State Lottery, the Missouri Consolidated Health Care Plan, the Missouri Office of Prosecution Services, the Office of the State Courts Administrator, Missouri State Employees' Retirement System and the State Tax Commission** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to the previous version of this proposal, officials from the **Department of Public Safety- Capitol Police, the Petroleum Storage Tank Insurance Fund, the St. Louis City Board of Elections, the Newton County Health Department, the St. Louis County Police Department, the Office of the Governor, the Office of the State Auditor** each assumed the proposal would have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from **Gordon Parks Elementary School** indicate this proposal would have a fiscal impact on their organization.

Oversight does not have any information to the contrary. Oversight notes the school district did not provide an explanation of the impact, whether the impact was positive or negative, or an estimate of how much the impact might be. Therefore, **Oversight** assumes the fiscal impact to be minimal and absorbable within current funding levels and will present no fiscal impact for this school district.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note 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 \$5,000. 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 its 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.

Officials from the **Office of the Lieutenant Governor** did not respond to **Oversight's** request for a statement of fiscal impact.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other cities, local election authorities, various county officials, county health departments, nursing homes, sheriffs' and police departments, fire protection districts, ambulance & EMS, schools, hospitals, and colleges and universities were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	<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 direct fiscal impact.

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

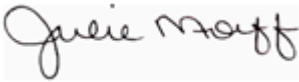
SOURCES OF INFORMATION

Attorney General's Office
 Department of Commerce and Insurance
 Department of Economic Development
 Department of Elementary and Secondary Education
 Department of Higher Education and Workforce Development
 Department of Health and Senior Services
 Department of Mental Health
 Department of Natural Resources
 Department of Corrections
 Department of Labor and Industrial Relations
 Department of Revenue
 Department of Public Safety –
 Alcohol & Tobacco Control
 Capitol Police
 Fire Safety
 Director's Office
 Gaming Commission

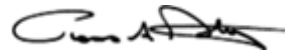
Missouri National Guard
Missouri Highway Patrol
Missouri Veterans' Commission
State Emergency Management Agency
Department of Social Services
Missouri Department of Agriculture
Missouri Department of Conservation
Missouri Ethics Commission
Missouri Department of Transportation
MoDOT & Patrol Employees' Retirement System
Office of Administration –
 Administrative Hearing Commission
 Division of Budget and Planning
 Facilities Management, Design & Construction
Petroleum Storage Tank Insurance Fund
Office of the Secretary of State
Office of the State Public Defender
University of Missouri System
City of Claycomo
City of Kansas City
City of Springfield
Jackson County Election Authority
Kansas City Board of Elections
Platte County Election Authority
St. Louis City Board of Elections
St. Louis County Election Authority
Kansas City Health Department
Newton County Health Department
Phelps County Sheriff's Department
Kansas City Police Department
St. Joseph Police Department
St. Louis County Police Department
Fruitland Area Fire Protection District – Cape Girardeau
Cole Camp Ambulance District
Crawford County 911 Board
Gordon Parks Elementary School
University of Central Missouri
Office of the Governor
Office of the State Auditor
Office of the State Treasurer
Missouri House of Representatives
Joint Committee on Administrative Rules
Joint Committee on Public Employee Retirement
Legislative Research

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Oversight Division
Missouri Senate
Missouri Lottery
Missouri Consolidated Health Care Plan
Missouri Office of Prosecution Services
Missouri State Employee's Retirement System
Office of the State Courts Administrator
State Tax Commission



Julie Morff
Director
March 28, 2022



Ross Strobe
Assistant Director
March 28, 2022