

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4700-01
Bill No.: HB 1690
Subject: Office of Administration; State Departments
Type: Original
Date: January 8, 2016

Bill Summary: This proposal requires the Office of Administration to contract for Government Efficiency Reform review and analysis of the executive branch of state government.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(Greater than \$2,600,000)	\$0	\$0
Total Estimated Net Effect on General Revenue	(Greater than \$2,600,000)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
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 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Agriculture**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Higher Education**, the **Department of Health and Senior Services**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Corrections**, the **Department of Revenue**, the **Department of Public Safety - Office of the Director**, the **Department of Public Safety - Alcohol and Tobacco Control**, the **Department of Public Safety - Missouri Highway Patrol**, the **Department of Social Services**, the and **Office of Administration - Budget and Planning** defer to Office of Administration for statewide fiscal impact from this proposal.

Officials from the **Department of Labor and Industrial Relations**, the **Department of Public Safety - Capitol Police**, the **Department of Public Safety - Division of Fire Safety**, the **Department of Public Safety - Missouri Gaming Commission**, the **Department of Public Safety - State Emergency Management Act**, the **Department of Public Safety - Missouri Veterans Commission**, the **Office of the Governor**, the **Joint Committee on Administrative Rules**, the **Joint Committee on Public Retirement**, the **Legislative Research**, the **Missouri Lottery Commission**, the **Missouri Consolidated Health Care Plan**, the **Missouri Ethics Commission**, the **Missouri House of Representatives**, the **Missouri Lieutenant Governor**, the **Department of Transportation**, the **Office of Prosecution Services**, the **Missouri State Employees Retirement System**, the **MoDOT and Patrol Employees Retirement System**, the **Office of Administration - Division of Accounting**, the **Administrative Hearing Commission**, the **Office of the State Courts Administrator**, the **Office of the State Public Defender**, the **Office of the State Treasurer** and the **State Tax Commission** each assume the current proposal would not fiscally impact their respective agencies.

Officials from the **Missouri Department of Conservation** assume this proposal will have an unknown fiscal impact for requirements of this proposal.

Oversight assumes the Missouri Department of Conservation will not be fiscally impacted by this proposal, because the Government Efficiency Reform review and analysis will be completed by the Office of Administration with assistance from the Office of the State Auditor.

ASSUMPTION (continued)

Officials from the **Office of the State Auditor (SAO)** assumes this proposal requires audit staff to assist the Office of Administration in developing the request for proposal to contract with an out-of-state entity and review the report produced by the contracted entity. Given this assumption, the SAO can absorb this work with existing resources.

Officials from the **Office of Administration - Commissioner's Office (OA)** state that in researching the costs of government efficiency study contracts, it was revealed that both Kansas and Louisiana have recently contracted for government efficiency studies. Kansas awarded a contract for \$2.6 million in October 2015, and Louisiana awarded a contract for \$4 million in 2014. OA assumes that those contracts were of similar scope to that outlined in this proposal and estimates that the costs of the contract is unknown but greater than \$2.6 million. Additionally, OA assumes that the costs related to the preparation of a contract for the government efficiency study and completely of an interim and final report can be absorbed by the department.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE FUND			
<u>Costs - OA</u>			
Contract for Government Efficiency Review	<u>(Greater than \$2,600,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(Greater than \$2,600,000)</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<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

This proposal requires the Office of Administration to contract with an out-of-state entity to conduct a government efficiency and reform review and analysis of the Executive Branch of state government and shall be known as "MO GEAR."

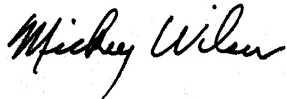
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Agriculture
Department of Economic Development
Department of Elementary and Secondary Education
Department of Higher Education
Department of Health and Senior Services
Department of Insurance, Financial Institutions and Professional Registration
Department of Mental Health
Department of Natural Resources
Department of Corrections
Department of Labor and Industrial Relations
Department of Revenue
Department of Public Safety
Department of Social Services
Office of the Governor
Joint Committee on Administrative Rules
Joint Committee on Public Retirement
Legislative Research
Missouri Lottery Commission
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Missouri Ethics Commission
Missouri House of Representatives
Missouri Lieutenant Governor
Department of Transportation
Office of Prosecution Services
Missouri State Employees Retirement System
MoDOT and Patrol Employees Retirement System
Office of Administration
Office of the State Courts Administrator

SOURCES OF INFORMATION (continued)

Office of the State Auditor
Office of the Secretary of State
Office of the State Public Defender
Office of the State Treasurer
State Tax Commission



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January 8, 2016

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