

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4653-01
Bill No.: HB 1606
Subject: Administration, Office of; Contracts and Contractors; State Departments
Type: Original
Date: February 14, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Attorney General** assumed they could absorb any costs resulting from this proposal with existing resources.

Officials from the **Office of State Courts Administrator**, the **Office of Administration, Division of Facilities Management, Design and Construction**, the **Department of Agriculture**, the **Department of Conservation**, the **Department of Mental Health**, and the **Department of Transportation** assumed this proposal would have no fiscal impact on their organization.

Officials from the **Office of Administration, Division of Procurement and Materials Management** (DPMM) stated they could not estimate the fiscal impact of the proposal on their organization. This proposal would require DPMM to develop procedures for bidders to certify that only citizens of the United States and persons authorized to work in the United States pursuant to federal law would be employed in the performance of services on state contracts.

ASSUMPTION (continued)

This proposal could prevent the state from receiving the most qualified employees if those employees did not meet the qualifications required in the proposal. Also, contract costs may increase if there are additional costs incurred by contractors to recruit and hire individuals that meet the requirements of this proposal. This would also require state agencies to monitor contractors' staffing to ensure compliance.

Oversight assumes that any impact to DPMM could be absorbed with existing resources.

Officials from the **Department of Corrections** and the **Department of Health and Senior Services** did not respond to our request for information.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal could have a direct fiscal impact to small businesses which had employees who are not citizens or legally entitled to work in the United States.

DESCRIPTION

This proposal would require that all state service contracts awarded after August 28, 2006, for the performance of services include provisions specifying that only citizens of the United States and persons authorized to work in the United States under federal law could be employed in the performance of services under the contract or any subcontract, unless one of the following conditions is met:

- The vendor or its subcontractor provides a unique good or service; the particular good or service is deemed mandatory for the purposes of the purchasing agency; and no comparable domestically-provided good or service can adequately duplicate the unique features of the good or service provided by the vendor or its subcontractor; or
- The vendor or its subcontractor is a foreign firm hired to market Missouri services or products to a foreign country.

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 Attorney General
Office of State Courts Administrator
Office of Administration
 Division of Procurement and Materials Management
 Division of Facilities Management, Design and Construction
Department of Conservation
Department of Mental Health
Department of Transportation

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NOT RESPONDING

Department of Corrections
Department of Health and Senior Services

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

Mickey Wilson, CPA
Director
February 14, 2006

SS:LR:OD (12/02)