

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4774-02
Bill No.: SCS for HB 1868 with SA 1 to SA 1, SA 2, SA 3, SA 5, SA 6, SA 7, SA 8, SA 9, SA 1 to SA 10, SA 12
Subject: Administration, Office of; Boards, Commissions, Committees, Councils;
Contracts and Contractors; Public Officers
Type: Original
Date: May 5, 2010

Bill Summary: Modifies various provisions relating to the Office of Administration.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	Unknown greater than \$3,323,328 to (Unknown greater than \$27,064)	Unknown greater than \$3,323,328 to (Unknown)	Unknown greater than \$3,323,328 to (Unknown)
Total Estimated Net Effect on General Revenue Fund	Unknown greater than \$3,323,328 to (Unknown greater than \$27,064)	Unknown greater than \$3,323,328 to (Unknown)	Unknown greater than \$3,323,328 to (Unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 21 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
State Highway and Transportation Department Fund	(\$1,200,000)	(\$1,200,000)	(\$1,200,000)
Gaming Fund	\$0	\$0	\$0
Third Party Liability Fund	Unknown but greater than \$367,100	Unknown but greater than \$367,100	Unknown but greater than \$367,100
Total Estimated Net Effect on <u>Other</u> State Funds	(\$1,200,000) to Unknown greater than \$367,100	(\$1,200,000) to Unknown greater than \$367,100	(\$1,200,000) to Unknown greater than \$367,100

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Federal Funds	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	(3.5) to 2 FTE	(3.5) to 2 FTE	(3.5) to 2 FTE
Total Estimated Net Effect on FTE	(3.5) to 2 FTE	(3.5) to 2 FTE	(3.5) to 2 FTE

☐ 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 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Sections 37.320 and 109.250 State Records Commission

Officials at the **Office of Administration** and the **Office of the Secretary of State** assume that there is no fiscal impact from this proposal.

Sections 37.900 and Section 1 Purchasing

Officials at the **Office of Administration Division of Purchasing (DPMM)** assume subsection 3 of 37.900 would require DPMM to award a contract based on terms and evaluation criteria that were not established or approved by DPMM before the bid solicitations were sent to bidders. Also, DPMM would be unable to allow other qualified vendors from bidding on the bid solicitations received in accordance with this bill. The State may not obtain the lowest and best proposal if only a select few bidders are allowed to bid on bid solicitations created in accordance with this bill. DPMM assumes no impact.

Section 1 - Purchasing Contracts for Supplies - The Division of Purchasing, under authority of 34.046 RSMo, allows the purchase from other contracts bid in accordance with that jurisdictions legal authority. Therefore, we wouldn't limit the agencies abilities to use the GSA contracts except to comply with GSA requirements. In addition, it should be noted that the federal government has only authorized two GSA schedules to be made available to the states. Those are schedule 70 for IT products and services and schedule 84 for solutions for law enforcement, security, fire, etc. Therefore, not all solutions available to the federal government are made available to the states. DPMM assume no impact.

ASSUMPTION (continued)

In response to similar legislation filed this year, SB 844, the following responded:

Officials at the **Office of the State Auditor, Office of the State Treasurer** and the **Office of the Secretary of State** assume that there is no fiscal impact from this proposal.

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

Amendments as a Whole

Officials at the **Department of Elementary and Secondary Education, Department of Health and Senior Services, Department of Insurance, Financial Institutions and Professional Registration, Department of Mental Health, Missouri Senate, Department of Economic Development, Fire Safety, Office of the State Treasurer** and the **Office of the State Courts Administrator** assume that there is no fiscal impact from this proposal.

Officials at the **Office of the Attorney General (AGO)** assume that any potential costs arising from this proposal can be absorbed with existing resources. If there is a significant increase in the number of referrals to the AGO, the AGO may seek additional appropriations.

Senate Amendment 1 Transfer of Alcohol and Tobacco Control and Water Patrol
Sections 32.028, 311.615, 407.924 Alcohol and Tobacco Control

In response to similar legislation filed this year, SB 1057, the following responded:

Officials at the **Department of Revenue (DOR)** assumes this proposed legislation transfers the Division of Alcohol and Tobacco Control to the DOR. DOR assumes the following:

All personnel will be accompanied by corresponding PS and E&E budgets.

The new division will maintain its current equipment.

No additional expenditures will be required for space and infrastructure.

DOR defers to the Department of Public Safety for the impact on state revenue.

Officials at the **Department of Public Safety (DPS)** anticipates that the transfer of the Division of Alcohol & Tobacco Control to Department of Revenue will result in general revenue savings to the state. Because some of the functions of ATC fit well into the mission of DOR, particularly tax collection, licensing and regulatory enforcement, DPS anticipates a reduction in staff required due to the elimination of redundant positions.

ASSUMPTION (continued)

Oversight has shown the savings as Unknown over \$100,000.

Sections 36.031, 43.040, 43.050, 43.392, 44.020, 44.024, 44.045, 58.445, 104.810, 301.716, 306.010, 306.165, 306.167, 306.168, 306.185, 542.261, 544.157, 577.090, 650.005:

Officials from the **Department of Public Safety**, on behalf of the **Highway Patrol (HP)** and **Water Patrol (WP)**, assume this legislation will have significant impact:

Office Space - HP is working to identify facilities within the Jefferson City area for the reassignment of WP personnel, including the dispatchers mentioned above as well as other WP personnel. Also, DPS has identified state office space that can be made available for the State Fire Marshal's Office whose personnel share leased office space with the WP management.

If the current WP headquarters can be vacated by both WP and the Fire Marshal, the building's lease can be terminated, which would result in savings to GR of \$180,000 per year. The facilities next to the WP headquarters are owned by WP and would still be needed for storage and boat maintenance. These facilities can also be used for office space, possibly for dispatchers or other support personnel.

Communications - There are 9 dispatchers currently employed by WP. It is assumed that the dispatch function needs to be integrated within HP. We anticipate no immediate cost savings, but there will be a cost of \$4,000 to move the data circuits to the dispatch towers from the current WP dispatch building. These circuits would be rerouted to another building. HP anticipates being able to accommodate these dispatchers in existing facilities. There may be some long range savings if personnel can be reduced and radio towers within the same region can be combined.

Training - Both agencies train their recruits at the Highway Patrol Academy using similar core law enforcement course work, but taught at separate times and with different instructors. By incorporating the two agencies there would be no need for separate recruit classes and each cadre will benefit from the training provided for boating and highway enforcement. (Because the academies are similar, additional training for current Water Patrol officers will be minimal).

To the extent that officers are cross-trained from WP functions to HP functions and vice-versa, there will be some increased cost.

Administration/Personnel - Support Staff Personnel - Annual cost savings of approximately \$502,000 (\$318,000 salary plus fringe) will be realized by eliminating 10 FTE support staff positions tasked with payroll, procurement, and budgeting. Those functions will be assumed by

ASSUMPTION (continued)

highway patrol administrative support staff, and can be assumed as early as July 1, 2010. HP has a financial management section that includes budgeting, federal grants, procurement, accounts payable/receivable, a warehouse operation, and a print shop. HP can handle all of the activity in these areas. Human resources, public information, and other support functions of HP should be able to support WP with some modifications. HP has its own hiring system and does not use the state's merit system.

Command Staff - Approximately \$660,000 (salary and fringe) in ongoing general revenue cost savings will be realized over a longer term through the attrition of redundant command staff positions and replacement with patrol officers who are assigned to highway and/or gaming duties during a portion of the year. (Currently, the water patrol has allocated 21 of their 99 officer FTE for senior level officers - 1 col, 1 lt. col, 2 majors, 9 captains, 8 lieutenants). This figure assumes that some command staff positions would remain to supervise the Water Patrol Division. Backfilling command staff positions with field officers will increase the number available for patrols.

Field Officer Assignment - As WP officers are able to transition to other HP duties during part of the winter, DPS projects that approximately 2.4 million ongoing general revenue cost savings will be realized by reassigning 2/3 of the transferred water patrol officers to highway or gaming duties during the off-season.

Also, WP officers currently accrue significant overtime during the summer months that officers later take as leave throughout the winter months. Having more officers available to assign to the water during the peak season (HP officers who have received cross-training) will reduce overtime and shifting assignments will provide more efficient use of those officers during the winter months.

Boater Safety Education & Training - HP assumes that WP personnel who come to the HP will continue to answer incoming calls relating to boater safety education and provide necessary boater safety training.

Revenue - Merging HP and WP, and having WP personnel partnering in HP road duties, gaming duties, and criminal duties during their off season is expected to increase the number of summons and arrests. These activities usually result in fines, which should have a positive fiscal impact to revenues for courts, fines (education revenue), and to sheriffs' and prosecuting attorneys' training funds. This will increase with time after the merger, as WP patrolmen receive more training and experience.

ASSUMPTION (continued)

Until specific plans for utilizing WP officers during the winter months are developed and implemented, it is not possible to estimate the total revenues generated through increased enforcement.

Retirement/Medical: DPS defers to MOSERS and MPERS on any impact related to retirement or medical costs or savings resulting from this part of the proposal.

Consolidating the Water Patrol and Highway Patrol will result in significant cost savings to GR and enable the state more flexibility with valuable resources.

Oversight assumes that it can not determine if there is any retirement or medical savings or costs due to this proposal.

In response to a similar proposal from this year (HB2417), officials from the **Missouri State Employees Retirement System (MOSERS)** state the proposed legislation would, if enacted, create a division of water patrol within the Missouri state highway patrol and transfer water patrol employees currently employed within the department of public safety to the highway patrol. As it affects MOSERS, employees who are earning creditable service under the MSEP (closed plan) or the MSEP 2000 will remain in those plans unless they elect, within ninety days of January 1, 2011, to transfer membership and creditable service to the closed plan or the Year 2000 Plan administered by the Missouri Department of

Transportation and Patrol Employees' Retirement System (MPERS). An election to transfer such creditable service to MPERS would result in the forfeiture of any rights or benefits under MOSERS.

As proposed, in the event such an election is made, MOSERS would be required to transfer to MPERS by June 30, 2011, an amount actuarially determined to equal the liability at the time of the transfer to the extent that liability is funded as of the most recent actuarial valuation, not to exceed 100%. Provisions also exist that would prevent transferring employees from participating in the Missouri Consolidated Health Care Plan (MCHCP); however, medical coverage would be provided by the state highway and transportation commission for MPERS' covered members. MOSERS' records indicate that there are presently 116 employees (23 regular state employees and 93 uniformed members of the water patrol) working for the water patrol with an estimated payroll of approximately \$545,700. While we are unable to estimate the number of members that may elect to transfer their creditable service to MPERS, we do know that the contribution rate for transferring members would increase from 13.81% of payroll under MOSERS to 39.46% under MPERS (for non-uniformed members) and 49.53% (for uniformed members), respectively.

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ASSUMPTION (continued)

Officials from the **Missouri Department of Transportation and Highway Patrol Employee's Retirement System (MPERS)** state they have been informed by the officials of the Department of Public Safety that there are approximately 9-Radio Operator positions and 93-Uniformed Water Patrol members that will be included in the transfer. It is our understanding that the estimated payroll for this group is approximately \$6,167,136 per year. Today, under MOSERS, the entire group has a contribution rate of 13.81% plus .55% of payroll for disability insurance resulting in annual contributions from General Revenue of \$885,601. Under the proposed legislation, the members of the group would be given an election to stay in MOSERS or come to MPERS. If the entire group elected to come to MPERS, the contributions would increase substantially because MPERS' rates are considerably higher (for FY2011, the rate is 39.46% for the civilian group and 49.53% for the uniformed group). Using the same payroll of \$6,167,136, annual contributions to MPERS would be in the range of \$3,012,342. This would represent an increase in contributions from General Revenue of \$2,126,741 if the entire group elected to come to MPERS.

Because the bill stipulates that members have the option to choose between MOSERS and MPERS, we have no way of predicting how many people would elect to come to MPERS. However, if even one member elected to move over, General Revenue would be impacted.

Based on the response from the Department of Public Safety, **Oversight** assumes there could be unknown potential costs as well as potential savings from the change outlined in the proposal. Within the budget for FY 2010, 52% of the funding for the Water Patrol (\$5,474,890 of \$10,620,363) is from the General Revenue Fund, while 69% of the funding for the Highway Patrol - Enforcement Program (\$68,197,001 of \$99,244,231) is from State Highways and Transportation Department Fund. Therefore, Oversight assumes there could be savings and or additional costs within various funds, including the two mentioned above, as well as Federal Funds and the Missouri State Water Patrol Fund. For fiscal note purposes, Oversight will reflect a potential savings and potential costs to General Revenue and Highway Funds.

Section 104.810 allows employees of the Missouri State Water Patrol to elect to move retirement from the Missouri State Employees Retirement System (MOSERS) to the Highways and Transportation Employee's and Highway Patrol Retirement System (MPERS) within 90 days of January 1, 2011. **Oversight** does not have a basis to how many of the 127.5 FTE Water Patrol employees will make this election. The contribution rate for MPERS, as stated by MOSERS, is 39.46% or 49.53% (compared to 13.81% for MOSERS), therefore, the state would incur additional costs for those employees electing to be covered under the MPERS plan.

ASSUMPTION (continued)

Senate Amendment 2

Officials at the **Administrative Hearing Commission (AHC)** assume that section 621.015 adds the potential for two new Commissioners and section 621.075 gives the AHC jurisdiction over state employment cases.

The AHC currently has three Commissioners that hear and decide cases within their jurisdiction. Amount required from general revenue would depend on whether the two new Commissioners were appointed and when.

Oversight assumes the legislation increases the number of Commissioners to five from three. Oversight has shown the cost to the AHC as \$0 to the cost of the two new Commissioners.

Officials at the **Office of Administration** assume these sections transfer the hearing of merit system employee appeals from the Personnel Advisory Board to the Administrative Hearing Commission. The estimated fiscal impact to the PAB (reduction of 3.5 FTE) and the AHC (1.0 additional AHC Commissioner). Even though Section 621.015 authorizes two additional AHC Commissioners, OA assumes these duties can be accomplished with one additional commissioner. These numbers coincide with the action of the Senate Appropriations Committee for HB 5.

Senate Amendment 3

Officials at the **Office of Administration Division of Purchasing** assumes the fiscal impact to this particular amendment would be negligible. However, the Division of Purchasing and Materials Management has already set up contracts for the procurement of IT related products through its Prime Vendor Computer Contract where all purchases can be made and the bid process has already been completed.

Officials at the **Department of Elementary and Secondary Education** and the **Department of Corrections** defers to the Office of Administration for fiscal impact.

Oversight assumes no fiscal impact as a result of this amendment.

ASSUMPTION (continued)

Senate Amendment 5

In response to similar legislation filed this year, SB 600, the following responded:

Officials from the **Department of Public Safety - Director's Office, Missouri House of Representatives** and **Missouri Senate** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Office of Administration (COA) - Commissioner's Office** state that if expanded access is granted to the State Capitol Dome, the state will be liable for any claims if an injured individual sues the state. In the past two (2) years, there have been two incidents where an individual was injured as a result of visitors being allowed access to the dome. In one instance, the injured individual was taken to the emergency room at a local hospital. In the other instance, emergency medical services (EMS) personnel refused to climb the stairway going to the dome because they could not properly transport the individual down the staircase. A Capitol Police officer was able to assist the visitor down the stairs where EMS personnel provided aid.

COA - Division of General Services, Risk Management (GS/RM) officials assume there would be an increase in the number of visitors to the Capitol Dome if the proposal is approved. Therefore, the likelihood of an accident or injury increases. While there have been no claims to date, the likelihood of a claim increases and these costs would have to be covered by the state's Legal Expense Fund. For any one person in a single accident or occurrence, the maximum waiver of sovereign immunity for a dangerous condition of property claim would be \$378,814 (for claims occurring in 2009; new figures are not out yet for 2010). For all claims arising out of a single accident or occurrence, the maximum would be \$2,525,423.

COA - Division of Facilities Management, Design and Construction (FMDC) officials state increased access to the Capitol Dome area would require the COA to make extensive modifications to the space because access to this area was not designed for heavy traffic. There are more than 300 caged steps and no ventilation system, which could cause problems for anyone with health issues. This creates serious accessibility issues in the case of a medical emergency and medical-related evacuation. In addition, there is no way to get emergency equipment to the upper dome area. The state could incur costs to fix roofs and other structures and there is insufficient protection to visitors above the existing wall surrounding the area.

During FY 08, the FMDC conducted a study to determine the feasibility of access to the Whispering Gallery. The proposal will impact the state's Capital Improvement budget as design and construction costs to the Gallery and Dome are estimated at \$2,590,000. This estimate includes the addition of appropriate heating, ventilation and air conditioning equipment for the

ASSUMPTION (continued)

space. Required modifications include the design of safe entrances and exists, protection of building electrical components and other safety features, but does not include asbestos abatement or wheelchair accessibility.

The proposal will also impact FMDC's operating appropriation for the costs associated with heating, cooling, maintenance, and cleaning of the space on an on-going basis. The FMDC is unable to estimate these costs until construction is finalized.

Finally, the COA would incur additional costs to duplicate 197 keys, but these costs could be covered with existing resources.

In summary, providing expanded access to the State Capitol Dome could increase the state's liability in the event of a claim more than \$2.5 million per incidence; design and construction costs to the Whispering Gallery and Dome are estimated at \$2.59 million. There are also other unknown costs associated with the proposal, including asbestos removal, wheelchair access and annual heating, cooling, maintenance and cleaning costs.

Oversight assumes the proposal is only mandating the provision of keys to the legislators and, as a result, is not presenting the COA's Legal Expense Fund or design and construction costs.

Senate Amendment 6 Health and Human Services Transition Committee

In response to similar legislation filed this year, SB 1057, officials at the **Department of Health and Senior Services, Department of Mental Health, Department of Social Services, Office of Administration** and the **Missouri Senate** assume that there is no fiscal impact from this proposal.

Senate Amendment 7

In response to similar legislation (SCS for SBs 842, 799 & 889, LR# 4653-05), officials from the **Office of the Attorney General (AGO)** assume the proposal would require health plans and other third parties to pay MO Health Net liens without requiring the agency to submit the claim in a particular format or a particular time frame and without requiring action on the part of the MO HealthNet participant when they secure medical services. AGO assumes that an increase in cases could result when a plan or other third party disagrees with the agency on whether a claim was a "properly submitted medical assistance subrogation claim" as set forth in the proposal, as AGO defends MO HealthNet on third party liability matters. AGO assumes that any potential costs could be absorbed with existing resources. If significant referrals result, the AGO may seek additional appropriations to adequately represent the agency.

ASSUMPTION (continued)

In response to a previous version of this proposal, officials from the **Department of Social Services - MO HealthNet Division** state Section 208.215 requires health benefit plans to process MO HealthNet subrogation claims for a period of three years from the date of service, regardless of their timely filing requirements. This would significantly increase third party liability recoveries. The estimated increase in recoveries is unknown but greater than \$1,000,000.

Officials at the **Office of Administration** defers to the Department of Social Services for impact.

Senate Amendment 8 Commission on the Reorganization of Health Care

In response to similar legislation filed this year, SB 712, the following responded:

Officials from the **Department of Corrections, Department of Insurance, Financial Institutions, and Professional Registration, Department of Health and Senior Services, Department of Mental Health, Department of Public Safety (DPS) - Division of Alcohol and Tobacco Control, DPS - Capitol Police, DPS - Director's Office, DPS-Division of Fire Safety, DPS - Missouri Gaming Commission, DPS - State Emergency Management Agency, DPS - Missouri Veterans Commission, Office of the Governor, Missouri Consolidated Health Care Plan, and Missouri Senate** assume the proposal will have no fiscal impact on their organizations.

Officials from the **Missouri Highway Patrol** defer to the Missouri Department of Transportation for response regarding the potential fiscal impact of the proposed legislation on their organization.

Officials from the **Missouri Department of Transportation (MoDOT)** state the proposal will not have a direct fiscal impact on the MoDOT at the present time. However, the Commission's findings and recommendations could impact the MoDOT in the future.

Officials from the **Department of Higher Education (DHE)** state that although this proposal would require the Commission of Higher Education to serve on the Commission on the Reorganization of State Health Care, the DHE assumes these additional duties could be undertaken and performed with no additional staff or equipment. The DHE concludes, therefore, the proposal would have no fiscal impact on their organization.

Officials from the **Department of Social Services (DOS)** state since this legislation requires the commission to study, review and recommend changes, including the transfer of the MO HealthNet and CHIP programs to the Office of Administration, but does not actually require the

ASSUMPTION (continued)

transfer of these programs to the Office of Administration, there will be no fiscal impact to the DOS.

Officials from the **Missouri Department of Conservation (MDC)** state this legislation would establish a “Commission on the Reorganization of State Health Care” to study, review, and recommend creation of a “Division of State Health Care” within the Office of Administration. The proposed Division of State Health Care would be dedicated to providing health care coverage for all state employees, dependents, and other parties named in the bill. The initial formation of the 16 member Commission on the Reorganization of State Health Care would not appear to have any fiscal impact on MDC funds. However, depending on the Commissions’ findings and recommendations, the MDC could be required to provide health insurance for its employees, retirees, and dependents under the proposed Division of State Health Care, and this potential fiscal impact is unknown.

Officials from the **Missouri House of Representatives (MHR)** assume costs will be covered by the Office of Administration and, as a result, the proposal will have no fiscal impact on their organization.

Officials from the **University of Missouri (UM)** state there is inadequate information in the proposed legislation to provide an accurate determination of the increase in costs that such legislation would produce for the University.

However, to the extent that the 2010 premium rates of the Missouri Consolidated Health Care Plan can be used as a proxy for anticipated costs of coverage under this proposed legislation, enactment of the legislation would increase premium costs to UM, its faculty, staff, and retirees, between \$55 million and \$62 million per year, based on current enrollment data.

Oversight assumes the proposal, as currently written, does not require the UM to incur costs. The costs stated by UM are based on unknown potential results and recommendations that may be reported by the Commission on the Reorganization of State Health Care.

Officials from the **Office of Administration (COA)** state the proposal establishes a Commission on the Reorganization of Health Care within the COA. Staff support is provided by the COA and would require temporary clerical assistance and printing costs for the final report and meeting materials. The COA assumes there would also be costs associated with travel and meal reimbursement for some of the commission members. The COA assumes total costs to the General Revenue Fund of \$23,064 for FY 11.

ASSUMPTION (continued)

Oversight notes the proposal has an emergency clause and there is a possibility costs incurred by the COA could be incurred during FY 10. For fiscal note purposes, COA costs are presented in FY 11 as the provisions of the proposal expire on February 1, 2011.

Senate Amendment 9

Officials from the **Joint Committee on Legislative Research, Oversight Division** assume the proposal will have no fiscal impact on their organization.

Senate Amendment 10

In response to similar legislation filed this year, SB 1065, the following responded:

Officials at the **Missouri House of Representatives** assume no fiscal impact. It is assumed that any expenses associated with the Joint Committee would be paid from the Senate's Joint contingent expenses appropriations.

Officials at the **Missouri Senate** assume the expenses of the committee to be from \$0 to \$5,000 in FY 2011. It is assumed the costs could be absorbed by present appropriation.

Officials at the **Budget and Planning and Office of Administration, Office of the State Courts Administrator** and the **Office of the Governor** assume that there is no fiscal impact from this proposal.

Senate Amendment 12

In response to similar legislation filed this year, SB 1059, the following responded:

Officials from the **Department of Agriculture, Department of Economic Development, Department of Elementary and Secondary Education, Department of Higher Education, Department of Insurance, Financial Institutions, and Professional Registration, Department of Mental Health, Department of Natural Resources, Department of Corrections, Department of Health and Senior Services, Department of Labor and Industrial Relations, Department of Revenue, Department of Social Services, Missouri Department of Transportation, Department of Public Safety, Missouri Consolidated Health Care Plan, Missouri Department of Conservation, Office of State Public Defender, Boone County Sheriff's Department, Jefferson City Police Department, Parkway School District, Linn State Technical College, Missouri State University, Missouri Western State University, Missouri Southern State University, University of Central Missouri, and University of Missouri** assume the proposal will have no fiscal impact on their organizations.

ASSUMPTION (continued)

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

Officials from the **Budget and Planning (BAP)** state the proposal should not have a fiscal impact on their organization. The Department of Mental Health should provide the estimate of possible increased costs and revenues to the state as a result of this proposal.

Officials from the **Office of Secretary of State (SOS)** state the fiscal impact for this proposal is less than \$2,500. The SOS 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 SOS can sustain within its core budget. Therefore, the SOS reserves the right to request funding for the costs of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the Governor.

<u>FISCAL IMPACT - State Government</u>	FY 2011	FY 2012	FY 2013
	(10 Mo.)		
GENERAL REVENUE			

Savings - Water Patrol & Highway Patrol

SA 1

Building Lease	\$0 to \$180,000	\$0 to \$180,000	\$0 to \$180,000
Administrative Savings	\$502,000	\$502,000	\$502,000
Command Staff	\$0 to \$660,000	\$0 to \$660,000	\$0 to \$660,000
Field Officer Assignment Savings*	<u>\$2,400,000</u>	<u>\$2,400,000</u>	<u>\$2,400,000</u>
<u>Total Savings</u> - WP & MSHP	<u>\$2,902,000 to</u>	<u>\$2,902,000 to</u>	<u>\$2,902,000 to</u>
	<u>\$3,742,000</u>	<u>\$3,742,000</u>	<u>\$3,742,000</u>

*Expenses will now be paid from State Highway & Transportation Dept. and Gaming Funds.

Savings - Dept. of Revenue

ATC merger (SA 1)

Unknown over	Unknown over	Unknown over
\$100,000	\$100,000	\$100,000

Savings - Personnel Advisory Board

Personal Service (SA 2)	\$203,192	\$203,192	\$203,192
Fringe Benefits	<u>\$118,136</u>	<u>\$118,136</u>	<u>\$118,136</u>
<u>Total Savings</u> - Personnel Advisory Bd	<u>\$321,328</u>	<u>\$321,328</u>	<u>\$321,328</u>
FTE Savings	(3.5 FTE)	(3.5 FTE)	(3.5 FTE)

Costs - Office of Administration

Commission expenses (SA 8)	(\$23,064)	\$0	\$0
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Costs - Administrative Hearing Comm.

Personal Service (SA 2)	\$0 or (\$175,838)	\$0 or (\$217,336)	\$0 or (\$223,856)
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Fringe Benefits	\$0 or (\$92,209)	\$0 or (\$113,971)	\$0 or (\$117,390)
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Expense and Equipment	\$0 or (\$10,013)	\$0 or (\$2,492)	\$0 or (\$2,492)
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<u>Total Costs - AHC</u>	\$0 or (\$278,063)	\$0 or (\$333,799)	\$0 or (\$343,738)
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FTE Change- AHC	0 or 2 FTE	0 or 2 FTE	0 or 2 FTE
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Costs - Water Patrol & Highway Patrol
SA 1

Moving Expenses	(\$4,000)	\$0	\$0
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Training Costs	(Unknown)	(Unknown)	(Unknown)
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<u>Total Costs - WP & MSHP</u>	(Unknown)	(Unknown)	(Unknown)
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**ESTIMATED NET EFFECT ON
GENERAL REVENUE**

<u>Unknown</u> <u>greater than</u> <u>\$3,323,328 to</u> <u>(Unknown</u> <u>greater than</u> <u>\$27,064)</u>	<u>Unknown</u> <u>greater than</u> <u>\$3,323,328 to</u> <u>(Unknown)</u>	<u>Unknown</u> <u>greater than</u> <u>\$3,323,328 to</u> <u>(Unknown)</u>
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Estimated Net FTE Change on
General Revenue

(3.5) to 2 FTE	(3.5) to 2 FTE	(3.5) to 2 FTE
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**STATE HIGHWAYS AND
TRANSPORTATION DEPARTMENT
FUND**

Costs - Water Patrol & Highway Patrol

SA 1	<u>(\$1,200,000)</u>	<u>(\$1,200,000)</u>	<u>(\$1,200,000)</u>
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**ESTIMATED NET EFFECT TO THE
STATE HIGHWAYS AND
TRANSPORTATION DEPARTMENT
FUND**

<u>(\$1,200,000)</u>	<u>(\$1,200,000)</u>	<u>(\$1,200,000)</u>
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GAMING FUND

Income - Water Patrol & Highway Patrol

SA 1	\$1,200,000	\$1,200,000	\$1,200,000
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Costs - Water Patrol & Highway Patrol

SA 1	<u>(\$1,200,000)</u>	<u>(\$1,200,000)</u>	<u>(\$1,200,000)</u>
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**ESTIMATED NET EFFECT ON
GAMING FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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THIRD PARTY LIABILITY FUND

Savings - Department of Social Services

Program Savings (SA 7)

<u>Unknown but Greater than \$367,100</u>	<u>Unknown but Greater than \$367,100</u>	<u>Unknown but Greater than \$367,100</u>
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**ESTIMATED NET EFFECT ON
THIRD PARTY LIABILITY FUND**

<u><u>Unknown but Greater than \$367,100</u></u>	<u><u>Unknown but Greater than \$367,100</u></u>	<u><u>Unknown but Greater than \$367,100</u></u>
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FEDERAL FUNDSSavings - Department of Social Services

Program Savings (SA 7)

Unknown but
Greater than
\$632,900Unknown but
Greater than
\$632,900Unknown but
Greater than
\$632,900Costs - Department of Social Services

Return Federal Assistance (SA 7)

(Unknown but
Greater than
\$632,900)(Unknown but
Greater than
\$632,900)(Unknown but
Greater than
\$632,900)**ESTIMATED NET EFFECT ON
FEDERAL FUNDS****\$0****\$0****\$0**FISCAL IMPACT - Local GovernmentFY 2011
(10 Mo.)FY 2012FY 2013**\$0****\$0****\$0**FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

Sections 36.050, 36.060, 36.150, 36.280, 36.370, 36.380, 36.390, 36.400, 105.055, 621.015, 621.075 = This act transfers the hearing of all merit system employee appeals from the Personnel Advisory Board to the Administrative Hearing Commission (AHC) and increases the number of Administrative Hearing Commissioners from three to five. The act also shortens the time period for filing an appeal with the AHC from 30 to 15 days for persons who have taken an exam for a merit system job and felt they were dealt with unfairly and persons who are removed from the merit system job registry.

Sections 36.031, 43.040, 43.050, 43.392, 44.020, 44.024, 44.045, 58.445, 104.810, 301.716, 306.010, 306.165, 306.167, 306.168, 306.185, 542.261, 544.157, 577.090, 650.005:

This proposal transfers the Missouri State Water Patrol to the Division of Water Patrol within the Missouri State Highway Patrol.

JH:LR:OD

FISCAL DESCRIPTION (continued)

Section 37.600 = This proposal establishes a Commission on the Reorganization of State Health Care which shall have as its purpose the study, review and recommendation of creating a Division of State Health Care within the Office of Administration. The commission will consist of sixteen members. Four members will come from the legislature, three will be the directors of the Department of Insurance, Financial Institutions and Professional Registration, Social Services and the MO HealthNet Division, one will be the commissioner of the Office of Administration, one will be a member of the Board of Curators of the University of Missouri and the others will be representatives or directors from the various groups that are assimilated under the new Division of State Health Care.

The commission shall submit a report to the general assembly and governor by December 31, 2010, on the creation of the new division, which will serve through three implementation phases as the lead planning state entity for all health issues in the state. The provisions of this proposal shall expire on February 1, 2011.

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

Administrative Hearing Commission
Department of Agriculture
Department of Economic Development
Department of Elementary and Secondary Education
Department of Higher Education
Department of Insurance, Financial Institutions, and Professional Registration
Department of Mental Health
Department of Corrections
Department of Health and Senior Services
Department of Labor and Industrial Relations
Department of Natural Resources
Department of Public Safety -
 Division of Alcohol and Tobacco Control
 Capitol Police
 Division of Fire Safety
 Missouri State Highway Patrol
 State Emergency Management Agency
 Missouri Veterans Commission

SOURCES OF INFORMATION (continued)

Missouri Gaming Commission
Water Patrol
Department of Revenue
Department of Social Services
Joint Committee on Legislative Research, Oversight Division
Missouri Consolidated Health Care Plan
Missouri Department of Conservation
Missouri Department of Transportation
Missouri Department of Transportation and Highway Patrol Employee's Retirement System
Missouri House of Representatives
Missouri State Employees Retirement System
Missouri Senate
Office of the Attorney General
Office of Administration -
 Budget and Planning
 Commissioner's Office
 Division of General Services, Risk Management
 Division of Facilities Management, Design and Construction
 Division of Purchasing
Office of the Governor
Office of the State Auditor
Office of the State Courts Administrator
Office of Secretary of State
Office of Prosecution Services
Office of State Public Defender
Office of the State Treasurer
Boone County Sheriff's Department
Jefferson City Police Department
Parkway School District

L.R. No. 4774-02

Bill No. SCS for HB 1868 with SA 1 to SA 1, SA 2, SA 3, SA 5, SA 6, SA 7, SA 8, SA 9, SA 1 to SA 10, SA 12

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SOURCES OF INFORMATION (continued)

Linn State Technical College

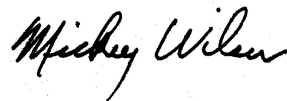
Missouri State University

Missouri Western State University

University of Central Missouri

Missouri Southern State University

University of Missouri

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

Mickey Wilson, CPA

Director

May 5, 2010