

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5999-01
Bill No.: HB 2050
Subject: Motor Vehicles; Office of Administration; State Departments
Type: Original
Date: March 25, 2014

Bill Summary: This proposal requires the fleet manager to develop and coordinate a statewide vehicle fleet cost efficiency plan to reduce government vehicle costs.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Revolving Administrative Trust Fund	Unknown to (\$49,026)	Unknown to (\$56,699)	Unknown to (\$57,266)
University Funds	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on Other State Funds	(Unknown greater than \$49,026)	(Unknown greater than \$56,699)	(Unknown greater than \$57,266)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Revolving Administrative Trust Fund	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 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 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of Administration's Division of General Services** will need one additional FTE (Management Analysis Specialist I) to coordinate and develop the statewide vehicle fleet cost efficiency plan. State vehicle fleet fees charged to agencies as provided for in §37.450 (7) would be increased to cover additional expense. They assume the need for \$2,245 of anticipated one time expenditures for office equipment.

OA assumes that the "agency submitted plans" would be reported at the highest department or university level and not at divisional, unit or bureau levels. OA would evaluate cost reduction measures included in the proposed Section 5.e and implement those suggestions based on a cost/benefit analysis. Certain components such as reducing engine idle time could only be measured through the purchase and installation of a telematics solution which would result in one time and ongoing maintenance charges.

Officials at the **Department of Agriculture**, the **Department of Conservation**, the **Department of Corrections**, the **Department of Economic Development**, the **Department of Elementary and Secondary Education**, the **Department of Health and Senior Services**, the **Department of Higher Education**, the **Department of Insurance, Financial Institutions and Professional Registration**, the **Department of Labor and Industrial Relations**, the **Department of Mental Health**, the **Department of Natural Resources**, the **Department of Public Safety's Capitol Police**, the **Department of Public Safety's Division of Fire Safety**, the **Department of Revenue**, the **Missouri Department of Transportation**, the **Missouri Gaming Commission**, the **Missouri National Guard**, the **Missouri Western State University**, the **Missouri Veterans Commission**, the **Office of Prosecution Services**, the **Office of the Secretary of State**, the **Office of the State Auditor**, the **Office of the State Public Defender**, the **Office of State Treasurer**, the **State Emergency Management Agency** and the **University of Missouri** each assume there is no fiscal impact to their respective organizations from this proposal.

Officials at the **Office of State Courts Administrator** assume there may be some impact but there is no way to quantify that currently. Any significant changes will be reflected in future budget requests.

Officials at the **Department of Social Services (DSS)** assume DSS tracks vehicle data through the OA Fleet Information System. The information system allows DSS to track fleet statistics to include those outlined in §37.450.5.(1) of this bill. This is accomplished by existing staff and will not have a fiscal impact to Social Services.

ASSUMPTION (continued)

Officials at the **Missouri Highway Patrol** assume this proposal would not impact the Fleet and Facilities Division much as far as duties, responsibilities, manpower, equipment, etc. are concerned. The division is already reporting on an annual basis most, if not all, of the items under section 5(1)(c). Some of the information is reported directly to the state fleet manager, while other information is reported to the Missouri Department of Economic Development's Energy Solutions Division (formerly known as the Division of Energy within the Department of Natural Resources). The additional information that would need to be provided would include the development of an annual plan for fleet cost efficiency and submitting that plan to the state fleet manager. This would require additional man hours to develop the plan, as well as compiling the statistics to report the Patrol's progress. The Highway Patrol believes the impact can be absorbed; therefore, the Highway Patrol's response is no impact.

Oversight assumes this program expands the reporting requirements already done by the state agencies. Oversight assumes the state agencies can absorb these additional reporting requirements with existing resources.

Officials at the **Northwest Missouri State University** assume this would have an increased cost to the University that could be significant to cover additional labor costs associated with the reporting requirements proposed, as well as an additional cost for a vehicle fleet fee that could be charged by the State.

Officials at the **University of Central Missouri** assume no impact unless that state vehicle fleet manager required very intensive analysis that required additional staff hours.

Officials at the **Linn State Technical College** assume more reporting with little benefit to the school. The impact is unknown.

Officials at the **Missouri State University** assume the costs are variable and difficult to predict. The proposal does not specify the amount of information, frequency, or format that information will be required to be submitted. Based on the detail required in the fleet plan, and ongoing management and reporting of this fleet plan, the University would anticipate it would require, at a minimum, a ½ time position (estimate \$20,000 annually). The proposal also requires the agency to pay a fleet fee, which is unspecified, per vehicle. This would be an additional annual cost with no way to guess what this cost is until the fee is specified.

ASSUMPTION (continued)

Oversight assumes this proposal would subject the Universities to the same reporting requirements and vehicle fee payments as the state agencies. Oversight assumes this proposal would have an unknown impact on University funds.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
REVOLVING ADMINISTRATIVE TRUST FUND			
<u>Transfer In</u> - Universities vehicle fees	Unknown	Unknown	Unknown
<u>Cost</u> - Office of Administration			
Personal Service	(\$30,980)	(\$37,548)	(\$37,923)
Fringe Benefit	(\$15,801)	(\$19,151)	(\$19,343)
Equipment and Expenses	<u>(\$2,245)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Cost</u> - OA	<u>(\$49,026)</u>	<u>(\$56,699)</u>	<u>(\$57,266)</u>
FTE Change - OA	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON REVOLVING ADMINISTRATIVE TRUST FUND	Unknown to <u>(\$49,026)</u>	Unknown to <u>(\$56,699)</u>	Unknown to <u>(\$57,266)</u>
Estimated Net FTE Change on Revolving Administrative Trust Fund	1 FTE	1 FTE	1 FTE
UNIVERSITY FUNDS			
<u>Transfer Out</u> - payment of vehicle fee	(Unknown)	(Unknown)	(Unknown)
<u>Cost</u> - reporting requirement administration	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON UNIVERSITY FUNDS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<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 bill requires the State Vehicle Fleet Manager to develop and coordinate the implementation of a statewide vehicle fleet cost efficiency plan to ensure continuing progress toward statewide overall cost reduction in government vehicle costs. The bill specifies the information that the plan must include. Each state agency that owns or leases vehicles must develop, implement, and submit to the fleet manager a vehicle fleet cost efficiency plan for its agency. The plan must include agency goals and statistics and a report of agency progress.

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

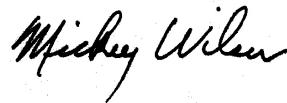
SOURCES OF INFORMATION

Department of Agriculture
Department of Conservation
Department of Corrections
Department of Economic Development
Department of Elementary and Secondary Education
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
Capitol Police
Division of Fire Safety
Department of Revenue
Department of Social Services
Linn State Technical College

JH:LR:OD

SOURCES OF INFORMATION (continued)

Missouri Department of Transportation
Missouri Gaming Commission
Missouri Highway Patrol
Missouri National Guard
Missouri State University
Missouri Western State University
Missouri Veterans Commission
Northwest Missouri State University
Office of Administration
 Division of General Services
Office of Prosecution Services
Office of the Secretary of State
Office of State Courts Administrator
Office of the State Auditor
Office of the State Public Defender
Office of State Treasurer
State Emergency Management Agency
University of Central Missouri
University of Missouri



Mickey Wilson, CPA
Director
March 25, 2014

Ross Strobe
Assistant Director
March 25, 2014

L.R. No. 5999-01
Bill No. HB 2050
Page 8 of 8
March 25, 2014

JH:LR:OD