

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5888-02
Bill No.: HCS for HB 2157
Subject: State Departments; State Treasurer
Type: Original
Date: February 28, 2018

Bill Summary: This proposal establishes the State Technology Modernization Fund.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue Fund	\$0	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on General Revenue	\$0	\$0 or (Unknown)	\$0 or (Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Various Other State Funds	\$0	\$0	\$0
State Technology Modernization Fund	\$0	\$0	\$0
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 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
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 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Administration-Information Technology Services Division (OA-ITSD)** assume the proposal would create a State Technology Modernization Fund that agencies could request that unexpended funds be deposited into at the end of the fiscal year. It is assumed that ITSD would be involved in the implementation of modernized technology purchases.

The proposal will have unknown costs. There is no way to know what funds will be deposited into the Fund or what modernized technology purchases the funds will be spent on.

Oversight notes that periodically unexpended funds currently revert back into the fund from which they were appropriated. Any monies contributed to the State Technology Modernization Fund (instead of reverting) would therefore represent a loss to the originating fund. Oversight will show a potential loss to the General Revenue Fund of monies that were deposited into the new fund instead of reverting back to General Revenue. Oversight could not find a report showing the amount of unexpended appropriation authority for the state funds, which under this bill, could be transferred to the new fund.

Oversight will show zero to unknown transfers into the State Technology Modernization Fund and offsetting expenditures out of the Fund for modernization projects.

Officials from the **Office of the State Treasurer, Department of Labor and Industrial Relations, Department of Transportation, Office of Administration-Accounting** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a previous version, officials from the **Missouri Department of Conservation** assume the proposal will have no fiscal impact on their organization.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
GENERAL REVENUE FUND			
<u>Loss</u> - Money diverted to the State Technology Modernization Fund instead of reverting to General Revenue	<u>\$0</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>

FISCAL IMPACT - State Government
 (continued)

FY 2019
 (10 Mo.)

FY 2020

FY 2021

VARIOUS OTHER STATE FUNDS

Savings - Moneys diverted to the State Technology Modernization Fund not available to revert to General Revenue

\$0 \$0 or Unknown \$0 or Unknown

Transfers Out - Money diverted to the State Technology Modernization Fund

\$0 \$0 or
 (Unknown) \$0 or
 (Unknown)

VARIOUS OTHER STATE FUNDS

\$0 **\$0** **\$0**

**STATE TECHNOLOGY
 MODERNIZATION FUND**

Transfers In - from various state funds

\$0 \$0 or Unknown \$0 or Unknown

Costs - ITSD expenditures for making modernized technology purchases

\$0 \$0 or
 (Unknown) \$0 or
 (Unknown)

**ESTIMATED NET EFFECT TO THE
 STATE TECHNOLOGY
 MODERNIZATION FUND**

\$0 **\$0** **\$0**

FISCAL IMPACT - Local Government

FY 2019
 (10 Mo.)

FY 2020

FY 2021

\$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

This proposal establishes the "State Technology Modernization Fund." This proposal allows any state agency or department with unused funds at the end of a fiscal year to deposit those moneys into the fund. Any state agency or department that deposits money may collaborate with other departments or agencies, and use the fund to make modernized technology purchases. Any moneys left in the fund after three years shall revert to General Revenue.

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 Administration-Information Technology Services Division
Office of the State Treasurer
Department of Labor and Industrial Relations
Department of Transportation
Missouri Department of Conservation
Office of Administration-Accounting

Ross Strope



Acting Director
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