

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4534-01
Bill No.: HB 1406
Subject: Office of Administration; Boards, Commissions, Committees, Councils; Business and Commerce
Type: Original
Date: March 6, 2014

Bill Summary: This proposal establishes the Minority Business Enterprise and Women's Business Enterprise Oversight Review Committee to assist these business enterprises in bidding on state contracts.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(\$9,494)	(\$9,494)	(\$9,494)
Total Estimated Net Effect on General Revenue Fund	(\$9,494)	(\$9,494)	(\$9,494)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 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
Total Estimated Net Effect on FTE	0	0	0

- 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 Office of Equal Opportunity (OA)** assume this proposal would require OA to pay actual and necessary expenses incurred by the committee members in the performance of their duties. Due to the complexity of what would be required by this proposal, it is assumed that the committee would need to meet monthly in order to meet the requirements and deadlines. Committee is proposed of 7 committee members (2 legislators and the Commissioner of OA).

Committee Members	4	(12 Meetings) 48
Lodging (1-2 nights)	\$79 a night	\$3,792
Mileage (Average 240 round trip)	\$.37 per mile	\$4,262
Meals (3 per day)	\$30 per day	\$1,440
Total		\$9,494

Officials at the **Department of Agriculture, the Department of Conservation, 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 Revenue, the Department of Social Services, the Department of Public Safety, the Department of Public Safety's Division of Alcohol and Tobacco Control, the Department of Public Safety's Division of Fire Safety, the Department of Public Safety's Capitol Police, the Joint Committee on Administrative Rules, the Missouri Department of Transportation, the Missouri Gaming Commission, the Missouri Highway Patrol, the Missouri House of Representatives, the Missouri National Guard, the Missouri Veterans Commission, the Missouri Senate, the Office of State Courts Administrator, the Office of the State Auditor, the Office of the State Public Defender, Office of State Treasurer and the State Emergency Management Agency** each assume there is no fiscal impact to their respective agencies from this proposal.

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

ASSUMPTION (continued)

Officials at the **Department of Corrections (DOC)** assume it is unknown what procurement rules and regulations might be implemented by the committee defined in this proposal and how such implementation may affect DOC fiscally.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and 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 office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Oversight assumes that any changes to agencies resulting from the information in the disparity study would be an indirect result of this proposal; therefore, Oversight will not reflect it in the fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE			
<u>Cost - reimbursement of committee expenses</u>	<u>(\$9,494)</u>	<u>(\$9,494)</u>	<u>(\$9,494)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$9,494)</u>	<u>(\$9,494)</u>	<u>(\$9,494)</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 Office of Administration, in consultation with each state department, to establish and implement a plan to increase and maintain the participation of certified socially and economically disadvantaged small business concerns or minority business enterprises in contracts for supplies, services, and construction with the state after it completes a study of the availability of these businesses. The study will be undertaken by a committee of nine members, appointed by the Commissioner of the Office of Administration, and must be completed by December 31, 2016.

The Minority Business Enterprise and Women's Business Enterprise Oversight Review Committee is established to conduct a new study to ensure participation from socially and economically disadvantaged minority or women's business enterprises, to be completed by December 31, 2015. The committee will include one member of the House of Representatives appointed by the Speaker, one member of the Senate appointed by the President Pro Tem, and four members appointed by the Governor. The Office of Administration will staff the committee and aid in the performance of the committee's duties, which are specified in the bill, including the identification of contractors who may need subcontractors and the notification to potential women and minority subcontractors.

The provisions of the bill regarding the review committee will expire six years after the effective date.

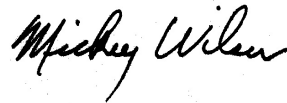
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Capitol Police
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 Revenue
Department of Social Services
Department of Public Safety
 Division of Alcohol and Tobacco Control
 Division of Fire Safety
Joint Committee on Administrative Rules
Missouri Department of Transportation
Missouri Gaming Commission
Missouri Highway Patrol
Missouri House of Representatives
Missouri National Guard
Missouri Senate
Missouri Veterans Commission
Office of Administration
Office of Attorney General
Office of the Secretary of State

SOURCES OF INFORMATION (continued)

Office of State Courts Administrator
Office of the State Auditor
Office of the State Public Defender
Office of State Treasurer
State Emergency Management Agency



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Director
March 6, 2014

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March 6, 2014