

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0744-01  
Bill No.: HB 205  
Subject: Office of Administration; State Departments; Motor Vehicles  
Type: Original  
Date: February 5, 2015

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Bill Summary: This proposal relates to acquiring state assets.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Revolving Administrative Trust Fund	Unknown	Unknown	Unknown
University Funds	(Unknown)	(Unknown)	(Unknown)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>(Unknown)</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 8 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

### ASSUMPTION

Officials from the **Department of Health and Senior Services**, the **Department of Labor and Industrial Relations**, the **Department of Mental Health**, the **Department of Economic Development**, the **Department of Agriculture**, the **Department of Public Safety - Office of the Director**, the **Department of Natural Resources**, the **Department of Public Safety - Missouri Highway Patrol**, the **Office of Administration - Budget and Planning**, and the **Department of Insurance, Financial Institutions and Professional Registration** each defer to the Office of Administration for fiscal impact in regards to state purchases, Chapter 34 of the proposal.

Officials from the **Missouri House of Representatives**, the **Missouri Senate**, the **Office of Administration - Division of Purchasing and Materials Management**, the **Department of Corrections**, the **Department of Public Safety - Alcohol and Tobacco Control**, the **Administrative Hearing Commission**, the **Department of Public Safety - Capitol Police**, the **Department of Public Safety - Fire Safety**, the **Department of Public Safety - Missouri Veterans Commission**, the **Joint Committee on Public Retirement**, the **Office of Prosecution Services**, the **Department of Higher Education**, the **Missouri Ethics Commission**, the **Department of Mental Health**, the **Missouri Consolidated Health Care Plan**, the **Joint Committee on Administrative Rules**, the **Missouri Western State University**, the **Department of Revenue**, the **Department of Public Safety - State Emergency Management Agency**, the **Department of Transportation**, the **Office of the State Auditor**, the **Missouri Lottery Commission**, the **Missouri Lieutenant Governor**, the **MoDOT and Patrol Employees Retirement System**, the **Department of Public Safety - Missouri Gaming Commission**, the **State Tax Commission**, the **Office of the State Public Defender**, the **Office of the Governor**, the **Joint Committee on Legislative Research**, the **Missouri State University**, the **Department of Public Safety - Office of Adjutant General**, the **Office of the State Treasurer**, and the **Office of Administration - Facilities Management, Design and Construction** each assume the current proposal would not fiscally impact their respective organizations.

Officials from the **Office of Administration (OA)** assume that .5 FTE would be required to coordinate and developed the statewide vehicle fleet cost efficiency plan. OA would perform research and analysis to establish goals, communicate the goals with all agencies and develop a mechanism for agencies to report back to OA annually. This .5 FTE would reach out to all agencies including the colleges and universities to establish goals, submit plans to OA and then compile an annual report of all agencies that responded.

**Oversight** assumes OA can absorb the above listed .5 FTE within existing resources.

ASSUMPTION (continued)

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.

Officials from the **Attorney General's Office (AGO)** state that this proposal would require the development, implantation, and submission to the fleet manager a vehicle fleet cost efficiency plan. The AGO assumes that costs associated with the proposal could be absorbed within existing resources, but may seek additional appropriations if the costs of developing and implementing the proposed cost efficiency plan exceed expectations.

Officials from the **Missouri Department of Conservation** assume this would have an unknown impact that is estimated at less than \$100,000 annually.

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

Officials from the **Department of Elementary and Secondary Education** assume that portions of this proposal will result in additional duties for staff; for the most part, it is not expected to be significant. However, section 37.450 could lead to additional duties, which will lead to significant time costs for staff. Due to uncertain language, it is unclear if the proposal would result in additional costs to the Department. The impact is a negative unknown.

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.

ASSUMPTION (continued)

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 fleet reporting requirements already done by the state agencies. Oversight assumes the state agencies can absorb these additional reporting requirements within existing resources.

**Oversight** assumes that under the current competitive bidding rules only bids deemed to be the "lowest and best" as defined by statute were considered. This proposal expands the rules to allow for the "best value" which allows other criteria to be considered in addition to the "lowest and best" criteria. Oversight assumes expansion of the criteria allows for options for the organization that is contracting but would not result in any direct additional impact.

Officials from the **University of Missouri** assume this proposal could significantly impact their system, in excess of \$100,000 per year. The costs to the system would include the state vehicle fees, as well as additional manpower to comply with required implementation, reporting and oversight of the new program.

Officials from the **Metropolitan Community College of Kansas City** state that this could have a moderate to significant impact on their institution depending on the method of information transmittal, fleet fee imposed and any plans developed.

Officials from the **University of Central Missouri** estimates this proposal would cause their organization to incur added costs of approximately \$36,000 annually for one additional staff member. This employees duties would be to create and maintain an inventory log, track requirements by vehicle and provide periodic training.

**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 2016 (10 Mo.)	FY 2017	FY 2018
<b>REVOLVING ADMINISTRATIVE TRUST FUND</b>			
<u>Transfer In</u> - Universities vehicle fees §37.450	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<b>ESTIMATED NET EFFECT ON REVOLVING ADMINISTRATIVE TRUST FUND</b>	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
<b>UNIVERSITY FUNDS</b>			
<u>Transfer Out</u> - payment of vehicle fee §37.450	(Unknown)	(Unknown)	(Unknown)
<u>Cost</u> - reporting requirement administration §37.450	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON UNIVERSITY FUNDS</b>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<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 proposal 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 proposal 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

FISCAL DESCRIPTION (continued)

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 Health and Senior Services  
Department of Labor and Industrial Relations  
Department of Mental Health  
Department of Public Safety - Office of the Director  
Department of Natural Resources  
Department of Public Safety - Missouri Highway Patrol  
Office of Administration - Budget and Planning  
Department of Insurance, Financial Institutions and Professional Registration  
Missouri House of Representatives  
Missouri Senate  
Office of Administration - Division of Purchasing and Materials Management  
Department of Corrections  
Department of Public Safety - Alcohol and Tobacco Control  
Administrative Hearing Commission  
Department of Public Safety - Capitol Police  
Department of Public Safety - Fire Safety  
Department of Public Safety - Missouri Veterans Commission  
Joint Committee on Public Retirement  
Office of Prosecution Services  
Department of Higher Education  
Missouri Ethics Commission  
Department of Mental Health  
Missouri Consolidated Health Care Plan  
Joint Committee on Administrative Rules  
Missouri Western State University  
Department of Revenue  
Department of Public Safety - State Emergency Management Agency  
Department of Transportation  
Office of the State Auditor  
Missouri Lottery Commission  
Missouri Lieutenant Governor

SOURCES OF INFORMATION (continued)

MoDOT and Patrol Employees Retirement System  
Department of Public Safety - Missouri Gaming Commission  
State Tax Commission  
Office of the State Public Defender  
Office of the Governor  
Joint Committee on Legislative Research  
Missouri State University  
Department of Public Safety - Office of Adjutant General  
Office of the State Treasurer  
Office of Administration - Facilities Management, Design and Construction  
Office of the Secretary of State  
Attorney General's Office  
Missouri Department of Conservation  
Office of the State Courts Administrator  
Department of Elementary and Secondary Education  
University of Missouri  
Metropolitan Community College of Kansas City  
University of Central Missouri



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