

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4682-08
Bill No.: SCS for HS for HCS for HB 1906
Subject: Administration, Office of; General Assembly; State Departments
Type: Original
Date: May 7, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	(Unknown) to Unknown	(Unknown) to Unknown	(Unknown) to Unknown
Various	(Unknown)	(Unknown)	(Unknown)
Various Dedicated	\$0	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>All</u> State Funds	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Missouri House of Representatives, Missouri Senate, State Treasurer's Office**, and the **Senate Appropriations Staff** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Office of the State Courts Administrator** assume there would not be enough court cases, as a result of passage of the proposal, to cause a fiscal impact.

Officials from the **Office of Administration – Division of Accounting** state the Division of Budget and Planning will develop the plan to charge state funds for their share of the cost of central state services.

Officials from the **Office of Administration – Division of Budget and Planning** state the proposal would result in a \$13.5 million general revenue loss compared to Fiscal Year 2002 because cost allocation would be extremely limited.

Officials from the **Department of Transportation** express concern regarding the gradual diminution of revolving funds.

Officials from the **University of Missouri** assume the proposal would result in unknown fiscal impact.

Officials from the **Department of Health and Senior Services (DOH)** state their agency does not provide funds to entities that directly or indirectly subsidize abortion services. DOH assumes their contracts would require special provisions to comply with the language in the proposal (§33.900) and would require an audit every three years to assure compliance. DOH assumes the cost of contracting and monitoring would increase, the full impact of which is unknown.

Officials from the **State Auditor's Office** assume there will be a fiscal cost to their agency to audit health and social services programs that receive state funds; however, the cost will be dependent upon the number of programs the auditor would be required to audit.

Oversight assumes beginning in FY 2004 there would be unknown savings to General Revenue and unknown costs to dedicated funds resulting from monies in dedicated funds being utilized prior to additional General Revenue appropriations.

Oversight assumes the Office of Administration will be responsible for the determining the amounts that would be paid by each fund and would monitor them on a monthly basis. Oversight notes the

ASSUMPTION (continued)

Division of Budget and Planning did not indicate they would request any additional resources for this task.

Oversight notes there is \$30 million dollars of transfers out from various state funds to General Revenue in Section 15.220 of HB 1115 for FY 2002. The Office of Administration, in response to the Senate Committee Substitute, said there would be a \$13.5 million General Revenue loss. Therefore, Oversight assumes \$16.5 million could be available for transfer from various state funds to General Revenue.

FISCAL IMPACT - State Government FY 2003 FY 2004 FY 2005

GENERAL REVENUE

Income – Transfers In from Various State Funds (§33.565 and §33.569) Unknown Unknown Unknown

Savings – Decreased Appropriations (§33.565) \$0 Unknown Unknown

Costs (§33.900.2(6)) (Unknown) (Unknown) (Unknown)
 – Potential Increased Duties for State Auditor’s Office
 – Potential Cost to Various State Agencies Paying for Independent Audits

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND **(Unknown) to Unknown** **(Unknown) to Unknown** **(Unknown) to Unknown**

VARIOUS STATE FUNDS

Costs – Transfers Out to General Revenue (§33.565 and §33.569) (Unknown) (Unknown) (Unknown)

ESTIMATED NET EFFECT ON VARIOUS STATE FUNDS **(Unknown)** **(Unknown)** **(Unknown)**

<u>FISCAL IMPACT - State Government</u>	FY 2003	FY 2004	FY 2005
VARIOUS DEDICATED STATE FUNDS			
<u>Costs</u> – Increased Appropriations (\$33.565)	\$0	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
VARIOUS DEDICATED STATE FUNDS			

<u>FISCAL IMPACT - Local Government</u>	FY 2003	FY 2004	FY 2005
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses that provide abortion services or human cloning research could be affected by this proposal as a result of potential audit requirements.

DESCRIPTION

This proposal allows the General Assembly, by appropriation, to transfer all or a portion of unobligated cash balances to the General Revenue Fund in any fiscal year that a state fund has an excess unobligated cash balance.

This proposal requires, beginning with fiscal year 2004, the House Budget Committee and the Senate Appropriations Committee to review the cash balance of all state funds. The committees shall ensure that, where appropriate, balances in dedicated funds shall be utilized prior to additional general revenue appropriations.

The following funds are exempt from transfer:

- (1) Constitutional funds;
- (2) Statutory funds approved by voters;

DESCRIPTION (continued)

- (3) Funds that are deemed federal;
- (4) Funds created by law specifically for the purpose of receiving donations or bequests;
- (5) Missouri Arts Council Trust Fund;
- (6) Funds that if transferred would violate the terms of an existing trust;
- (7) Funds created by law specifically for professional registration purposes; and
- (8) Funds that receive all or a portion of their funding from a specific tax, fee, or assessment or from donations or bequests.

The commissioner of the Office of Administration is to develop a methodology to charge state funds for their share of state services, including the costs of the Office of Administration and statewide elected officials. Such reimbursement shall be subject to appropriation, transferred from state funds to the General Revenue Fund. Federal funds are exempted from this provision of the proposal. This proposal omits the current 33.571 RSMo.

This proposal also adds language preventing any public funds from being expended, paid or granted to or on behalf of an existing or proposed health and social services program to directly or indirectly subsidize abortion services or human cloning projects. The proposal also requires an independent audit every three years of any entity that receives public funds. The proposal provides any taxpayer of the state shall have standing to bring suit against the state of Missouri or any official, department, division, agency or political subdivision, and any recipient of public funds, who or which is in violation of 33.900 RSMo, in any circuit court with jurisdiction to enforce the provision of said section.

This proposal has an emergency clause.

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

Missouri House of Representatives
Missouri Senate
State Treasurer's Office
State Auditor's Office
Office of Administration
 Budget and Planning
 Division of Accounting
Department of Health and Senior Services
Department of Transportation
Office of the State Courts Administrator
University of Missouri
Senate Appropriations Staff



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