

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4135-08
Bill No.: HCS #2 for SB 844
Subject: Administration, Office of; Contracts and Contractors; Public Officer
Type: Original
Date: May 6, 2010

Bill Summary: Allows statewide officials to request the office of administration to determine the lowest and best bidders for their purchasing, printing and service contracts and to change other bidding procedures.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	(Unknown greater than \$4,935,762) to Unknown	(Unknown greater than \$4,935,762) to Unknown	(Unknown greater than \$6,867,750) to Unknown
Total Estimated Net Effect on General Revenue Fund	(Unknown greater than \$4,935,762) to Unknown	(Unknown greater than \$4,935,762) to Unknown	(Unknown greater than \$6,867,750) to Unknown

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 23 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
All State Funds	(Unknown)	(Unknown)	(Unknown)
Mo Public Health Services Fund	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Endowed Cemetery Care Audit Fund	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Children's Trust Fund	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Federal Fund	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
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 2011	FY 2012	FY 2013
Local Government	(Unknown over \$100,000)	(Unknown over \$100,000)	(Unknown over \$100,000)

FISCAL ANALYSIS

ASSUMPTION

Section 34.047

Officials at the **Office of Administration** assume this could negatively impact the competitive bid process if the non-Missouri vendors know that Missouri vendors receive priority in the bid process. The State may not receive the best bid if a priority must be given to Missouri bidder no matter whether the out of state bidders provide the lowest and best bid. Also, Missouri vendors may be penalized when they bid on other States' competitive bid processes that have a reciprocity bid preference procedure. The impact is unknown.

Officials at the **Missouri Department of Conservation** assume a negative impact in excess of \$100,000 annually.

Officials at the **Missouri Western State University** assume if our understanding of the bill is correct, this could create a potentially large financial impact on the University. The bill appears to say that the State of Missouri would require that the university award all bids to the lowest Missouri firm regardless if an out-of-state firm had a substantially lower bid. It also appears to say, that if the Missouri company is a minority business or a disabled veteran business they would win the bid even if the lowest bidder was a non minority or disabled veteran Missouri company. Selecting the lowest overall bid is not a choice that we can make any longer.

This bill would have an immense financial impact on the University. We have had bids on different projects that if we awarded the bid to the Missouri bidder, we would have paid more for the work. An example of a scenario that could play out: three bids come in: the out-of state bidder is lowest, a Missouri company is second lowest and a Missouri minority or disabled veteran business is the highest bidder. The university would be required to award the bid to the highest bidder.

This could also give Missouri firms an opportunity to raise their bids knowing they will not have to compete with out-of-state bidders.

Officials at the **University of Missouri** assume that due to current policy and procedures for bid advertisement, opening and award, the proposed legislation will potentially cost the University up to \$200,000 per year.

Officials at the **Linn State Technical College** assume an unknown impact.

ASSUMPTION (continued)

Officials at the **University of Central Missouri** and the **St. Louis County** assume that there is no fiscal impact from this proposal.

Oversight assumes an unknown impact to all state funds.

Section 37.900

Officials at the **Office of Administration** assume no increased administrative costs as a result of this proposal.

Officials at the **Office of the State Auditor, Office of the State Treasurer** and the **Office of the Secretary of State** assume that there is no fiscal impact from this proposal.

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

Section 67.314

Officials at the **Office of Administration, Cass County, Metropolitan Community College, St. Louis County, Lincoln University, Linn State Technical College, Missouri Western State University, Missouri Southern State University, Northwest Missouri State University, St. Louis Community College, University of Central Missouri, Missouri Department of Conservation** and the **Missouri State University** assume that there is no fiscal impact from this proposal.

Oversight assumes no cost to the State or Universities as a result of this proposal.

Officials at the **City of Kansas City** assume this legislation may have a negative fiscal impact on the City in an indeterminate amount because this legislation would result in higher administrative costs and unknown financial consequences of delaying the opening of bids and subsequent commencement of a project.

Officials at the **Francis Howell School District** assume the proposed legislation imposes no dollar limit on projects that require competitive bidding. For Francis Howell, the estimate that the proposed legislation would add (conservatively) \$15,000 in costs for advertising in the newspaper, since many of our projects fall under the current \$15,000 requirement for public notice in a newspaper and competitive bids. Further, there is a cost associated with the additional time spent in public bid openings for the numerous small projects we do throughout the year. The School estimates that (conservatively) the district would expend \$25,000 in staff time

ASSUMPTION (continued)

(secretarial, accounting, management) based on the additional work imposed by the proposed legislation.

Officials at the **City of Centralia** assume the way this is worded, would seem to require advertising 5 times each. Assuming we have the time (ours is a weekly paper and advertising in the Columbia paper would be much more expensive), this would cost about \$975 per contract = 5 ads @ \$195 ea. Would apply to about 7 projects per year which are not otherwise bid (for instance, piggybacked on other entities' contracts) or only advertised one time. This adds up to an estimated \$6,045 per year of added expense. Assumes no extra contract savings from extra bidding and does not attempt to estimate extra time spent preparing bid specs for two or three such contracts each year.

Officials at the **Parkway School District** assume that there is no fiscal impact from this proposal.

No other City, County or School responded to **Oversight's** request for fiscal impact. **Oversight** assumes that due to the number of local political subdivisions affected by this proposal that the impact to the locals would be Unknown but over \$100,000 per year.

Section 1

Officials at the **Missouri Southern State University** assume certain provisions of this legislation give priority to bidders residing in the State of Missouri. While this may benefit the state as a whole, it is probable that the net cost of operation for the University would increase if competitive bidding is constrained. It is not possible at this time to quantify the fiscal impact of the this legislation.

Officials at the **Missouri State University** assume costs would likely increase by providing a preference to Missouri vendors.

Officials at the **Linn State Technical College** assume the impact is unknown.

Officials at the **University of Central Missouri** and the **St. Louis County** assume that there is no fiscal impact from this proposal.

Oversight assumes this proposal would not result in a savings or cost to the state or local political subdivision.

ASSUMPTION (continued)

Sections 26.016, 27.015, 28.190, 29.280, 30.060, 30.080, 105.030, 105.040, 105.050

Officials at the **Office of the Governor** assume no impact as long as there are no statewide elected official vacancies.

Officials at the **Office of the Secretary of State (SOS)** assume that a special election would be called for the purpose of replacing a statewide office holder. If a special election is called to elect the office holder, section 115.063.2 RSMo requires the state to pay the costs.

Oversight has reflected in this fiscal note, the state potentially reimbursing local political subdivisions the cost of having a statewide election voted on during a special election in each fiscal year. This reflects the decision made by the Joint Committee on Legislative Research, that the cost of the elections should be shown in the fiscal note. Therefore, **Oversight** will reflect a potential election cost reimbursement to local political subdivisions in each of the fiscal years.

To estimate the expense the state would incur for reimbursing local political subdivisions for a special election, **Oversight** requested expense estimates from all election authorities for an election. Eighty-six out of the one hundred fifteen election authorities responded to **Oversight's** request. From these respondents; the total election expense that would have to be reimbursed by the state government is over \$7 million. Therefore, **Oversight** will reflect a potential cost borne by the state in each fiscal year of over \$7 million for reimbursement to the local political subdivisions.

Section 105.009

Officials at the **Office of the State Auditor, Department of Health and Senior Services, Office of the State Treasurer, Office of the Governor, Missouri Senate** and the **Office of the Secretary of State** assume that there is no fiscal impact from this proposal.

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

Officials at the **Office of Administration, Missouri House of Representatives** and the **Office of the Lt. Governor** did not respond to **Oversight's** request for fiscal impact. **Oversight** assumes there is no fiscal impact from this proposal as the person taking the drug tests must pay the cost of the test.

Section 105.459

Officials from the **Department of Agriculture, Office of Administration (COA) - Administrative Hearing Commission, COA - Division of Budget and Planning, Office of**

ASSUMPTION (continued)

State Courts Administrator, Department of Corrections, Department of Economic Development, Department of Elementary and Secondary Education, Department of Higher Education, Department of Insurance, Financial Institutions, and Professional Registration, Department of Mental Health, Department of Natural Resources, Department of Health and Senior Services, Department of Labor and Industrial Relations, Department of Revenue, Department of Public Safety (DPS) - Division of Alcohol and Tobacco Control, DPS - Capitol Police, DPS - Director's Office, DPS - Division of Fire Safety, DPS - Missouri Gaming Commission, DPS - Missouri State Highway Patrol, DPS - State Emergency Management Agency, DPS - Missouri Veterans Commission, Office of the Governor, Missouri Consolidated Health Care Plan, Joint Committee on Administrative Rules, Missouri Department of Conservation, Missouri House of Representatives, Missouri Lottery, Missouri National Guard, Missouri Ethics Commission, Office of Prosecution Services, Office of State Auditor, Missouri Senate, Office of State Public Defender, Office of State Treasurer, Missouri State Tax Commission, City of Centralia, City of Kansas City, Cass County, St. Louis County, Little Blue Valley Sewer District, Boone County Sheriff's Department, Jefferson City Police Department, Parkway School District, Special School District, University of Central Missouri, Linn State Technical College, Lincoln University, Metropolitan Community College, Missouri Southern State University, Missouri Western State University, Truman State University, University of Missouri, Joint Committee on Public Employee Retirement, Kansas City Police Employees' Retirement Systems, County Employees' Retirement Fund, Missouri Local Government Employees Retirement System, Missouri Department of Transportation and Patrol Employees' Retirement Fund, Prosecutors and Circuit Attorney's Retirement System, and The Police Retirement System of St. Louis assume the proposal will have no fiscal impact on their organizations.

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

Officials from the **Missouri Department of Transportation (DOT)** state that while the department does not believe it has any employees who fall under the definition of appointed officials, there is no definition available. The DOT believes, however, that if its employees would fall under this definition, any cost savings would be very minimal.

Officials from the **St. Louis County Justice Services** state the proposal would seem to have a limited impact on their organization.

Officials from **Missouri State University (MSU)** state no revenues will be affected unless the benefits not paid to the offender are returned to the original agency and there would be no

ASSUMPTION (continued)

savings, assuming that the offender would no longer work for MSU. Although MSU would not be paying any of the benefits for the offender, it would have to pay those benefits for the successor. No costs or losses are foreseen.

Officials from the **Missouri State Employees' Retirement System (MOS)** state currently there are a number of provisions that restrict retirement benefits based on felony convictions. As it relates to participation in the state's life insurance, long-term disability and deferred compensation plans, benefit eligibility currently ceases upon an employee's termination of employment. If this legislation were to become law, existing insurance contracts administered by MOS would need to be amended accordingly. However, this legislation would have no material fiscal impact on the programs administered by MOS.

Officials from the **Department of Social Services (DOS) - Division of Human Resources** state that without further definition of what benefits would be withheld, it is not possible to determine the potential costs or savings associated with this proposal. The fiscal impact is unknown.

Oversight assumes, because the possibility that an elected or appointed official would plead guilty, or be found guilty, of a felony is speculative and can't be foreseen with any certainty, that this proposal will have no fiscal impact on the state.

Officials from the **Department of Public Safety - Division of Water Safety and Office of Lieutenant Governor** did not respond to our request for a statement of fiscal impact.

Section 115.276 Advance Voting

In response to the previous version of this bill, officials at the **Office of the Secretary of State (SOS)** assume this bill requires local election authorities to establish advance voting centers. Based on state senatorial districts, the bill would require 17 voting centers for advance voting. The fiscal note assumes that each advance voting centers would be staffed by four election judges paid \$9 per hour for the 36 hours that they will be open for advance voting - a total of \$22,032 per election. Election authorities could also incur ongoing costs for maintenance of the voting centers, including rent, utilities, and broadband internet service, in the approximate amount of \$500 per voting center for one month or a total of \$8,500 per election.

Local election authorities would incur one-time costs for the purchase of equipment necessary for advance voting at the voting centers, including accessible voting machines for disabled voters, laptop computers and printers:

- 1 accessible voting machine per satellite site= \$5,000
- 2 Laptop computers per satellite site = \$1,600

ASSUMPTION (continued)

1 printer per satellite site = \$7,500
\$14,100 per voting center multiplied by 17 voting centers = \$239,700 initial start up costs.

In response to previous versions of this bill, officials at the **Platte County Board of Election Commission** assume the following costs based on using the November 2, 2010 General Election as an example:

Election Judges- 40 hrs x 6 people x \$8/hr	\$1,930
FICA	\$ 147
Envelopes for voted ballots	\$ 250
Staff Overtime	\$2,500
FICA	\$ 191
Additional Absentee Teams to process the advance ballots 3 x 6 people x \$100/each	\$1,800

Total for 2011 - \$ 6,808

Total for 2012 - \$ 6,808

Total for 2013 - \$6,808

Officials at the **Kansas City Board of Election Commission** assume the impact on operations to be \$30,000 to \$40,000 for the advance voting. The Commission sees no fiscal impact due to photo identification.

The legislation specifically states that if no money is appropriated for advance voting that advance voting shall not be done. Therefore, **Oversight** has shown in the fiscal note the cost of advance voting as \$0 or cost.

Sections 115.281, 115.156, 115.278, 115.279, 115.287, 115.291

Officials at the **Office of the Secretary of State (SOS)** assume this bill requires ballots for absent uniformed services voters and overseas voters to comply with federal provisions. It requires the SOS to designate a means of electronic communication for uniformed service and overseas voters to request, receive, and send voter registration applications, absentee ballot applications, and ballots. The SOS shall also develop a free access system for uniformed service and overseas voters to determine if their ballot has been received by the appropriate election authority.

SOS assume training for the local election authorities would be \$7,100.

7 trainings x \$1,000 (travel, lodging and meeting room)

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ASSUMPTION (continued)

\$100 Phone line
\$7,100 Total

Officials at the **Platte County Board of Election Commission** and **Kansas City Board of Election Commission** assume that there is no fiscal impact from this proposal.

Officials at the **Boone County** assume if the SOS authorizes email or fax as a method of electronic transmission, then no cost to the County. Email will save approximately \$2,300 in postage and handling costs. If SOS mandates some other form of electronic transmission other than email or fax, then costs might increase depending on design of system.

No other board of election commission or local election authority responded to **Oversight's** request for fiscal impact.

Oversight assumes that since this legislation is a federal mandate, federal funds will be received under the M.O.V.E. Act to cover costs associated with this proposal.

Section 115.427 Personal Id requirements to vote

In response to the previous version of this bill, officials at the **Office of the Secretary of State** assume this bill requires SOS to provide notice of the personal ID requirements required to vote. The assumptions necessary for this include:

The advance notice provided by the SOS must include at a minimum the "use of advertisements and public service announcements in print, broadcast television, radio, and cable television media."

Production of radio and TV public service announcements-	\$ 2,000
Print ad to run twice before an election-	\$174,204
Cable television ad to run twice everyday for eight weeks-	\$289,800
TV and Radio ad to run through broadcast media-	\$500,000
Total-	\$966,004

Upon the bill becoming effective, SOS will send a mailer to 4.125 million registered voters to notify them of the new identification requirements at a cost of \$2,037,750. After that, a similar mailer will be sent for the 2012 General and Presidential Primary Election. After that, the SOS's office will send mailings to newly registered voters prior to each election. Based on the 244,670 newly registered voters in 2008, this mailer could cost \$120,866.

ASSUMPTION (continued)

Mailing to all registered voters:

4,125,000 registered voters x \$0.414 postage= \$1,707,750

4,125,000 registered voters x \$.08 printing and processing=\$330,000

Mailing to newly registered voters prior to each election:

244,670 new registered voters x \$0.414 postage= \$101,293

244,670 new registered voters x \$.08 printing and processing= \$19,573

The bill imposes new requirements on local election authorities in notifications, additional provisional ballots, trainings, affidavits and processes with regard to notifying and processing voters. These new state mandates must be funded as additional responsibilities under Article X, section 21 of the Missouri Constitution.

The bill is not limited to statewide elections but will affect every election. The cost per fiscal year will vary based on the number of elections held. There are additional days available for public elections, one in February and one in June, which are held only as needed.

FY 2011-2011 February, April and June elections

FY 2012- 2012 Presidential Primary election, 2012, April and June elections

FY 2013- 2012 August Primary and 2012 General election, 2013 February, April and June elections

Officials at the Department of Health and Senior Services assume section 115.427 requires voters to establish their qualifications as a US citizen lawfully residing in this state by providing a form of photographic personal identification to election officials. If an individual does not possess a valid form of personal photo identification, it may require them to obtain a copy of his/her certified birth certificate to acquire a driver's or non-driver's license. For individuals whose birth has not been recorded, it may cause them to apply for a delayed birth certificate. It is unknown and difficult to estimate the number that might be required to apply to the Bureau of Vital Records for these records.

The bill also requires the state to provide at least one form of identification required to vote at no cost to any qualified citizen who does not already possess such identification and desires to do so to vote. This bill does not appear to exempt the Department of Health and Senior Services from collecting the necessary fees for copies of certified birth certificates as set forth in Section 193.265.1 RSMo. This bill would result in an unknown increase in revenue to General Revenue, the Children's Trust Fund, the Endowed Cemetery Care Audit Fund, and the Missouri Public

ASSUMPTION (continued)

Health Service Fund. The bill would also result in an unknown impact to the Bureau of Vital Records to issue the increased demand for birth certificate records.

Officials at the Department of Revenue (DOR) assume for the purposes of this fiscal note the DOR assumes all costs will be appropriated from the general revenue fund. DOR assumes the administrative impact of this proposal is as follows:

The Department assumes only the nondriver license transaction fee is proposed to be waived and that the applicant will be required to pay the processing fee to the contract license office. The actual cost of the nondriver ID (\$6.00) will be paid for by the state of Missouri which will need to be appropriated. If this assumption is incorrect the fiscal impact would significantly increase.

To determine an estimated number of potential applicants who may be eligible for a nondriver (photo identification) at no cost, the Department compared the voter records on file with the Secretary of State to the current document holders on record with the DOR. This compare was completed in March 2009. Updated statistics were not available.

253,496	Estimated number of individuals registered to vote who do not have photo identification on file with the Department of Revenue as of March 2009.
125,795	Estimated number of individuals with an expired photo identification document on file with the Department of Revenue, who may need to obtain an updated nondriver license for voting purposes
379,291	Total estimated number of those who may be eligible for a nondriver license (photo identification) document at no cost.
x 50%	Estimated number of individuals who would apply for a nondriver license for voting purposes (based on average voter turnout for Missouri (derived from 2006 information).
189,645	Potential nondriver license applicants in the first year of implementation (FY2011)
189,646	Remaining number of registered voters who may be eligible for a photo identification document after first year of implementation. Based on 2009 counts.
÷ 2	
94,823	Estimated number of registered voters who may apply during subsequent fiscal years (FY2012 and FY2013).

In addition, because the language allows a person to apply for a nondriver license at no cost by signing an affidavit indicating they do not have a valid photographic identification document, applicants who have held a document previously and have lost it, allowed it to expire, or other reasons, may now obtain a nondriver license at no cost.

ASSUMPTION (continued)

230,401 Total new, renewal and duplicate nondriver licenses issued in FY 2009
x 25% Estimated number of applicants with prior document on file that would utilize the affidavit for a new, renewal or duplicate nondriver license, indicating they do not have any other acceptable form of photographic identification for voting purposes, making them eligible for a nondriver license at no cost to the applicant.
57,600 Estimated annual nondriver license applicants with prior document on file.

Licensing Materials Cost

FY 2011

189,645 Potential nondriver license applicants first year of implementation FY2011
57,600 Estimated annual nondriver license applicants (previous document)
247,245 Total
x \$1.86 Per document vendor cost for licensing material
\$459,875 Total estimated vendor cost FY 2011 for licensing material

FY 2012 and FY 2013

94,823 Estimated number of current registered voters who may apply during subsequent fiscal years FY 2012 and FY 2013
57,600 Estimated annual nondriver license applicants (previous document)
152,423 Total
x \$1.86*
\$283,507 Total estimated vendor cost FY 2012 and FY2013 for licensing material

* NOTE: FY11, FY12 and FY13 per document price may increase due to expiration of the current contract. The Department is in the process of awarding a new license vendor contract.

Forms – DLB assumes the form will be completed at the time of issuance and printed on regular copy paper through the driver license system only.

FY 2011

247,245 Estimated Number of Applicants required to complete the affidavit
x \$.005 Cost per affidavit document (\$25 per paper case /5000 sheets per case)
\$1,236 Total Cost per affidavit 1st year

FY 2012 and FY 2013

152,423 Estimated Number of applicants required to complete affidavit
x \$.005 Cost per document

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ASSUMPTION (continued)

\$762 Estimated cost per affidavit form subsequent years

Officials at the DOR assume that while the Secretary of State is responsible for notifying individuals of the requirement to obtain photo identification for voting purposes, it is assumed that the majority of inquires would be directed to the DOR as the document issuing agency.

Estimating a 50% potential applicant inquiry, the department assumes that approximately 123,622 (28,800 +94,822) (28,800 is 50% of 57,600 estimated annual nondriver license applicants with prior documents on file) inquiries through the central office will be received during the first implementation year and approximately 76,200 (28,800 + 47,400) calls in subsequent years. To provide the best call-in customer service the department will need to add 5 FTE to handle the additional telephone inquiries. Additional the Department would need equipment and expenses costs for the five FTE.

Officials at the DOR assume the Driver License Bureau (DLB) will require the following:

- Drafting of updates to website information related to nondriver licenses for voting purposes.
- Updating office procedures.
- Develop format for nondriver for voting purposes affidavit.
 - Development of Missouri Electronic Driver License system change requirements documents to define changes to issue a no fee Nondrivers license for voting purposes and the required affidavit. This will require overtime from existing staff in order to perform the testing. See below.

FY 2011

Update Web Page - Administrative Analyst III	10 hrs @ \$22.00 = \$220
Develop Affidavit – Management Analysis Spec I	40 hrs @ \$20.00 = \$800
Develop Procedures – Management Analysis Spec I	40 hrs @ \$20.00 = \$800
	Total = \$1,820

Requirements and procedures development and end user testing by DLB:

Administrative Analyst –	160 hrs @ \$24 (1 1/2) per hr =	\$3,840
Management Analyst Specialist II –	240 hrs @ \$23 per hr =	\$5,520
Revenue Band Manager -	40 hrs @ \$30 per hr =	\$1,200
	Total =	\$10,560

Oversight assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple

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ASSUMPTION (continued)

bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

Officials at the OA- Information Technology assume this legislation will require programming changes to the Missouri Electronic Driver License (MEDL also referred to as Over the Counter-OTC) software and supporting applications to develop a no cost nondriver for voting transaction and related affidavit. The department's response to a proposal similar to or identical to this one in a previous session indicated the department planned to absorb the administrative costs to implement the proposal. Due to budget constraints, reduction of staff and the limitations within the department's driver license systems, changes cannot be made without significant impact to the department's resources and budget. Therefore, the IT portion of the fiscal impact is estimated with a level of effort valued at \$21,252.

The value of the level of effort is calculated by taking an Over The Counter contractor @ \$100/hour for 168 hours and 168 FTE hours.

Modify OTC routines - \$16,800

Modify Central Driver Information System files and reports - \$4,452

Officials at the DOR assume the revenue impact of this bill is that the language indicates the total cost associated with nondriver photo identification under this proposed change shall be borne by the state of Missouri. The department assumes this includes the nondriver license (NDL) cost under Section 302.181.

FY 2011

247,245	Total Estimated NDL applicants FY 2011
x \$6	Nondriver License Fee
\$1,483,470	Total estimated potential loss of revenue in FY 2011

FY 2012 and 2013

152,423	Total estimated NDL applicants FY 2012 and 2013
x \$6	Nondriver License Fee
\$914,538	Total estimated potential loss of revenue in FY 2012 and 2013

Bill as a Whole

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

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Officials at the Office of the State Public Defender, Office of the State Courts Administrator, Office of the State Auditor and the Budget and Planning assume that there is no fiscal impact from this proposal.

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.

No other Board of Election Commission or Local Election Authority responded to **Oversight's** request for fiscal impact.

Oversight assumes this proposal requires a vote of the people to become effective. Oversight assumes that election will be held in November 2010 at the next regularly scheduled election.

The nondriver's license fee is split between the State Highway Fund, Cities and Counties. Oversight assumes that since the proposal requires the State to pay the legally required fees for a person to get a nondriver's license photo identification then general revenue will make the fee payments to the Highway Fund, Cities and Counties. Oversight is showing the cost of the nondriver's license fee as a cost to general revenue.

Oversight assumes if this proposal should be approved by the voters of Missouri, certain state departments would realize fiscal impact. Therefore Oversight has shown the impact as "zero or Unknown.

Oversight assumes the resolution states that "the state shall provide at least one form of the identification required to vote at no cost to any otherwise qualified citizen who does not already possess such identification and who desires the identification in order to vote."

Oversight assumes no cost to local governments from this proposal. The legislation specifically states that if no money is appropriated for the funding of the photo id requirement to vote that it shall not be enforced.

Section 575.021

Officials at the **Missouri House of Representatives, Office of the State Courts Administrator, Office of Prosecution Services, Office of the Governor** and the **Missouri Senate** assume that there is no fiscal impact from this proposal.

Officials at the **Office of the Attorney General** assume this proposal gives concurrent jurisdiction for the new D felony of obstruction of an ethics investigation. AGO assumes the number of referrals, if any, would be small and that any potential costs arising from this proposal can be absorbed with existing resources. If there is an increase in cases over time, AGO may seek an additional appropriation to adequately prosecute such matters.

For the purpose of this proposed legislation, officials at the **Office of State Public Defender (SPD)** cannot assume that existing staff will provide competent, effective representation for any new cases arising where indigent persons are charged with the proposed new crime of offering or receiving something of value for votes- a new Class D felony, failure to register as a lobbyist - a new Class B misdemeanor and/or obstruction of an Ethics Committee investigation another Class D felony.

Passage of bills increasing penalties on existing crimes, or creating new crimes, requires the State Public Defender System to further extend resources. While the number of new cases (or cases with increased penalties) may be too few or uncertain to request additional funding for this specific bill, the SPD will continue to request sufficient appropriations to provide competent and effective representation in all its cases.

Oversight assumes the SPD can absorb the additional caseload that may result from this proposal.

Officials from the **Department of Corrections (DOC)** stated that they could not predict the number of new commitments which could result from the creation of the offense(s) outlined in the proposal. An increase in commitments would depend on the utilization of prosecutors and the actual sentences imposed by the courts. If additional persons were sentenced to the custody of the DOC due to the provisions of this legislation, the DOC would incur a corresponding increase in operational costs either through incarceration (FY 2009 average \$16.04 per inmate, per day or an annual cost of \$5,855) or through supervision provided by the Board of Probation and Parole (FY 2009 average \$3.71 per offender, per day or an annual cost of \$1,354).

The following factors contribute to DOC's minimal assumption:

JH:LR:OD

- DOC assumes the narrow scope of the crime will not encompass a large number of offenders.
- The low felony status of the crime enhances the possibility of plea-bargaining or imposition of a probation sentence.
- The probability exists that offenders would be charged with a similar but more serious offense or that sentences may run concurrent to one another.

In summary, supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

Bill as a Whole

Oversight assume an unknown impact on any section not delineated in this bill.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
GENERAL REVENUE			
<u>Expense</u> - reimbursement of local political subdivisions for special election costs	\$0 or (More than \$7,000,000)	\$0 or (More than \$7,000,000)	\$0 or (More than \$7,000,000)
<u>Transfer Out</u> - Secretary of State cost of election reimbursed by state to the local election authorities for advance voting	\$0	\$0 or (Unknown greater than \$270,232)	\$0 or (Unknown greater than \$30,532)
<u>Cost</u> - Secretary of State advertisements to promote ID requirements (\$966,004 per election)	(\$2,898,012)	(\$2,898,012)	(\$4,830,000)
<u>Cost</u> - Secretary of State mailer to all registered voters	(\$2,037,750)	(\$2,037,750)	(\$2,037,750)
<u>Cost</u> - Secretary of State mailer to new registered voters	\$0	\$0	(\$120,866)

JH:LR:OD

<u>Cost</u> - Dept. of Revenue computer programming changes	\$0 or (\$21,252)	\$0	<u>\$0</u>
<u>Cost</u> - Dept. of Revenue licensing materials	\$0 or (\$459,875)	\$0 or (\$283,507)	\$0 or (\$283,507)
<u>Cost</u> - Dept. of Revenue affidavit costs	\$0 or (\$1,236)	\$0 or (\$762)	\$0 or (\$762)
<u>Cost</u> - Dept. of Revenue reimbursement of the NDL fee paid to the Highway Fund, Cities and Counties that the State must pay	\$0 or (\$1,483,470)	\$0 or (\$914,538)	\$0 or (\$914,538)
<u>Revenue</u> - Dept. of Health birth certificate fees	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Cost</u> - Dept. of Revenue Personal Service	\$0 or (\$65,379)	\$0 or (\$134,681)	\$0 or (\$138,722)
Fringe Benefits	\$0 or (\$34,285)	\$0 or (\$70,627)	\$0 or (\$72,746)
Expenses and Equipment	\$0 or (\$45,916)	\$0 or (\$2,590)	\$0 or (\$2,668)
<u>Total Cost</u> - Dept of Revenue	\$0 or (\$145,580)	\$0 or (\$207,898)	\$0 or (\$214,136)
FTE Change - DOR	0 or 5 FTE	0 or 5 FTE	0 or 5 FTE
<u>Cost</u> - Various sections	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(Unknown greater than \$4,935,762) to Unknown</u>	<u>(Unknown greater than \$4,935,762) to Unknown</u>	<u>(Unknown greater than \$6,867,750) to Unknown</u>

CHILDREN’S TRUST FUND

Revenue - Dept. of Health

Birth certificate fees	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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ESTIMATED NET EFFECT ON CHILDREN’S TRUST FUND

<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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ENDOWED CEMETERY CARE AUDIT FUND

Revenue - Dept. of Health

Birth certificate fees	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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ESTIMATED NET EFFECT ON ENDOWED CEMETERY CARE AUDIT FUND

<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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MO PUBLIC HEALTH SERVICES FUND

Revenue - Dept of Health

Birth certificate fees	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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ESTIMATED NET EFFECT ON MO PUBLIC HEALTH SERVICES FUND

<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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FEDERAL FUNDS

Revenue - Secretary of State

M.O.V.E. Act funds received	\$7,100	\$0	\$0
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Cost - Secretary of State

training for new procedures	<u>(\$7,100)</u>	<u>\$0</u>	<u>\$0</u>
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ESTIMATED NET EFFECT ON FEDERAL FUNDS

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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ALL STATE FUNDS

<u>Cost - state agencies (34.047)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON ALL STATE FUNDS

<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<u>FISCAL IMPACT - Local Government</u>	<u>FY 2011</u>	<u>FY 2012</u>	<u>FY 2013</u>
	<u>(10 Mo.)</u>		

LOCAL SUBDIVISION FUNDS

<u>Cost - Local for bid procedures (67.314)</u>	<u>(Unknown over \$100,000)</u>	<u>(Unknown over \$100,000)</u>	<u>(Unknown over \$100,000)</u>
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<u>Transfer In - Local Election Authorities reimbursement of election expenses</u>	\$0	\$0 or Unknown greater than \$270,232	\$0 or Unknown greater than \$30,532
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<u>Transfer Out - Local Election Authorities election expenses paid</u>	\$0	<u>\$0 or (Unknown greater than \$270,232)</u>	<u>\$0 or (Unknown greater than \$30,532)</u>
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ESTIMATED NET EFFECT ON LOCAL SUBDIVISION FUNDS

<u>(Unknown over \$100,000)</u>	<u>(Unknown over \$100,000)</u>	<u>(Unknown over \$100,000)</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill establishes the Political Subdivision Construction Bidding Standards Act which creates standards for advertising, soliciting, accepting, and rejecting competitive bids and awarding construction contracts of \$10,000 or more for political subdivisions that are not covered by a specific federal, state, or local law that is equivalent or stricter in its requirements.

Regardless of any state or local law or state or federal funding requirement to the contrary, no contract for construction will be awarded in violation of the following requirements:

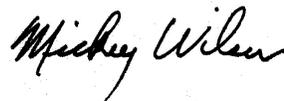
- (1) No bid can be opened before the advertised deadline;
- (2) No bid can be accepted unless it is sealed and in writing;
- (3) No bid can be accepted after the advertised deadline; or
- (4) All bids must be held securely and confidentially until the bids are opened in a public meeting on the date and at the time and place advertised.

A political subdivision will not be prohibited from awarding a contract without competitive bidding when deemed necessary to remove an immediate danger to public health or safety, to prevent the loss of property, or to prevent an interruption of or to restore an essential public service.

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

Various Agencies and Political Subdivisions



Mickey Wilson, CPA
Director
May 6, 2010