

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0177-02
Bill No.: SB 122
Subject: Administration, Office Of; Public Buildings; State Departments
Type: Original
Date: January 21, 2005

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2006 | FY 2007 | FY 2008 |
| General Revenue | Unknown | Unknown | Unknown |
| | | | |
| Total Estimated Net Effect on General Revenue Fund | Unknown | Unknown | Unknown |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|---------------------------------------|---------------------------------------|---------------------------------------|
| FUND AFFECTED | FY 2006 | FY 2007 | FY 2008 |
| Various | Unknown | Unknown | Unknown |
| Road | (Less than \$2,500) | (Less than \$2,500) | (Less than \$2,500) |
| Office of Administration Administrative Trust Fund * | \$0 | \$0 | \$0 |
| Total Estimated Net Effect on Other State Funds | Unknown to (Less than \$2,500) | Unknown to (Less than \$2,500) | Unknown to (Less than \$2,500) |

* net of revenues and expenditures.
 Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 6 pages.

| ESTIMATED NET EFFECT ON FEDERAL FUNDS | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2006 | FY 2007 | FY 2008 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON LOCAL FUNDS | | | |
|--|----------------|----------------|----------------|
| FUND AFFECTED | FY 2006 | FY 2007 | FY 2008 |
| Local Government | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTIONS

Officials from the **Office of Administration, Office of the Deputy Commissioner, Division of Budget and Planning, Division of Facilities Management, the Department of Natural Resources, the Department of Higher Education, the Department of Conservation, the University of Missouri, and Southwest Missouri State University**, assume this proposal would have no fiscal impact on their organizations.

Officials from the **Office of Administration, Division of Design and Construction (OADC)** stated the fiscal impact of this proposal can not be estimated at this time. OADC stated there are not currently any energy savings performance contracts in effect. OADC assumes that the 2.5% diversion might not be adequate to fully fund energy savings contracts, which would require the excess cost to be funded by the General Revenue Fund.

ASSUMPTIONS (continued)

Officials from the **Office of the Secretary of State** (SOS) assume this proposal would establish the Administrative Trust Fund to be funded by cost savings contracts for facilities management and valuation. The Office of Administration would promulgate rules to enact this legislation. Those rules would be published in both the Missouri Register and Code of State Regulations. To implement this bill, the Office of Administration may require as many as approximately 6 pages in the Code of State Regulations. The estimated cost of a page in the Code of State Regulations is \$27. For any given rule, roughly half again as many pages are published in the Missouri Register as in the Code because cost statements, fiscal notes and the like are not repeated in Code. The estimated cost of a page in the Missouri Register is \$23. $((9 \times \$23) + 6 \times \$27) = \$369$.

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. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Transportation** (MODOT) assume this proposal would require MODOT to transfer 2.5% of its energy savings into the Office of Administration Administrative Trust Fund. MODOT estimates its savings at less than \$100,000 per year, therefore the cost to the Road Fund would be less than \$2,500 per year.

Oversight assumes there could be minimal administrative cost to the General Revenue Fund from this proposal if the amounts available from the Office of Administration Administrative Trust Fund are not adequate to fund the associated costs. Oversight assumes the impact to federal funds would be minimal. Oversight also assumes the proposal could result in unknown energy cost savings to several state funds due to the implementation of energy cost savings contracts beginning in FY 2006, and that 2.5% of those cost savings would be transferred to the Office of Administration Administrative Trust Fund beginning in FY 2007.

Officials from the **Office of the State Treasurer** and **Central Missouri State University** did not respond to our request for fiscal information.

| <u>FISCAL IMPACT - State Government</u> | FY 2006 (10 Mo.) | FY 2007 | FY 2008 |
|---|-----------------------------------|-----------------------------------|-----------------------------------|
| GENERAL REVENUE FUND | | | |
| Cost reduction - energy savings | Unknown | Unknown | Unknown |
| Transfers to OA Administrative Trust Fund | <u>\$0</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | <u>Unknown</u> | <u>Unknown</u> | <u>Unknown</u> |
| OFFICE OF ADMINISTRATION ADMINISTRATIVE TRUST FUND | | | |
| Transfers from other state funds | | Unknown | Unknown |
| Administrative costs | <u>\$0</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
| ESTIMATED NET EFFECT ON OFFICE OF ADMINISTRATION ADMINISTRATIVE TRUST FUND | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| ROAD FUND | | | |
| Transfers to OA Administrative Trust Fund | <u>(Less than \$2,500)</u> | <u>(Less than \$2,500)</u> | <u>(Less than \$2,500)</u> |
| ESTIMATED NET EFFECT ON ROAD FUND | <u>(Less than \$2,500)</u> | <u>(Less than \$2,500)</u> | <u>(Less than \$2,500)</u> |
| VARIOUS STATE FUNDS | | | |
| Cost reduction - energy savings | Unknown | Unknown | Unknown |
| Transfers to OA Administrative Trust Fund | <u>\$0</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
| ESTIMATED NET EFFECT ON VARIOUS STATE FUNDS | <u>Unknown</u> | <u>Unknown</u> | <u>Unknown</u> |

| <u>FISCAL IMPACT - Local Government</u> | FY 2006 (10 Mo.) | FY 2007 | FY 2008 |
|---|---------------------|------------|------------|
| | <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.

DESCRIPTION

This proposal would create the Energy Efficiency Implementation Act .

- The Office of Administration would identify and deposit into the Office of Administration Administrative Trust Fund, two and one-half percent of the total cost savings realized. The percentage of cost savings and the means of calculating such cost savings shall be determined by the Commissioner of Administration or his designated agent.
- The Office of Administration would prepare and forwarded to the Governor, the Speaker of the House of Representatives and the President Pro Tem of the Senate an annual report outlining the cost savings identified.
- The Office of Administration shall have authority to establish policies and procedures for facility management and valuation; coordinate a state facility review; implement a capital improvement plan; solicit and evaluate state facility investment proposals; and establish performance measures for facility management operations.
- Subject to appropriation from the General Assembly, the Office of Administration could expend the cost savings and the interest thereon, if any, at such time or times as are necessary to offset all reasonable costs associated with the program.
- The Office of Administration would have the authority to promulgate rules regarding the implementation of this section.

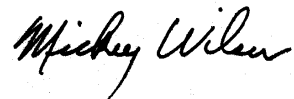
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of the Secretary of State
Office of Administration
 Office of the Deputy Commissioner
 Division of Budget and Planning
 Division of Design and Construction
 Division of Facilities Management
Department of Conservation
Department of Higher Education
Department of Natural Resources
Department of Transportation
Southwest Missouri State University
University of Missouri

NOT RESPONDING

**Office of the State Treasurer
Central Missouri State University**



Mickey Wilson, CPA
Director
January 21, 2005