

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4625-04
Bill No.: HCS for SB 1010
Subject: Easements and Conveyances; Administration, Office of; Governor & Lt. Governor
Type: Original
Date: April 11, 2008

Bill Summary: Authorizes the Governor to convey property in Jasper County to Missouri Southern State University.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on General Revenue Fund	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
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 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the Governor** assume the proposal will have no fiscal impact on their organization.

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

Officials from the **Department of Natural Resources (DNR)** state this proposal would authorize the Governor to convey state property in Jasper County to Missouri Southern State University. The property would not be conveyed until the Joplin Regional Center has been relocated to different property.

The proposal would also authorize the Governor to convey certain property located in Camden County that is currently part of the Lake of the Ozark State Park to a private individual. This appears to violate Article III, Section 38(a) of the Missouri Constitution which forbids the General Assembly from granting property to any private person.

DNR officials also state the Lake of the Ozark State Park is federally protected by the Land and Water Conservation Fund Act and the Recreation Demonstration Area Act. Under both of these federal programs, no property may be conveyed or taken out of outdoor recreation without prior approval and release by the National Park Service (NPS). Federal Statutes require that in order to obtain NPS approval, the property must be replaced with equivalent property. This statute would violate both these federal programs as it does not allow for replacement property or federal approval. There could be a significant fiscal impact, depending on court challenges that could result from such action. The potential fiscal impact is unknown.

Oversight assumes because the potential for litigation is speculative, that the State of Missouri will not incur significant costs related to this proposal.

Officials from the **Department of Mental Health (DMH)** state using the FY 09 basic expense and equipment lists, the DMH estimates the total one-time cost of this proposal to be \$338,964. The basic layout of the new leased space should be 5 offices and 49 modular workstations. The current space for Joplin is all offices and no modular furniture. The new leased space will have a layout for cubicles, therefore, an estimated cost for the modular furniture is \$243,089. In addition to the modular furniture, there will be a cost for the telecommunications of \$30,300 and moving costs of \$14,850 (\$275 per employee). The remaining expenses will be for chairs and file cabinets (\$50,725).

ASSUMPTION (continued)

In addition to the expenses, there will also be a savings of personal service (PS) and fringe benefit costs. There is currently one maintenance and one custodial staff at Joplin that will no longer be needed due to moving into a leased office space. The PS cost savings for these two positions will be \$63,339. The FTE will be redirected as needed within the department.

Oversight assumes the selling price of the property will exceed DMH's cost to relocate and the affect will be an unknown positive amount. **Oversight** also assumes because of the uncertainty of when the transaction between the State and Missouri Southern State University will occur, there is uncertainty as to when the potential savings will occur. As a result, **Oversight** is presenting the conveyance of property to the Missouri Southern State University by the State as \$0 or Unknown Savings for the period of time covered by this fiscal note.

Officials from the **Office of Administration - Division of Facilities Management, Design and Construction (DFMDC)** did not respond to our request for a statement of fiscal impact. However, in response to an earlier version of this proposal, DFMDC officials stated the proposal will require a request for new rent in HB 13 along with utilities and janitorial services. The DFMDC estimates the total increase needed in HB 13 to be \$229,050.

The Department of Mental Health hasn't finalized the square footage numbers, but it looks like it will be approximately 15,000 sq. ft. at \$12.50 per sq. ft., or \$187,500 in annual rent, plus \$1.62 per sq. ft. X 15,000 sq. ft., or \$24,300, for utilities, and \$1.15 per sq. ft. X 15,000 sq. ft., or \$17,250, for janitorial services.

Currently there is a small amount of institutional operating funds in HB 5 for the Joplin Regional Center, but once they move to leased space, rent will need to be in HB 13.

Cost savings in HB 5 from the Joplin Regional Center could be redirected to other mental health facilities as cost avoidance for the DFMDC versus asking for new money in the future for increases unforeseen at this time.

Officials from **Missouri Southern State University, Jasper County, Camden County,** and the **City of Joplin** did not respond to our request for a statement of fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
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GENERAL REVENUE FUND

<u>Savings - Sale of Property</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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**ESTIMATED NET EFFECT ON
GENERAL REVENUE FUND**

	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</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

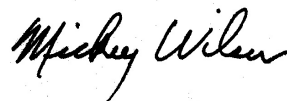
This proposal authorizes the Governor to convey state property in Jasper County and Camden County. The property in Jasper County shall not be conveyed until the Joplin Regional Center has been relocated to different property.

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 Attorney General
Department of Mental Health
Department of Natural Resources

**NOT RESPONDING: Office of Administration - Division of Facilities Management,
Design and Construction, Missouri Southern State University, Camden County, Jasper
County, and City of Joplin**



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Director
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