

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6606-03
Bill No.: SB 1120
Subject: Natural Resources Department; Water Resources and Water Districts
Type: Original
Date: March 25, 2016

Bill Summary: This proposal modifies provisions relating to multipurpose water resources.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(\$224,043)	(\$223,938)	(\$226,010)
Total Estimated Net Effect on General Revenue	(\$224,043)	(\$223,938)	(\$226,010)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Multipurpose Water Resource Program Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Transfer In and Costs Net Zero
 Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Multipurpose Water Resource Program Fund	3 FTE	3 FTE	3 FTE
Total Estimated Net Effect on FTE	3 FTE	3 FTE	3 FTE

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Natural Resources (DNR)** assume this proposal will have a negative fiscal impact on their organization. DNR projections are based on the most current number of active regional water resource development projects that need funding assistance.

Sections 256.437, 256.438, 256.440, and 256.443:

The department would request one (1) Engineer III, one (1) Planner II, and one (1) Accounting Specialist III to support project review, planning, administration and oversight of the Multipurpose Water Resource Program Fund. This is based on department knowledge of financial assistance administration and operation of grant programs for planning and infrastructure development. At a minimum, this program requires engineering review, accounting oversight, and planning expertise.

Personnel Duties:

Engineer III: (Engineering Review and Project Management at \$55,416 annually) Assist water resource project sponsors and ensure the availability of long-term water supply by providing assistance and engineering review of preliminary engineering reports and water resource plans; providing technical support for planning and feasibility studies; giving guidance to grant award plan development; leading and attending project meetings; providing oversight to and monitor project progress; assisting with the development of contract language and oversight of contract compliance; participating in the budget planning process; and developing and reviewing administrative rules.

Planner II: (Project and Budget Planning, Contracts at \$40,380 annually) Assist water resource project sponsors and ensure the availability of long-term water supply by conducting initial and content review of preliminary engineering reports or water resource plans for compliance with minimum requirements; providing guidance to sponsors of planning and feasibility studies and participating in planning scope development; developing and finalizing the grant award plan; leading and attending project meetings; participating in contract language development; tracking project progress and aligning planning efforts; and developing and reviewing administrative rules.

ASSUMPTION (continued)

Accounting Specialist III: (Fiscal Monitoring, Review, Reporting at \$39,910 annually) Assist water resource project sponsors and ensure fiscal vitality of the program by conducting review of the fiscal components of preliminary engineering reports or water resource plans; conducting fiscal review of proposed planning or feasibility studies; participating in the development of the grant award plan; attending project meetings and leading budget and fiscal planning meetings; assisting with the development of contract language and oversight of contract compliance; leading budget planning; providing accounting oversight to projects and reviewing project expenditures; producing fiscal reports; and tracking project progress and aligning fiscal planning efforts.

For purposes of this fiscal note, the department has assumed the funding source of this proposal would be General Revenue to the Multipurpose Fund. The Multipurpose Fund has never had money appropriated to it and has a balance of \$0. Once the program is up and running, it would most likely take a number of years before any revenues would cover the costs of activities to implement this proposal.

Officials at the **Department of Agriculture, Department of Conservation, Joint Committee on Administrative Rules, and State Treasurer's Office** each assume this proposal will not have a fiscal impact on their respective organizations.

Officials at the **Callaway County and St. Louis County** each assume this proposal will not have a fiscal impact on their respective organizations.

Officials at the **St. Louis Sewer District** assume this proposal will not have a fiscal impact on their organization.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE			
<u>Transfer Out - Multipurpose Water Resource Program Renewable Water Program Fund</u>	<u>(\$224,043)</u>	<u>(\$223,938)</u>	<u>(\$226,010)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$224,043)</u>	<u>(\$223,938)</u>	<u>(\$226,010)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2017	FY 2018	FY 2019
(continued)	(10 Mo.)		

**MULTIPURPOSE WATER
 RESOURCE PROGRAM FUND**

<u>Transfer In - General Revenue</u>	\$224,043	\$223,938	\$226,010
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Costs - Administer Multipurpose Water
 Resources

Personnel	(\$119,740)	(\$145,125)	(\$146,576)
Fringe Benefits	(\$57,943)	(\$69,924)	(\$70,321)
Equipment and Expenses	(\$46,360)	(\$8,889)	(\$9,113)
Total Costs	<u>(\$224,043)</u>	<u>(\$223,938)</u>	<u>(\$226,010)</u>

FTE Change - DNR	3 FTE	3 FTE	3 FTE
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**ESTIMATE NET EFFECT ON
 MULTIPURPOSE WATER
 RESOURCE PROGRAM FUND**

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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Net FTE Change in DNR	3 FTE	3 FTE	3 FTE
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<u>FISCAL IMPACT - Local Government</u>	FY 2017	FY 2018	FY 2019
	(10 Mo.)		

	<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.

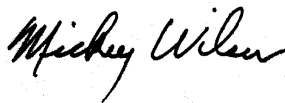
FISCAL DESCRIPTION

Under this act, the term "water resource project" shall mean a project containing planning, design, construction, or renovation of public water supply, flood control storage, or treatment or transmission facilities for public water supply. This act changes the name of the "Multipurpose Water Resource Program Renewable Water Program Fund" to the "Multipurpose Water Resource Program Fund". Further, this act requires the Department of Natural Resources to establish rules by which water resource project sponsors can remit contributions to the Multipurpose Water Resource Program Fund who are awarded financial assistance from the Fund, and requires that any plan submitted to the Director of the Department of Natural Resources for the construction of a water resource project shall include a schedule, proposed by the sponsor, to remit contributions back to the Fund. Such contributions shall be used to administer the Fund, and to provide financial assistance under the Multipurpose Water Resource Act.

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 Natural Resources
Department of Agriculture
Department of Conservation
Joint Committee on Administrative Rules
State Treasurer's Office
St. Louis Sewer District
Callaway County
St. Louis County



Mickey Wilson, CPA
Director
March 25, 2016

Ross Strope
Assistant Director
March 25, 2016