

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 2462-01
BILL NO.: SB 544
SUBJECT: Economic Development and Transportation
TYPE: Original
DATE: January 5, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$240,977)	(\$270,984)	(\$274,169)
Total Estimated Net Effect on <u>All</u> State Funds	(\$240,977)	(\$270,984)	(\$274,169)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2000	FY 2001	FY 2002
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2000	FY 2001	FY 2002
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses
This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **Department of Economic Development (DED)** assume that the proposal would create a five-member commission, for which the coordination of activities, administrative support, and payment of all costs would be done within DED. Officials assume that this would be an active committee and that there would be considerable travel costs as well as related activity. DED would require one FTE to coordinate activity (an Economic Development Program Administrator) and one half-time clerk typist II for support. The program would be administered similar to the Missouri Rural Opportunity Council or Women's Council. Officials also assume that regular meetings would be conducted to study funding of highways and that public hearings would be conducted. DED assumes that the commission would need the professional assistance of outside contract help in reviewing financing options and preparing the report to the General Assembly and the Governor. Total costs to the general revenue fund are estimated by DED to be \$234,796 in FY 2000, \$266,585 in FY 2001, and \$274,190 in FY 2002. These costs include \$150,000 in annual costs for contracted consultants. Also included are rental costs for 1.5 FTE.

DED officials also note that there are other state entities with missions similar to the proposed "Highway and Transportation Development Commission." The "Transportation Development Commission" was created by statute to address all forms of transportation and specifically those under the Division of Motor Carrier and Railroad Safety within DED. DED officials note that the Governor's Missouri Total Transportation Commission was created to study the adequacy of the state's infrastructure to meet economic development needs. In addition, officials note that the duties are similar to what the Highway and Transportation Commission and the Missouri Department of Transportation are to do.

Missouri Department of Transportation (MoDOT) officials also assume that the duties of the proposed commission would duplicate functions currently performed by the Missouri Highway and Transportation Commission (MHTC). Officials indicate that MoDOT is required to perform planning to support all transportation projects, including economic development. The Federal Highway Administration designates that 2% of federal apportionments are to be spent for transportation planning and research. Officials note that the following identified activities that the proposed Highway and Transportation Development Commission would perform are duplicative of current functions of MoDOT:

- Study Missouri's needs regarding highways and transportation.
- Review the current funding mechanisms that are used to provide for Missouri's highway and transportation system.

ASSUMPTION (continued)

- Study alternative funding sources which might be used to develop and promote Missouri's highway transportation system.
- Hold public hearings to elicit the views of the public regarding Missouri's present and future highway needs.
- Determine from studies and analysis the need for changes in existing statutory law.
- Study the interstate highway system and its impact upon Missouri's economic development.

To perform these activities, MoDOT officials assume additional appropriations from general revenue would be needed totaling \$9,800,00 for FY 2001, \$11,900,000 for FY 2002, and \$11,700,000 for FY 2003, as this is a similar amount spent by MoDOT to perform these functions.

Oversight assumes that if the proposal were successful, DED would request appropriations as noted in their assumptions. Since the proposal does not address any duplication of functions between the proposed commission and MoDOT, Oversight also assumes that MoDOT and the MHTC would continue to perform the same functions that it presently does. Therefore, costs estimated by DED are reflected in this fiscal note, except for rental costs for 1.5 FTE whom Oversight assumes could be housed in existing space, and an adjustment to reflect only 10 months of contracted costs in FY 2001.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
GENERAL REVENUE FUND			
<u>Costs-Department of Economic Development</u>			
Personal services (1.5 FTE)	(\$55,128)	(\$67,834)	(\$69,529)
Fringe benefits	(16,952)	(20,859)	(21,380)
Equipment and expense	(168,897)	(182,291)	(183,260)
Total costs - DED	<u>(\$240,977)</u>	<u>(\$270,984)</u>	<u>(\$274,169)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
	0	0	0

FISCAL IMPACT - Small Business

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

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DESCRIPTION

The proposal would create the "Highway and Transportation Development Commission" within the Department of Economic Development. The purpose of the commission would be to aid in the promotion and enhancement of Missouri's highway and transportation system and how it relates to economic development.

This legislation is not federally mandated and would not require additional capital improvements or rental space. State agencies indicate that the proposal would duplicate some duties presently performed by the Missouri Highway and Transportation Commission and the Missouri Department of Transportation.

SOURCES OF INFORMATION

Department of Economic Development
Department of Transportation



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Director
January 5, 2000