

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. NO. 3525-02  
BILL NO. SCS for SB 818 & 564  
SUBJECT: Corrections, Laundry Services.  
TYPE: Original  
DATE: March 13, 2000

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Working Capital Revolving Fund	(\$207,250)	(\$207,250)	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$207,250)</b>	<b>(\$207,250)</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
None			
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses  
This fiscal note contains 3 pages.



**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Office of Attorney General, Department of Social Services,** and the **Office of Administration** assume the proposed legislation would have no fiscal impact on their agencies.

Officials from the **Department of Corrections** assume the proposed legislation would eliminate the ability of the Missouri Vocational Enterprises (MVE) to provide “laundry and linen services” for not-for-profit organizations as currently authorized.

At the present time, MVE has one-year contracts renewable to a maximum of three years for laundry and linen services with four (4) not-for-profit organizations as listed below:

- St. Mary’s Health Center, Jefferson City MO, expires April 2002
- Villa Marie Nursing Home, Jefferson City MO, expires April 2002
- BJC Health Systems (Boone Hospital), Columbia MO, expires March 2002
- SSM Health Care, St. Louis MO, expires September 2002

In total these contracts generate \$207,250 in annual profit to the Working Capital Revolving Fund, hence the initial impact of not renewing contracts will be \$207,250 in loss of profits in FY 2001 and FY 2002.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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**WORKING CAPITAL REVOLVING FUND**

<u>Loss of Revenue - Department of Corrections</u>	(\$207,250)	(\$207,250)	\$0
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<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
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**FISCAL IMPACT - Small Business**

The proposal could impact those not-for-profit organizations that contract with the vocational enterprises program for laundry or linen services.

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DESCRIPTION

The proposed legislation authorizes the Vocational Enterprises Program of the Department of Corrections to provide laundry or linen services only to any political subdivision of the state, department, agency or institution of the state, and any state employee.

The proposed legislation would prohibit the operation or management of any correctional facility or jail within Missouri by a private person, corporation, partnership, business, association or other entity unless the facility or jail were already in operation on the effective date of this proposal. The provisions of this proposal would not apply to the Division of Youth Services.

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 Corrections  
Office of Attorney General  
Department of Social Services  
Office of Administration



Jeanne Jarrett, CPA  
Director  
March 13, 2000