

7/11/11

PREPARED BY: Phil Hovis
DATE PREPARED: February 07, 2011
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LB 616

Revision: 00

FISCAL NOTE

LEGISLATIVE FISCAL ANALYST ESTIMATE

ESTIMATE OF FISCAL IMPACT – STATE AGENCIES *				
	FY 2011-12		FY 2012-13	
	EXPENDITURES	REVENUE	EXPENDITURES	--REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS	See below			

*Does not include any impact on political subdivisions. See narrative for political subdivision estimates.

LB616 directs the Department of Administrative Services (DAS) to prepare and submit a report to the Legislature and the Governor no later than December 31, 2011 on all real property owned or leased by the state that is managed by DAS. The report is to address the potential for DAS to enter into a contract with a professional real estate firm to conduct a review of the DAS-managed property as well as several study elements enumerated in the bill. In addition, the report is to address the potential for DAS to enter into a contract that creates a partnership with a private entity for the management of DAS-managed property.

The impact of LB616 on DAS would depend significantly upon the scope, nature and extent of review to be undertaken to address the various elements of the report that the bill requires to be produced. The scope, nature and extent of such a review apparently could range from a relatively cursory examination of the report elements identified in the bill utilizing only existing DAS staff and budget resources to a comprehensive and extensive assessment and evaluation of each report element with consulting assistance from a contractual third party to compile such a report.

DAS indicates that in order to conduct the study within the prescribed time frame, State Building Division would need to retain a real estate consulting firm to support compilation of the report. DAS estimates related costs at \$150,000 and indicates that a General Fund appropriation would be necessitated insofar that State Building Division did not assume such costs to be incurred in establishing rates to support its revolving fund budget for 2011-12. Again, the cost impact associated with the report required by LB616 depends significantly upon the scope, nature and extent of review to be undertaken in compilation of the report. Any level of funding to support production of the report would appear to be at the discretion of the Legislature.

DEPARTMENT OF ADMINISTRATIVE SERVICES

REVIEWED BY	Gary Bush	2/1/11	PHONE 471-2526
COMMENTS			
ADMINISTRATIVE SERVICES – Agency's estimate of impact appears to be reasonable.			

2011 Legislative Bill Proposal Fiscal Note

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JAN 31 2011
LEGISLATIVE FISCAL

Bill #: 616
State Agency: Administrative Services
Prepared by: Dennis Summers
Approved by:

Date Prepared: 1/26/2011 Phone: 402-471-8351

Estimate of Fiscal Impact – State Agencies

	FY 2011-12		FY 2012-13	
	Expenditures	Revenue	Expenditures	Revenue
General Funds	150,000.00			
Cash Funds				
Federal Funds				
Other Funds				
Total Funds	150,000.00		0	

Explanation of Estimate: The proposed bill would require AS State Building Division (SBD) to prepare and submit a report to the Legislature and the Governor regarding the potential for the privatization of the management of all real property, owned or leased by SBD by December 21, 2011.

In order to provide this report SBD would need to conduct a study of all state owned and leased property managed by SBD to evaluate the current property management program and investigate the potential for a partnership with a private entity for management of such property. Currently, SBD manages approximately 3 million GSF (gross square feet) of state owned property and 1.2 million GSF of privately owned leased property.

In order to conduct the specified study within the required time frame, SBD would retain a real estate consulting firm to conduct the study. It is estimated that the cost of the study by a consulting firm would be \$150,000. This estimate is based on the cost of a recently completed consulting project by SBD. A General fund appropriation request would be needed in order to fund the study because the cost of the study was not included in the rates that were set by SBD to provide revolving funding in FY11-12.

Major Objects of Expenditure

Personal Services:

Position Title:	Number of Positions			2011-12	2012-13
	11-12	12-13		Expenditures	Expenditures
Benefits					
Operating				150,000.00	
Travel					
Capital Outlay					
Aid					
Capital Improvements					
TOTAL	0	0		150,000.00	0