VETO 6

MOVING COSTS STUDY

VETO 6 – This proviso requires the Dept. of Education to conduct a study on the costs of moving out of the Rutledge Building, which is duplicative of the cost-benefit analysis performed by the Dept. of Administration.

Background:

- In 2013, the Governor issued an Executive Order for state agencies to conduct a Facilities Management Study, so that we could finally have a full inventory of what properties the state owns.
- Since then, the Dept. of Administration has assisted state agencies in assessing their properties with an outside real estate firm, CRBE.
- The state's portfolio contains 7,800 buildings (81 million sq. ft.) and 2,500 parcels of land (more than a half-million acres).
- Part of that study identified the Rutledge Building (Dept. of Education) as one of the top three properties to be sold, which will generate in total an estimated $5.6 million in proceeds – in particular, the Rutledge Building is one of the most expensive and least efficient properties in our state's inventory, given its high value on the open market.

Argument to Sustain the Veto:

- This is an easy veto to sustain, because **this proviso orders a study that is already going to happen.**
- During the Dept. of Administration's recent assessment of the state's real estate, the Rutledge Building was identified as one of the top three properties to be sold.
- **As the sale of the Rutledge Building moves forward, the Dept. of Administration will have to conduct a cost-benefit study prior to SFAA's approval to offer the building as surplus for sale.**
- Because a study on the moving costs will already be done for the sale of the Rutledge Building, this separate study is duplicative and unnecessary.
- This type of study is exactly why we have a Dept. of Administration – to take the back-office functions and operational logistics out of state agencies so they can focus on their core mission.
- **We have letters from Superintendent Molly Spearman and Director Marcia Adams confirming that we do not need a separate study.**
- Therefore, we should sustain this veto.