

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3729-01  
Bill No.: SB 679  
Subject: Education, Higher; Appropriations  
Type: Original  
Date: January 19, 2006

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue *	\$0	(\$1,080,000)	(\$1,080,000)
<b>Total Estimated Net Effect on General Revenue Fund *</b>	<b>\$0</b>	<b>(\$1,080,000)</b>	<b>(\$1,080,000)</b>

\* subject to appropriation.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **University of Missouri (UM)** assume UM would incur no additional costs as a result of the passage of Senate Bill 679 as it is currently written.

Officials from the **Department of Higher Education (DHE)** assume this proposal would require DHE to ask for additional capital appropriations for teaching and research laboratory equipment for the University of Missouri (UM) engineering colleges. UM system awarded 933 engineering bachelor degrees during FY 2004. Based on a request of \$1,200 per degree awarded, the amount of funds needed in FY07 would total \$1,119,600. Over the last four fiscal years, UM has awarded approximately 900 engineering bachelor degrees per year. Using the average of 900 degree recipients for each year, approximately \$1,080,000 would be needed each fiscal year starting with FY08. If the number of engineering bachelor degree recipients increases in the future, the capital appropriations request would need to increase as well.

ASSUMPTION (continued)

**Oversight** assumes this proposed legislation extends an existing provision by removing or changing the expiration date. Oversight assumes removing or changing the expiration date will extend any fiscal impact associated with the existing provision. Therefore, Oversight has reflected the fiscal impact in the fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
<b>GENERAL REVENUE FUND</b>			
Cost - University of Missouri Equipment *	<u>\$0</u>	<u>(\$1,080,000)</u>	<u>(\$1,080,000)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND *</b>	<b><u>\$0</u></b>	<b><u>(\$1,080,000)</u></b>	<b><u>(\$1,080,000)</u></b>
* subject to appropriation.			

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

## DESCRIPTION

This proposal would extend the termination date from June 30, 2007 to June 30, 2017 for a grant program regarding capital improvements for engineering colleges in the University system. The program is subject to the availability of appropriations, and is limited to the lesser of:

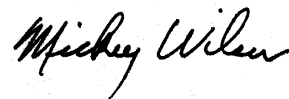
(1) one thousand two hundred dollars per each such bachelor's degree awarded in the previous fiscal year in all engineering programs currently accredited by the accreditation board for engineering and technology, or

(2) the dollar value of new funds for equipment purchase which such colleges may obtain from sources other than state appropriations for laboratory equipment. The fair market value of in-kind contributions of laboratory equipment to the colleges is included as funds for equipment purchase from sources other than state appropriations. If new funds for laboratory equipment purchase from nonstate sources exceed available state funds for the program, such excess amounts will be carried over to the following fiscal year and considered the same as that year's new equipment funds from nonstate sources.

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 Higher Education  
University of Missouri



Mickey Wilson, CPA  
Director  
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