

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0390-03
Bill No.: Truly Agreed To and Finally Passed HCS for HB 181
Subject: Business and Commerce; Education, Elementary and Secondary; Education,
Higher
Type: Original
Date: May 11, 2007

Bill Summary: Requires captioning of electronic video instructional material.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☐ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator** state this proposal has no fiscal impact on the Courts.

In response to identical legislation from last session (HB 1036), officials from the **Office of Attorney General** assumed that any potential costs arising from the proposal could be absorbed with existing resources.

Officials from the **Department of Elementary and Secondary Education (DES)** report that staff in their Telecommunications section indicated the current charge for encoding media with "closed-captions" or "open-captions" is \$80/hour. The amount of time required to perform either process is generally two and one-half times the length of the program. Therefore, based on these cost estimates; the cost to close-caption or open-caption an hour-length program for school instruction would be approximately \$200. DES assumes this represents a one-time charge to create a master which could subsequently be copied and distributed as a product for use in schools. Depending upon the number of copies to be distributed and sold, this \$200 capital cost does not appear significant in terms of inflating the individual product cost. Even if private sector charges for closed-caption and open-caption services are three times that of the Telecommunications section, DES assumes the overall cost to school districts in the form of higher product fees would be minimal.

Officials from the **Coordinating Board for Higher Education** state the legislation would have no fiscal impact to the Missouri Department of Higher Education; however, it may have a negative impact on higher education institutions.

Officials from the **University of Central Missouri** state this proposal could limit "Electronic Video Instructional Materials" obtained for their use by either limiting what publishers or manufacturers offer in the state of Missouri, or by increasing the cost of offered items because of the cost associated with modifying them to comply with the requirements of the proposal.

Officials from **Lincoln University** state there will be increased employee costs and other costs related to captioning.

Officials from **Truman State University** were unable to determine a fiscal impact as it relates to this proposal.

ASSUMPTION (continued)

Officials from **Moberly Area Community College** and **Linn State Technical College** indicated there would be no fiscal impact to their respective institutions.

Officials from the **Kansas City Metropolitan Community College** state the proposal would result in a one-time \$10,000 expense and \$85,000 in ongoing expenses.

Officials from the **University of Missouri** state that, based on internal discovery and comments from departments within the system, there would be little fiscal impact from this proposed legislation. Any increased costs to the University would come from purchasing products from vendors who choose to pass along their costs of captioning. If the University needs to caption the products they make available to other educational institutions within the state, they anticipate that most of those additional costs would be recovered through the fees charged for those products.

Officials from **Missouri State University** state they are already working with these provisions and have an detailed plan in place.

Oversight assumes that since many of the colleges and universities who responded, including the University of Missouri system, indicated either no or minimal costs associated with this proposal, for fiscal note purposes only, no fiscal impact will be assigned to colleges and universities. **Oversight** assumes costs can be absorbed or funding requested through budget processes.

Officials from the **Fair Grove School District** assume that the financial implication would be from the producers of the videos that need captioning, resulting in an increase in educational material.

Officials from the **Mexico School District** state this proposal has no significant fiscal impact on their district.

Oversight assumes that since some school districts are already providing closed captioned instructional materials and the cost to provide materials in closed caption format is minimal, school districts should be able to absorb costs with existing resources.

FISCAL IMPACT - State Government

FY 2008
(10 Mo.)

FY 2009

FY 2010

LMD:LR:OD (12/02)

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<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.

FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

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

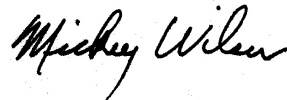
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L.R. No. 0390-03
Bill No. Truly Agreed To and Finally Passed HCS for HB 181
Page 6 of 6
May 11, 2007

Department of Elementary and Secondary Education
Coordinating Board for Higher Education
Office of State Courts Administrator
Colleges and Universities

Metropolitan Community College (Kansas City)
University of Central Missouri
Lincoln University
Moberly Area Community College
Linn State Technical College
Truman State University
University of Missouri
Missouri State University

School Districts
Fair Grove
Mexico

A handwritten signature in black ink that reads "Mickey Wilson". The signature is fluid and cursive, with the first name "Mickey" and last name "Wilson" clearly distinguishable.

Mickey Wilson, CPA
Director
May 11, 2007