

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4408-04
Bill No.: HCS for SCS for SB 563
Subject: Education, Higher; Boards, Commissions, Committees, Councils; Governor and Lt. Governor
Type: Original
Date: April 25, 2012

Bill Summary: This proposal has several provisions relating to higher education.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
General Revenue	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on General Revenue Fund	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Science, Technology, Engineering and Mathematics Fund*	\$0	\$0	\$0
Colleges and Universities	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

* Offsetting Transfers In and Disbursements

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
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 2013	FY 2014	FY 2015
Local Government	\$0 or Unknown	\$0 or Unknown	\$) or Unknown

FISCAL ANALYSIS

ASSUMPTION

§172.803 - Increases the maximum annual grant amount that the University of Missouri Board of Curators can award for a research project on Alzheimer's disease and related disorders

Officials from the **Department of Higher Education** responded that this proposal would have no direct, foreseeable fiscal impact on their agency.

Officials from the **University of Missouri** state this proposed legislation, which increases the statutory award amount for Alzheimer's disease research projects funded by the University Board of Curators, has no financial impact on the University. There are no costs associated with this program at this time. The Alzheimer's Disease Research Program has not received funding since 2004. The increase requested in the maximum grant limit is to compensate for inflation since that time and insure that the grants can support the increased cost of the studies if and when funding is restored.

§173.300 - Modifies the Compact for Education by changing the "Educational Commission of the States" to the "Education Commission of the States"

Officials from the **Department of Higher Education** responded that this proposal would have no direct, foreseeable fiscal impact on their agency.

Officials from the **Department of Elementary and Secondary Education** state this proposal will have no fiscal impact on their agency or on school districts.

Officials from the **Office of the Governor** assume there should be no added cost to the Governor's Office as a result of this proposed legislation.

Officials from the **Missouri Senate** state this proposal either has no fiscal impact as it relates to their agency or minimal costs which can be absorbed by present appropriations.

Officials from the **Missouri House of Representatives** stated there would be no fiscal impact.

§173.760 - Missouri Science, Technology, Engineering and Mathematics Initiative

Officials from the **Department of Higher Education (DHE)** responded that this proposal would have no direct, foreseeable fiscal impact on their agency.

ASSUMPTION (continued)

Oversight assumes the proposal is permissive regarding DHE awarding matching funds to public colleges and universities through the initiative outlined in this proposal and will assign no fiscal impact to DHE.

Officials from the **Office of State Treasurer** and the **Department of Revenue** indicated this proposal would have no fiscal impact on their respective agencies.

Officials from the **Office of Administration - Division of Budget and Planning (BAP)** state this proposed legislation should not result in additional costs or savings to BAP.

Officials from the **Joint Committee on Administrative Rules (JCAR)** stated this proposed legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the proposal. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal with core funding. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **University of Missouri System** assume this proposal would have a positive financial impact on the University System, but the magnitude of the impact is not possible to be determined due to the number of variables involved in both revenue generation and possible ways the revenue can be expended.

Officials from the **University of Central Missouri** assumes this program would be beneficial to students, but sees no immediate fiscal impact to their University.

Officials from **Northwest Missouri State University** anticipate no additional financial expense. They assume the proposal could make available additional funding but it is difficult to quantify.

ASSUMPTION (continued)

Officials from **Linn State Technical College** assume there would be an unknown fiscal impact on their institution which would be positive, provided they qualify for the program.

Officials from **Missouri Western University** state this proposal will have no fiscal impact on their institution.

Officials from **Missouri Southern State University** state that fiscal impact on indeterminate at this time.

Officials from **Kansas City Metropolitan Community College** assume this proposal would have a positive, although unknown fiscal impact.

This proposal was also sent to the following colleges and universities who did not respond to a request for fiscal impact: Crowder College, East Central College, Harris-Stowe University, Jefferson College, Lincoln University, Mineral Area College, Missouri State University, Moberly Area Community College, North Central Missouri College, Southeast Missouri State University, State Fair Community College, St Charles Community College, St Louis Community College, Three Rivers Community College, Truman State University.

\$174,332 - No more than two of the voting members of the board of regents of Northwest Missouri State University may be residents of the same county

Officials from the **Department of Higher Education** responded that this proposal would have no direct, foreseeable fiscal impact on their agency.

Officials from **Northwest Missouri State University** estimate that an “outside of Nodaway County” board member’s expenses for traveling to Northwest Missouri State University for board meetings an average of five times a year would cost as much as \$400 per meeting for airfare (if required) or mileage, lodging and meals. Annual costs are estimated at \$2,000 per year.

Oversight notes that several of the current board of regents members live outside of Nodaway County and at the present time, this proposal would affect one member. **Oversight** assumes costs are minimal and can be absorbed within existing resources.

ASSUMPTION (continued)

§174.450 - Modifies the term lengths of the Board of Governors of Missouri State University so that no more than three members' terms expire in any given year.

Officials from the **Department of Higher Education** responded that this proposal would have no direct, foreseeable fiscal impact on their agency.

Officials from the **Office of the Governor** assume there should be no added cost to the Governor's Office as a result of this proposed legislation.

Officials from **Missouri State University** and **Central Missouri University** assumed no fiscal impact to their respective universities.

§1, 2, 3, 4 - Authorizes the Board of Governors of Missouri State University to convey certain real property to the City of Springfield

Officials from the **Office of Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Department of Higher Education** responded that this proposal would have no direct, foreseeable fiscal impact on their agency.

Officials from **Missouri State University** indicated no fiscal impact resulting from this proposed legislation.

Officials from the City of Springfield did not respond to a request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
GENERAL REVENUE			
<u>Cost</u> - General Revenue (§173.760)	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>	<u>\$0 or</u> <u>(Unknown)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u><u>\$0 or</u></u> <u><u>(Unknown)</u></u>	<u><u>\$0 or</u></u> <u><u>(Unknown)</u></u>	<u><u>\$0 or</u></u> <u><u>(Unknown)</u></u>
SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICS FUND			
<u>Transfer In</u> - General Revenue (§173.760)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Disbursements</u> - Colleges and Universities - Eligible STEM programs (§173.760)	<u><u>\$0 or</u></u> <u><u>(Unknown)</u></u>	<u><u>\$0 or</u></u> <u><u>(Unknown)</u></u>	<u><u>\$0 or</u></u> <u><u>(Unknown)</u></u>
ESTIMATED NET EFFECT ON SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICS FUND	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>
COLLEGES AND UNIVERSITIES			
<u>Income</u> - Funding for Eligible STEM programs (§173.760)	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
ESTIMATED NET EFFECT ON COLLEGES AND UNIVERSITIES	<u><u>\$0 or Unknown</u></u>	<u><u>\$0 or Unknown</u></u>	<u><u>\$0 or Unknown</u></u>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
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LOCAL POLITICAL SUBDIVISIONS

<u>Income</u> - Colleges - Funding for eligible STEM programs (§173.760)	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

§173.760 - Missouri Science, Technology, Engineering and Mathematics Initiative

This proposal establishes within the Department of Higher Education (DHE) the "Missouri Science, Technology, Engineering and Mathematics Initiative". The general assembly may appropriate funds and DHE may award matching funds through this initiative to public institutions of higher education as part of the annual appropriations process.

§174.332 and 174.450 have an emergency clause.

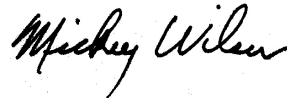
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Office of Administration
 Division of Budget and Planning
Department of Higher Education
Department of Elementary and Secondary Education
Department of Revenue
Joint Committee on Administrative Rules
Office of Secretary of State
 Administrative Rules Division
Office of State Treasurer
Office of the Governor
Missouri Senate
Missouri House of Representatives
Colleges and Universities
 University of Missouri System
 Missouri Western State University
 Missouri State University
 Linn State Technical College
 University of Central Missouri
 Northwest Missouri State University
 Missouri Southern State University
 Kansas City Metropolitan Community College

NOT RESPONDING

Office of Lt. Governor
City of Springfield



Mickey Wilson, CPA
Director
April 25, 2012