

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4408-04  
Bill No.: Truly Agreed To and Finally Passed HCS for SCS for SB 563  
Subject: Education, Higher; Boards, Commissions, Committees, Councils; Governor and Lt. Governor  
Type: Original  
Date: June 1, 2012

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

**FISCAL SUMMARY**

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

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

**\* Offsetting Transfers In and Disbursements**

Numbers within parentheses: ( ) indicate costs or losses. This fiscal note contains 13 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<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 FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Local Government</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Department of Higher Education (DHE)** assume the Higher Education Capital Fund and the Science, Technology, Engineering and Mathematics Initiative create several new duties for the DHE; however, DHE anticipates that these new duties can be carried out with existing department resources and, therefore, does not expect that the provisions of this legislation will have any direct, foreseeable fiscal impact on their agency.

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

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.

### **\$166.415 - Missouri Higher Education Savings Program**

Officials from the **Office of Administration - Division of Budget and Planning, Department of Economic Development, and Office of State Treasurer** state this proposal will have no fiscal impact on their respective agencies.

ASSUMPTION (continued)

In response to a similar proposal from this session, HB 1192 (4938-01), officials from the **Office of Secretary of State** stated this proposal would have no fiscal impact on the Securities Division.

**§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 **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 Elementary and Secondary Education** state this proposal will have no fiscal impact on their agency or on school districts.

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

**§173.480 - Higher Education Capital Fund**

Officials from the **Missouri House of Representatives** and the **Office of State Treasurer** indicated no fiscal impact to 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. The proposal establishes a new Higher Education Capital Fund, which is dependent upon future appropriations from the General Assembly.

**Oversight** assumes this proposal is permissive and also, the amount of matching funds raised by colleges and universities for capital projects is unknown. For fiscal purposes only, Oversight will show a fiscal impact to General Revenue of \$0 or (Unknown)

ASSUMPTION (continued)

Officials from **Northwest Missouri State University** stated their university has \$50 million in deferred maintenance and as much as \$185 million in other new capital needs.

Officials from **Missouri State University** assume any additional revenues will dependent upon grants or private donations received by their university. Savings will be in the amount of matching funds received for new construction, rehabilitation, maintenance, renovations, or reconstruction projects.

Officials from the **University of Missouri** state this proposal would have a positive fiscal impact on the University System.

Officials from the **University of Central Missouri** assume this proposal would have a positive fiscal impact on their university, but are unable to quantify the fiscal impact at this time.

Officials from **Missouri Southern State University** state the fiscal impact to their university is indeterminate at this time.

Officials from **Missouri Western State University** assumed no fiscal impact.

Officials from **Linn State Technical College** assume the fiscal impact on their college is unknown.

Officials from **Kansas City Metropolitan Community College** and **St Louis Community College** stated this proposed legislation would have a positive, but unknown, fiscal impact on their respective colleges.

***§173.670 - Missouri Science, Technology, Engineering and Mathematics Initiative***

**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 section 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.

ASSUMPTION (continued)

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.

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.

**§173.1400 - School Social Workers**

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 **Department of Insurance, Finance and Professional Registration (DIFP)** assume this section requires the State Committee for Social Work to issue certificates and collect a fee which will require additional work for the committee. DIFP believes that this can be done with a minimal fee charge and no additional FTE; however, if the work is more extensive than expected additional expenses and/or FTE will be requested through the budget process.

ASSUMPTION (continued)

**§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 **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.

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

**§301.449 and 301.3150 - College license plates**

According to officials from the Department of Revenue (DOR), this proposal expands the regulations for the creation of a new collegiate and organizational specialty plates within §301.449 and 301.3150. This proposal has been determined as minimal impact to DOR, as it could potentially limit the number of new specialty plates DOR would need to create and produce in the future.

**§620.2400 - Missouri Entrepreneur Resource Virtual Network**

Officials at the **Department of Economic Development** assume there is no fiscal impact from this proposal.

**Oversight** assumes this proposal requires the use of private sector funding to pay for all the expenses of the Missouri Entrepreneur Resource Virtual Network and therefore this proposal would not have an effect on General and Total State Revenue.

ASSUMPTION (continued)

**§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 **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.**

**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.**

**Officials from the Office of Lieutenant Governor did not respond to a request for fiscal impact.**

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
<b>GENERAL REVENUE</b>			
<u>Cost</u> - General Revenue (§173.670)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
Cost - Higher Education Capital Fund - Matching funds (§173.480)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$0 or</u> <u>(Unknown)</u></b>	<b><u>\$0 or</u> <u>(Unknown)</u></b>	<b><u>\$0 or</u> <u>(Unknown)</u></b>



<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
<b>SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICS FUND</b>			
<u>Transfer In</u> - General Revenue (\$173.670)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Disbursements</u> - Colleges and Universities - Eligible STEM programs (\$173.670)	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON SCIENCE, TECHNOLOGY, ENGINEERING AND MATHEMATICS FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>HIGHER EDUCATION CAPITAL FUND</b>			
<u>Transfer In</u> - General Revenue - Matching Funds (\$173.480)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Transfer Out</u> - Colleges and Universities - Matching Funds (\$173.480)	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON HIGHER EDUCATION CAPITAL FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
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**COLLEGES AND UNIVERSITIES**

<u>Income</u> - Funding for Eligible STEM programs (§173.670)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
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<u>Income</u> - Higher Education Capital Fund - Matching funds for capital projects (§173.480)	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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<b>ESTIMATED NET EFFECT ON COLLEGES AND UNIVERSITIES</b>	<u><b>\$0 or Unknown</b></u>	<u><b>\$0 or Unknown</b></u>	<u><b>\$0 or Unknown</b></u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
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**LOCAL POLITICAL SUBDIVISIONS**

<u>Income</u> - Community Colleges - Matching funds (§173.480)	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
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<u>Income</u> - Colleges - Funding for eligible STEM programs (§173.670)	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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<b>ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS</b>	<u><b>\$0 or Unknown</b></u>	<u><b>\$0 or Unknown</b></u>	<u><b>\$0 or Unknown</b></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

### **§173.480 - Higher Education Capital Fund**

This section the "Higher Education Capital Fund" to be administered by the Commissioner of Higher Education. The General Assembly may appropriate moneys to the fund to provide matching funds to public colleges or universities for capital projects. To receive matching funds, a public college or university must raise fifty percent of the cost of the capital project from private donations or grants. The General Assembly may appropriate the remaining fifty percent of the cost of project as matching funds to the institution. Public colleges and universities are prohibited from using operating budget funds, tuition, fees, or bond revenues to produce their portion of the capital project's cost.

### **§173.670 - 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.

§173.1400, 174.332, and 174.450 have an emergency clause.

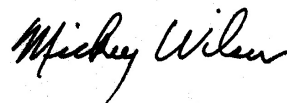
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

**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  
Department of Economic Development  
Department of Insurance, Finance and Professional Registration  
Office of Attorney General  
Office of Secretary of State  
    Administrative Rules Division  
    Securities 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**

A handwritten signature in black ink, appearing to read "Mickey Wilson". The signature is written in a cursive, flowing style.

L.R. No. 4408-04  
Bill No. Truly Agreed To and Finally Passed HCS for SCS for SB 563  
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Mickey Wilson, CPA  
Director  
June 1, 2012

LMD:LR:OD