

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4680-01  
Bill No.: SB 655  
Subject: Education, Higher; Capital Improvements; Higher Education Department  
Type: Original  
Date: February 7, 2012

Bill Summary: This proposal creates the Higher Education Capital Fund to provide matching funds to public colleges and universities for capital projects under certain circumstances.

**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
Higher Education Capital Fund*	\$0	\$0	\$0
State Universities	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>	<b>\$0 or Unknown</b>

\* Offsetting transfers in and transfers out of the Higher Education Capital Fund would be \$0 to Unknown annually.

Numbers within parentheses: ( ) indicate costs or losses. This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</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 FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<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>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<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 **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** 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.

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 **Department of Higher Education (DHE)** assume the provisions of this proposed legislation could be accommodated by DHE with existing resources through the current capital appropriation request process utilized by DHE and would therefore have no direct, foreseeable fiscal impact on DHE.

**Oversight** assumes the 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 \$25 - \$50 million in deferred maintenance and 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 **St Louis Community College** assume this proposal will result in a positive fiscal impact to their college.

Officials from **Kansas City Metropolitan Community College** state this proposed legislation will have a positive, but unknown, fiscal impact on their college.

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

**This proposal was 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, Mineral Area College, Moberly Area Community College, North Central Missouri College, Southeast Missouri State University, State Fair Community College, St Charles Community College, Three Rivers Community College, Truman State University.**

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
<b>GENERAL REVENUE</b>			
<u>Cost - Higher Education Capital Fund - Matching funds</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$0 or (Unknown)</u></b>	<b><u>\$0 or (Unknown)</u></b>	<b><u>\$0 or (Unknown)</u></b>
<b>HIGHER EDUCATION CAPITAL FUND</b>			
<u>Transfer In - General Revenue - Matching funds</u>	\$0 or Unknown	\$0 or Unknown	\$0 Unknown
<u>Transfer Out - Colleges and Universities - Matching funds</u>	\$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>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>COLLEGES AND UNIVERSITIES</b>			
<u>Income - Higher Education Capital Fund - Matching funds for capital projects</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
<b>ESTIMATED NET EFFECT ON COLLEGES AND UNIVERSITIES</b>	<b><u>\$0 or Unknown</u></b>	<b><u>\$0 or Unknown</u></b>	<b><u>\$0 or Unknown</u></b>

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

<u>Income - Community Colleges - Matching funds</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>
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**ESTIMATED NET EFFECT ON  
LOCAL POLITICAL SUBDIVISIONS \$0 or Unknown \$0 or Unknown \$0 or Unknown**

FISCAL IMPACT - Small Business

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

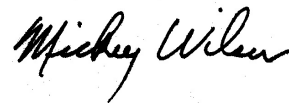
FISCAL DESCRIPTION

This proposed legislation creates 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.

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  
Office of Administration  
    Division of Budget and Planning  
Joint Committee on Administrative Rules  
Missouri House of Representatives  
Missouri Senate  
Office of Secretary of State  
    Administrative Rules Division  
Office of State Treasurer  
Colleges and Universities  
    Northwest Missouri State University  
    Missouri State University  
    Missouri Southern State University  
    St Louis Community College  
    Kansas City Metropolitan Community College  
    Missouri Western State University  
    University of Central Missouri  
    Linn State University  
    University of Missouri System



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