

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6057-01
Bill No.: SB 887
Subject: Education, Higher; Higher Education Department; Boards, Commissions, Committees, Councils; General Assembly
Type: Original
Date: March 11, 2014

Bill Summary: This proposal requires each public institution of higher education to annually report the institution's administrative costs as a percent of its operating budget.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
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 2015	FY 2016	FY 2017
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Higher Education (DHE)** state this bill requires each public institution of higher education to annually report the institution's administrative costs as a percent of its operating budget. Since the Coordinating Board of Education/Department of Higher Education are recipients of the report, there would be no direct fiscal impact on the DHE relating to this proposal.

Although this data is already tracked and reported by institutions to various other entities, it may not be in the same format or follow the same definitions as provided in the bill. Consequently, there may be costs for institutional compliance with the proposal relating to time and resources necessary to produce the report as defined in the bill.

Officials from the **Joint Committee on Education** state there will be no fiscal impact beyond their regular appropriations.

Officials from **Linn State Technical College**, the **University of Central Missouri**, and **Missouri State University** state there should be no fiscal impact on their respective institutions.

Officials from the **Kansas City Metropolitan Community College** state the proposal would have a minor, but adverse fiscal impact as additional administrative duties are being assigned as a result of this proposed legislation.

Officials from **Missouri Southern State University** assume the increased burden associated with this proposal will result in an increase in operating costs.

Oversight assumes the costs to reformat existing data to be presented as required in the proposal can be done with existing resources.

Officials from the following colleges and universities: Crowder, East Central Community College, Harris-Stowe, Jefferson College, Lincoln University, Moberly Area Community College, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, State Fair Community College, St. Charles Community College, St. Louis Community College, Three Rivers Community College, University of Missouri System, and Truman State University did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<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

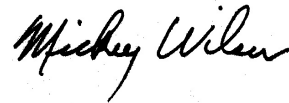
The proposed legislation appears to have no direct fiscal impact.

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

Department of Higher Education
Colleges and Universities

Linn State Technical College
Kansas City Metropolitan Community College
Missouri State University
Missouri Southern State University
University of Central Missouri



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Director
March 11, 2014

Ross Strobe
Assistant Director
March 11, 2014