

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2110-05
Bill No.: SCS for SB 593
Subject: Interstate Agri-Market Development Center
Type: Original
Date: March 20, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	\$0 to (\$416,667)	\$0 to (\$500,000)	\$0 to (\$500,000)
Total Estimated Net Effect on <u>All</u> State Funds	\$0 to (\$416,667)	\$0 to (\$500,000)	\$0 to (\$500,000)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
None	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 3 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Coordinating Board for Higher Education** assumed the proposed legislation would have no fiscal impact on their agency.

Officials from the **Department of Agriculture (AGR)** assume there will be no fiscal impact from this proposal.

Officials from the **Department of Economic Development (DED)** assume that while there would be minimal costs for travel, no fiscal impact is expected from this legislation. The proposal will have no impact on the DED other than the Director would have to coordinate and collaborate with the agri-market development center and also serve on the advisory board.

Officials from the **University of Missouri (UM)** originally assumed the UM would incur costs of approximately \$500,000 annually to staff, operate and maintain the Center of Interstate Agri-Market Development Center at the University of Missouri-Columbia (Center). In later discussions with officials from UM, they stated there would be no fiscal impact, since the Center would not be set up unless grant funding was received from USDA-RD. UM is submitting a grant request for a single national award of \$5,000,000 from USDA-RD to establish the Center. UM will take the lead on this submission with cooperation from the University of Minnesota and Texas A&M. As a part of the submission, a 100% match is required, but officials from UM are uncertain what the match requirements are at this time.

Oversight assumes that since the bill states that the director of the Center shall be a state employee, there will be some fiscal impact if the Center is established. In addition, there could be other unknown costs associated with this project. Total costs to the state are indeterminable at this time, therefore, Oversight has reflected a range of costs from \$0 to \$500,000 annually.

<u>FISCAL IMPACT - State Government</u>	FY 2002	FY 2003	FY 2004
	(10 Mo.)		
GENERAL REVENUE FUND			
<u>Costs - University of Missouri</u>			
Staff, Operations, Maintenance	<u>\$0 to (\$416,667)</u>	<u>\$0 to (\$500,000)</u>	<u>\$0 to (\$500,000)</u>
Estimated Net Effect on General Revenue Fund	<u>\$0 to (\$416,667)</u>	<u>\$0 to (\$500,000)</u>	<u>\$0 to (\$500,000)</u>

FISCAL IMPACT - Local Government

FY 2002
(10 Mo.)

FY 2003

FY 2004

\$0

\$0

\$0

FISCAL IMPACT - Small Business

Small business could be affected by the provisions of this proposal.

DESCRIPTION

This proposal would create the Interstate Agri-market Development Center which will be under the direction and control of the Curators of the University of Missouri and will be centered on the Columbia campus. The Director of the Center will be appointed by the President of the University and approved by the Curators. An advisory board is created to provide direction and oversight to the Center. It will have 11 members with staggered four year terms. The Director is given authority to cooperate and collaborate with other entities and agencies to carry out the functions of the Center. The Center will acquire, archive, process and disseminate information to producers through the Internet. The provisions of the proposal shall terminate on August 28, 2002, should the interstate agri-market development center not receive federal matching funds.

This legislation is not federally mandated and would not require additional capital improvements or rental space. Officials from the **AGR** noted that this proposal does not directly duplicate another program, however, it may overlap current responsibilities of the department's Ag Innovation Center and the Market Development Division. In addition, officials from the **DED** noted that this proposal would appear to duplicate some existing duties of the department's Office of International Marketing.

SOURCES OF INFORMATION

Coordinating Board for Higher Education
Department of Agriculture
Department of Economic Development
University of Missouri



Jeanne Jarrett, CPA
Director

March 20, 2001