

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3395-01
Bill No.: SB 813
Subject: Appropriations, Education, Higher, Higher Education Dept.
Type: Original
Date: January 23, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue *	\$728,600	\$750,500	\$773,000
Total Estimated Net Effect on <u>All</u> State Funds *	\$728,600	\$750,500	\$773,000

* Subject to Appropriation

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Local Government	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from **Linn State Technical College** and the **St. Louis Community College System** assume this proposal would have no fiscal impact on their organizations.

Officials from the **Coordinating Board for Higher Education (CBHE)** assume the following: Currently, community colleges receive five percent of the prior year's operating budget for maintenance and repair, and five percent for capital projects. This bill allows a full ten percent for maintenance and repair, regardless of capital projects, and the community college will still continue to request capital projects in addition to the maintenance and repair request. To provide an approximate impact if the bill is effective for FY 2003, the maintenance and repair request would be \$9,182,084 instead of \$1,823,447, and the capital project request would remain constant at \$7,286,000 for a total of \$16,468,084 for FY 2003. However, since these amounts are subject to appropriation, the fiscal impact could range from \$0 to \$16,468,084, assuming the amount appropriated for capital projects does not increase.

Oversight assumes the fiscal impact of the bill would be a decrease of \$728,600 in appropriations for maintenance and repair. Maintenance and repair appropriation requests would continue to be based on ten percent of the prior year's state appropriations for operating purposes. Since state appropriations provide 50% of total community college funding, 10% of the prior year's state appropriations is equivalent to 5% of total operating expenditures. The capital project request would not be directly affected by this proposal, and the proposal would exclude capital appropriations from the allowable basis for computing maintenance and repair appropriation requests. Oversight has adjusted subsequent years' appropriation requests by 3% for inflation.

<u>FISCAL IMPACT - State Government</u>	FY 2003	FY 2004	FY 2005
	(10 Mo.)		
GENERAL REVENUE			
<u>Cost Reduction</u> - Maintenance and repair appropriations *	\$728,600	\$750,500	\$773,000
NET EFFECT ON GENERAL REVENUE FUND *	<u>\$728,600</u>	<u>\$750,500</u>	<u>\$773,000</u>

* Subject to appropriation.

FISCAL IMPACT - Local Government

FY 2003
(10 Mo.)

FY 2004

FY 2005

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal would exclude capital appropriations from the amount of prior year's state appropriations for operating purposes, used to compute the community colleges' allowable maintenance and repair appropriation request of ten percent of prior year's operating appropriations. The community colleges would continue to request capital project appropriations in addition to the operating appropriation request, and the maintenance and repair appropriation request.

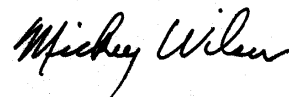
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Coordinating Board for Higher Education
Linn State Technical College
St. Louis Community College System

NOT RESPONDING

Metropolitan Community Colleges
Mineral Area Community College
Three Rivers Community College



Mickey Wilson, CPA
Acting Director
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