

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5551-03
Bill No.: HCS for HB 1968
Subject: Education, Higher; Higher Education Dept.; General Assembly
Type: Original
Date: April 21, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of the State Courts Administrator, Office of the Governor, Office of the State Treasurer, the Office of Administration, Division of Budget and Planning,** and the **Department of Higher Education** assumed a previous version of this proposal would have no fiscal impact on their organizations.

Officials from the **Missouri Higher Education Loan Authority (MOHELA)** stated in response to a previous version of this proposal that their organization has secured the services of an "independent firm" to assess the financial alternatives and implications of the proposed sale of MOHELA and/or its assets, at a cost of up to \$247,000. Based on this cost, and the "legal ramifications" also included as a component of the analysis to be conducted, the proposed analysis could cost the State of Missouri in excess of \$250,000.

Oversight assumes the cost of the required study is unknown but expected to exceed \$100,000 and would be paid from MOHELA funds. The cost of the study is not included in this fiscal note.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<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.

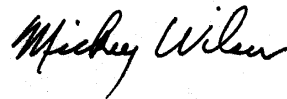
DESCRIPTION

This proposal would require the Missouri Higher Education Loan Authority to hire an independent firm to conduct an analysis of the financial and legal ramifications of any sale or liquidation, or agreement to sell or liquidate any asset. The study would be required to include an actuarial analysis along with individualized findings as to the effect the proposed sale would have on the authority and on loan interest rates for future student borrowers. Any sale, liquidation, or agreement to sell or liquidate any asset of the authority would be subject to legislative approval.

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 the State Courts Administrator
Office of the Governor
Office of the State Treasurer
Office of Administration
 Division of Budget and Planning
Department of Higher Education
Missouri Higher Education Loan Authority

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
April 21, 2006