

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0707-01
Bill No.: HB 134
Subject: Education, Higher; Engineers; Higher Education Dept.
Type: Original
Date: January 9, 2007

Bill Summary: Extends the sunset provision for equipment grants for engineering programs at the University of Missouri to 2017.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(up to \$1,119,600)	(up to \$1,080,000)	(up to \$1,080,000)
Total Estimated Net Effect on General Revenue Fund	(up to \$1,119,600)	(up to \$1,080,000)	(up to \$1,080,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
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 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
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 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Office of Administration's Budget and Planning** assume no fiscal impact from this proposal.

Officials at the **University of Missouri** (UM) assume UM would incur no additional costs as a result of passage of HB 134 as it is written.

Officials at the **Department of Higher Education** assume extending this provision could result in requests for additional capital appropriations to replace the teaching and research laboratory equipment for the University of Missouri (UM) engineering colleges. UM system awarded 933 engineering bachelor degrees during FY 2004. Based on a request of \$1,200 per degree awarded, the amount of funds needed in FY08 totals \$1,119,600. Over the last four fiscal years, UM has awarded approximately 900 engineering bachelor degrees per year. Using the average of 900 degree recipients for each year, approximately \$1,080,000 will be needed each fiscal year starting with FY09. If the number of engineering bachelor degree recipients increases in the future, the capital appropriations request would need to increase as well.

Oversight assumes this proposed legislation extends an existing provision by removing or changing the expiration date and will extend any fiscal impact associated with the existing provision. Oversight agrees with the estimate used by Department of Higher Education that a cost of approximately \$1,080,000 each fiscal year, subject to appropriations, is needed to extend this program.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE			
<u>Cost - Department of Higher Education</u> Equipment grants for engineering programs at MU	<u>(up to \$1,119,600)</u>	<u>(up to \$1,080,000)</u>	<u>(up to \$1,080,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(up to \$1,119,600)</u>	<u>(up to \$1,080,000)</u>	<u>(up to \$1,080,000)</u>

FISCAL IMPACT - Local Government

FY 2008
(10 Mo.)

FY 2009

FY 2010

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

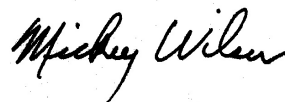
FISCAL DESCRIPTION

This bill extends the sunset provision from June 30, 2007, to June 30, 2017, for a capital improvement appropriation request to include engineering equipment grants at the University of Missouri.

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
University of Missouri
Office of Administration's Budget and Planning



Mickey Wilson, CPA
Director
January 9, 2007