

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5349-01
Bill No.: HB 2305
Subject: Administration, Office of; Appropriations; Boards, Commissions, Committees,
Councils
Type: Original
Date: March 19, 2010

Bill Summary: Transfers certain stated amounts from twenty-three funds to the state general revenue fund.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	\$27,059,653		
Total Estimated Net Effect on General Revenue Fund	\$27,059,653	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Various State Funds	(\$27,059,653)		
Total Estimated Net Effect on <u>Other</u> State Funds	(\$27,059,653)	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
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 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Budget and Planning** assume this proposal transfers \$27.1M from 23 state funds into the general revenue. This proposal implements recommendations in the Governor's FY 2011 budget submission. B&P's review of the funds indicate no impact on programs funded from the 23 funds. If the proposal is not implemented or funds from the list are removed, then up to \$27.1M of general revenue funded programs would have to be cut.

Officials at the **Department of Economic Development** assume the sweep in conjunction with reduced fees may cause a reduction in business recruitment and marketing activities for the state. The department anticipates an impact in the range of \$0 to unknown.

Officials at the **Missouri Department of Transportation (MoDOT)** assume MoDOT has issued tentative allocation letters on 19 airport projects totaling \$7.9 million. If passed, this bill would sweep \$2,314,000 from the dedicated State Aviation Trust Fund. Aviation revenue is already down over 40% in the past two years and this action would cause several projects to be further delayed or canceled. Some are high profile that could have a significant negative impact. One example would be construction of a cargo aircraft parking apron to support the proposed China Air Cargo project at Lambert St. Louis International Airport. Another is the rehabilitation of the parallel taxiway to the primary runway at Rosecrans Airport in St. Joseph, which houses the 139th Tactical Airlift Group. This is a joint MoDOT / Federal Aviation Administration / Department of Defense project. There are multiple other planned airport projects throughout Missouri that could be impacted.

This fund supports all state aviation programs, including airport maintenance and improvement, air traffic control tower operating assistance, aviation safety programs, and MoDOT aviation section operating costs.

Officials at the **Department of Mental Health (DMH)** assume total revenues in the fund for FY09 were approximately \$35.4 million and expenditures were approximately \$39.7 million. Year to date in FY10, revenues are just over \$24 million and expenditures are approximately \$22.8 million. It appears that if existing revenue streams are maintained, the transfer of one million dollars would have no impact on the amount of cash available for appropriation. If that is the case, current appropriation levels could be assumed in future years. If there is a reduction in the appropriation authority given to DMH it would appear that it would have only minimal impact on the department. In FY10 the department has appropriations of \$6,452,794 from the Health Initiatives Fund.

ASSUMPTION (continued)

Officials at the **Department of Social Services** assume the Health Initiative Fund (HIF) listed in the legislation funds \$19.5 million of MO HealthNet programs. If the intention of this legislation is to re-direct \$1 million of existing core funding from HIF, it is assumed that general revenue will replace the funding. Moneys from HIF provide state match for the Medicaid program. If this legislation passes, general revenue appropriations would be needed to finance the current program. If the GR is not replaced, \$2.7 million of services would be cut from the Medicaid program.

Officials at the **Budget and Planning, Department of Economic Development (DED), Missouri Department of Transportation (MoDOT), Department of Insurance, Financial Institutions and Professional Registration (DIFP), Department of Mental Health (DMH), Department of Revenue (DOR), Department of Social Services (DOS), Department of Public Safety (DPS)** and the **University of Missouri (UM)** assume the transfer of the following funds into general revenue as designated by this proposal.

Oversight for purposes of the fiscal note have shown the transfer out of various state funds into general revenue. The various state funds are detailed in the chart below.

Fund	Agency that Administers	Amount of Transfer
Health Initiatives Fund	DMH/DOS	\$1,000,000
Business Extension Service Team Fund	DED	\$818,290
Deaf Relay Service and Equipment Distribution Program Fund	DOS	\$2,000,000
Endowed Care Cemetery Audit Fund	DIFP	\$86,000
Insurance Dedicated Fund	DIFP	\$4,303,000
Spinal Cord Injury Fund	UM	\$4,000,000
Services to Victims Fund	DPS	\$4,000,000
State Board of Accountancy Fund	DIFP	\$600,000
Board of Registration of the Healing Arts Fund	DIFP	\$950,000
State Board of Nursing Fund	DIFP	\$3,600,000

Board of Pharmacy Fund	DIFP	\$50,000
Petroleum Inspection Fund	DPS	\$300,000
Committee of Professional Counselors Fund	DIFP	\$150,000
State Board of Architects, Professional Engineers, Land Surveyors and Landscape Architects Fund	DIFP	\$1,640,000
Athletic Fund	DIFP	\$40,000
Economic Development Advancement Fund	DED	\$500,000
Board of Cosmetology and Barber Examiners Fund	DIFP	\$475,000
Missouri Wine and Grape Fund	DOR	\$100,000
Marital and Family Therapists' Fund	DIFP	\$19,000
Respiratory Care Practitioners Fund	DIFP	\$4,000
Missouri Board of Occupational Therapy Fund	DIFP	\$44,000
Dietitian Fund	DIFP	\$66,000
Aviation Trust Fund	MoDOT	\$2,314,363
TOTAL		\$27,059,653

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
GENERAL REVENUE			
<u>Transfer In</u> - General Revenue			
from various state funds listed above	<u>\$27,059,653</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$27,059,653</u>	<u>\$0</u>	<u>\$0</u>
VARIOUS STATE FUNDS			
<u>Transfer Out</u> - Various State Funds			
transfer to general revenue	<u>(\$27,059,653)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON VARIOUS STATE FUNDS	<u>(\$27,059,653)</u>	<u>\$0</u>	<u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2011 (10 Mo.)	 FY 2012	 FY 2013
	<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.

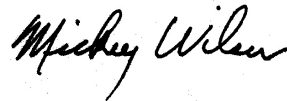
FISCAL DESCRIPTION

This act provides that not more than specified amounts existing in twenty-three named funds shall be transferred from the named funds into the state general revenue fund before June 30, 2011.

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

Budget and Planning
Department of Economic Development
Missouri Department of Transportation
Department of Insurance, Financial Institutions and Professional Registration
Department of Mental Health
Department of Revenue
Department of Social Services
Department of Public Safety
University of Missouri

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

Mickey Wilson, CPA
Director
March 19, 2010