

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3460-01
Bill No.: SB 978
Subject: Economic Development Department; Elementary and Secondary Education;
 Education, Higher.
Type: Original
Date: March 1, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
General Revenue	(Over \$100,000)	(Over \$100,000)	(Over \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Over \$100,000)	(Over \$100,000)	(Over \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Coordinating Board of Higher Education** assume this proposal would not fiscally impact their agency.

Officials from the **Department of Social Services** assume that since participation by project sponsors is voluntary, there is no fiscal impact to their agency, unless it chooses to participate. In such case, the number of participants and the wages paid would determine costs.

Officials from the **Department of Labor and Industrial Relations (DOLIR)** state the language of the proposal no longer provides for a funding mechanism for operation of the CAES program. DOLIR is unaware how the program will be funded, therefore, can only assume there is no fiscal impact at this time.

Officials from the **Office of Secretary of State (SOS)** assume there would be costs due to additional publishing duties related to the Department of Economic Development's authority to promulgate rules, regulations, and forms. SOS estimates the division could require approximately 8 new pages of regulations in the Code of State Regulations at a cost of \$27.00 per page, and 12 new pages in the Missouri Register at a cost of \$23.00 per page. Costs due to this proposal are estimated to be \$984, however, the actual fiscal impact would be dependent

ASSUMPTION (continued)

upon the actual rule-making authority and may be more or less. Financial impact in subsequent fiscal years would depend entirely on the number, length, and frequency of the rules filed, amended, rescinded, or withdrawn. SOS does not anticipate the need for additional staff as a result of this proposal, however, the enactment of more than one similar proposal may, in the aggregate, necessitate additional staff.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from **Southwest Missouri State University, Missouri Western State College, Truman State University** and **Central Missouri State University** each assume the proposal would not fiscally impact their respective schools.

Officials from the **University of Missouri (UM)** state that since the responsibilities of UM are not specified in the proposal as it is currently written, they are unable to determine what the costs would be for the University.

Officials from the **Department of Economic Development** and the **Missouri Southern State College** did not respond to our request for fiscal impact.

In response to a similar proposal from last year in which the Department of Economic Development (DED) had a more limited role in the CAES program, the DED assumed they would incur costs of \$94,272, \$111,283, and \$114,188 in the three respective fiscal years represented in the fiscal note. In this proposal, DED is the program sponsor and **Oversight** assumes DED would incur expenses beyond what DED projected for last year's proposal. The University of Missouri was assumed to be the "host institution of higher education" in last year's proposal, and the fiscal note reflected costs of up to \$225,000 per year for the University of Missouri to run the CAES program. With these assumptions and previous estimates, Oversight will assume DED's costs to implement this proposal would exceed \$100,000 in any given year.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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GENERAL REVENUE

<u>Costs - Department of Economic Development (DED)</u> to implement CAES program	<u>(Over \$100,000)</u>	<u>(Over \$100,000)</u>	<u>(Over \$100,000)</u>
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ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	<u>(OVER \$100,000)</u>	<u>(OVER \$100,000)</u>	<u>(OVER \$100,000)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This proposal could impact small businesses that choose to participate in the CAES program.

DESCRIPTION

This proposal establishes the "Collaborative for Applied Experiences in Science" (CAES) program, for the purpose of increasing the statewide potential scientific and technical workforce by identifying, recruiting, and retaining talented in-state and resident out-of-state undergraduates. To achieve this end, CAES will:

- Develop a summer employment program emphasizing the development of research and technical skills in the fields of science, mathematics, computer science, and engineering;
- Provide mechanisms for retaining high potential students;
- Introduce students to the potential career opportunities within the state;
- Facilitate employer access to a highly select talent pool; and
- Keep collegiate-level students from Missouri who attend national and regional universities informed about career opportunities in the state.

DESCRIPTION (continued)

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 Labor and Industrial Relations
Department of Social Services
Office of the Secretary of State
University of Missouri
Southwest Missouri State University
Truman State University
Central Missouri State University
Missouri Western State College
Coordinating Board of Higher Education

NOT RESPONDING: Department of Economic Development, Missouri Souther State College



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Director
March 1, 2004