

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. NO.: 4116-01
BILL NO.: HB 1713
SUBJECT: Education, Elementary and Secondary: VIDEO
TYPE: Original
DATE: February 21, 2000

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
General Revenue	(\$1,692,167)	(\$1,692,167)	(\$1,692,167)
Video Instructional Development and Educational Opportunity Fund	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	(\$1,692,167)	(\$1,692,167)	(\$1,692,167)

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2001	FY 2002	FY 2003
Local Government	\$0	\$0	\$0

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

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Revenue (DOR) and Department of Economic Development - Division of Workforce Development** assume the proposal would result in no fiscal impact to the agencies.

Officials from the **Coordinating Board For Higher Education (CBHE)** assume this program would be administered by DESE, thus there would be no fiscal impact on the CBHE. There could potentially be a positive fiscal impact on higher education institutions as they are eligible to apply for grants from the VIDEO Fund. This potentially applies if the current annual transfer is less than \$3 million.

Officials from the **Office of Administration - Budget and Planning** assume the proposal would not result in any impact on Total State Revenues, nor would it result in any fiscal impact on the Office of Administration. However, the proposal would result in an estimated \$1,692,167 loss to the General Revenue Fund for FY 2001. The loss to the General Revenue Fund for FY 2002 and 2003 would be slightly less since presumably sales tax collections would continue to increase. The impact on the General Revenue Fund was calculated as follows:

$\$623,966$ (most recent 6 months worth of actual collections transferred to VIDEO Fund) x 2 (annualized) = $\$1,247,932$ x 1.048% (projected FY 2001 transfers from the General Revenue Fund to the VIDEO Fund) = $\$1,307,833$

$\$3,000,000$ (minimum General Revenue transfer per proposal) - $\$1,307,833$ (projected FY 2001 transfers from GR to VIDEO) = $\$1,692,167$ (Loss to GR)

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the proposal would establish a funding floor for the Video Instructional Development and Educational Opportunity Fund. This bill would only have a fiscal impact if the amount of revenue collections from video rentals was less than \$3,000,000. DESE officials state their budget request for this appropriation is \$3,023,442. The Governor recommended \$1,091,081. Therefore, DESE estimates the fiscal impact to be \$1,908,919 annually.

The moneys in the Video Instructional Development and Opportunity Fund provide grants to public education institutions and public television stations for equipment and instruction, the development of instructional programs which are to be made available to the public free, and the development of instructional programs to be made available on a subscription basis. The more money there is available for this program, the more there will be available for school districts to utilize for video instructional programs.

ASSUMPTION (continued)

The **Oversight Division** has used the estimates provided by the Office of Administration - Budget and Planning in the fiscal impact. Oversight has included costs to the General Revenue Fund and income to the Video Instructional Development and Educational Opportunity Fund in the state fiscal impact and revenue and costs to school districts for increased Video grants in the local fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
GENERAL REVENUE FUND			
<u>Cost-General Revenue Fund</u>			
Transfer to the Video Instructional Development and Educational Opportunity Fund	<u>(\$1,692,167)</u>	<u>(\$1,692,167)</u>	<u>(\$1,692,167)</u>
VIDEO INSTRUCTIONAL DEVELOPMENT AND EDUCATIONAL OPPORTUNITY FUND			
<u>Income-Video Instructional Development and Educational Opportunity Fund</u>			
Transfer from the General Revenue Fund	\$1,692,167	\$1,692,167	\$1,692,167
<u>Cost-Video Instructional Development and Educational Opportunity Fund</u>			
Grants to School Districts	(\$1,692,167)	(\$1,692,167)	(\$1,692,167)
ESTIMATED NET EFFECT ON VIDEO INSTRUCTIONAL DEVELOPMENT AND EDUCATIONAL OPPORTUNITY FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2001 (10 Mo.)	FY 2002	FY 2003
SCHOOL DISTRICTS			
<u>Income-School Districts</u>			
Video Grants	\$1,692,167	\$1,692,167	\$1,692,167
<u>Cost-School Districts</u>			
Video Instructional Programs	(\$1,692,167)	(\$1,692,167)	(\$1,692,167)
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	<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

The proposal requires the minimum annual transfer to the Video Instructional Development and Educational Opportunity Fund of certain state sales tax revenues to be three million dollars or more.

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 Elementary and Secondary Education
Coordinating Board For Higher Education
Office of Administration - Budget and Planning
Department of Economic Development

NOT RESPONDING: University of Missouri



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Director
February 21, 2000