

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2114-02
Bill No.: HB 971
Subject: Education, Higher; Business and Commerce; Economic Development
Type: Original
Date: April 11, 2011

Bill Summary: This proposal establishes the Missouri Jobs for Education Program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
University Funds	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown)	(Unknown)	(Unknown)

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
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 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Higher Education** assume no impact to the department. The University of Missouri however, would be negatively impacted.

Officials at the **University of Missouri** assume this will have a financial impact on the University, but more details are required to determine the degree of impact. If the credits are provided out of university funds, there will be a negative financial impact on the University. If the credits are provided from other funds, the bill will have a mixed financial impact on the University. Tuition from another fund would be a positive impact but the cost of administering the program would have a negative impact.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
UNIVERSITY OF MISSOURI FUNDS			
<u>Cost - University of Missouri</u> tuition and administration costs	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON UNIVERSITY OF MISSOURI FUNDS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

Small businesses that qualify for the tuition credit could be affected.

FISCAL DESCRIPTION

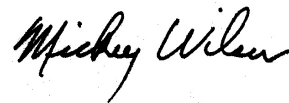
This bill establishes the Missouri Jobs for Education Program at the University of Missouri to provide a tuition credit to a business that creates new jobs. The tuition credit entitles the credit holder, who may be an employee of the business or a relative of the business owner, to one year of free tuition at any University of Missouri campus. A qualifying business will receive one tuition credit for every five new jobs created that pay wages equal to or more than the county average wage and have existed for at least one year. A business must provide proof of jobs created and supporting payroll records. A credit will expire if it is not used within 10 years of the date awarded. The university's board of curators may appoint a person to administer the program and establish the necessary rules.

The provisions of the bill will expire six years from the effective date.

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



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Director
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