

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4398-01
Bill No.: HB 1608
Subject: State Departments; Appropriations
Type: Original
Date: February 21, 2012

Bill Summary: This proposal eliminates unfunded programs from state law.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
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 2013	FY 2014	FY 2015
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

This proposal eliminates the following unfunded programs:

- 37.115 Duplicating Equipment Unit- Office of Administration
- 37.125 Records Management Center- Office of Administration
- 37.300- 37.390 Forms Management Unit - Office of Administration
- 37.500 Central Registry for Not for Profit Human Service Providers- Office of Administration
- 42.014-42.015 Veterans Education Trust Fund - Missouri Veterans Commission
- 99.800 - 99.865 Brownfield Redevelopment - Department of Economic Development
- 160.375 Missouri Senior Cadet Program - Department of Elementary and Secondary Education
- 160.542 Research Based Reform Program- Department of Elementary and Secondary Education
- 160.950 Persistence to Graduation Fund -Department of Elementary and Secondary Education
- 161.182 Disability Freeze Fund - Department of Elementary and Secondary Education
- 161.235 Student Suicide Prevention Grant- Department of Elementary and Secondary Education
- 161.800 Volunteer and Parent Incentive Program - Department of Elementary and Secondary Education
- 162.1010 New Schools Pilot Project - Department of Elementary and Secondary Education
- 162.1168 MO Preschool Plus Grant Program - Department of Elementary and Secondary Education
- 164.303 School District Bond Fund - Department of Elementary and Secondary Education
- 167.229 Model School Wellness - Department of Elementary and Secondary Education
- 167.290 - 167.310 Extended Day Child Care Program - Department of Elementary and Secondary Education
- 167.320 - 167.332 Alternative Education Program - Department of Elementary and Secondary Education
- 168.430 Missouri Teacher Corps -Department of Elementary and Secondary Education
- 168.550 - 168.585 MO Prospective Teachers Loan Program -Department of Higher Education
- 168.600 MO Critical Teacher Shortage Forgivable Loan Program -Department of Elementary and Secondary Education
- 169.580 Special Advisors - Department of Elementary and Secondary Education
- 170.254 Technology Grants - Department of Elementary and Secondary Education
- 172.287 Capitol Improvement for Engineering Equipment - Department of Higher Education
- 172.800 - 172.807 Alzheimer's Research Grants- Department of Higher Education
- 173.053 Access to Higher Education Trust Fund- Department of Higher Education
- 173.055 Student Loan Default State Risk Sharing Program - Department of Higher Education
- 173.198 Undergraduate Scholarship Program - Department of Higher Education
- 137.199 Graduate Fellowship Program - Department of Higher Education

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ASSUMPTION (continued)

173.267 MO Educational Employees Memorial Scholarship Program- Department of Higher Education
173.500 - 173.565 Higher Education Research Fund - Department of Higher Education
173.724 Higher Education Artistic Scholarship Program- Department of Higher Education
173.727 Higher Education Graduate Study Scholarship Program- Department of Higher Education
173.775 - 173.930 Advantage Missouri - Department of Higher Education
191.317 Newborn Screening Specimen Retention - Department of Health and Senior Services
191.390 MO Fibromyalgia Awareness Initiative Program- Department of Health and Senior Services
191.425 Women's Heart Health - Department of Health and Senior Services
191.725 -191.745 Perinatal Substance Abuse Information and Services -Department of Health and Senior Services
191.909 MO Healthnet Fraud Unit -Office of the State Auditor
192.031 - 192.036 Hepatitis C Program- Department of Health and Senior Services
192.640 - 192.644 Osteoporosis Prevention and Education Program- Department of Health and Senior Services
192.729 Lupus Erythematosis Program - Department of Health and Senior Services
193.295 - 193.305 Local Registrar's Fees for transmission of records to state- Department of Health and Senior Services
198.087 - 198.527 MO On-Site Surveyor Evaluation Process - Department of Health and Senior Services
207.150 General Relief - Department of Social Services
208.178 - 208.179 Health Insurance Coverage through Medicaid- Department of Social Services
208.192 Certain Medicaid Data to be made available on website - Department of Social Services
208.202 Premium Offset Program Pilot Project - Department of Social Services
208.309 - 208.315 Elder Volunteer for Elders Project- Department of Health and Senior Services
208.335 Community Revitalization/ systems of Support Program- Department of Social Services
208.500 - 208.507 Transitional Benefits Demonstration Projects- Department of Social Services
208.612 - 208.615 One Stop Shop for Elderly Program- Department of Health and Senior Services
208.700 - 208.720 Welfare to Work Program- Department of Social Services
215.054 Mental Health Housing Trust Fund - Department of Economic Development
217.378 Regimented Discipline - Department of Corrections
261.105 Sustainable Agriculture Demonstration Projects -Department of Agriculture
261.110 - 261.120 Organic Certification Program- Department of Agriculture
262.460 Aid to Fairs - Department of Agriculture
453.322 Grandparents as Foster Parents - Department of Social Services

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ASSUMPTION (continued)

476.415 Judicial Resources Commission - Office of State Courts Administrator
491.640 Witness Protection - Office of Prosecution Services
595.212 Victim Services - Office of Prosecution Services
620.1020 - 620.1029 Business Extension Services Team - Department of Economic
Development
620.1100 - 620.1103 Youth Opportunities and Violence Prevention - Department of Economic
Development
630.575 Eating Disorder Council- Department of Mental Health
633.180 - 633.185 DD Stipend Program- Department of Mental Health
660.016 Loans for Physicians and Nurses Health Care Initiative - Department of Social Services
660.019 - 660.021 Caseload Standards - Department of Health and Senior Services
660.530 - 660.545 Combined Senior Citizen/Residential Health Care Facilities/Child Day Care
Center Community Grants Program - Department of Social Services
660.725 Area Agency on Aging- Volunteer Transportation Program - Department of Health and
Senior Services

Officials at the **Budget and Planning** defers to the agencies for the fiscal impact.

Officials at the **Alcohol & Tobacco Control, Capitol Police, Department of Agriculture, Department of Conservation, Department of Corrections, Department of Health and Senior Services, Department of Higher Education, Department of Insurance, Financial Institutions and Professional Registration, Department of Labor and Industrial Relations, Department of Mental Health, Department of Natural Resources, Department of Revenue, Department of Social Services, Fire Safety, Joint Committee on Administrative Rules, Missouri Gaming Commission, Missouri Highway Patrol, Office of Administration, Office of the State Auditor, Office of State Courts Administrator, Office of the State Public Defender, Office of State Treasurer** and the **State Emergency Management Agency** assume there is no fiscal impact from this proposal.

Officials at the **Department of Economic Development** assume an unknown state fiscal impact as a result of the proposed legislation. This proposed legislation eliminates both local and state Tax Increment Financing (TIF). In both cases, this would prohibit the municipalities and state from fulfilling contracts in place for projects that have been approved in prior years. For the state TIF, this means that development projects have committed financing to undertake the development. Development projects with a Certificates of Approval from the state rely on the access to those TIF funds if all of the terms of their Certificate have been met, subject to appropriation. Tax increment financing captures state economic activity taxes generated as a result of planned redevelopment activities within a prescribed area and uses the captured new

ASSUMPTION (continued)

taxes to pay the debt service on bonds issued for eligible redevelopment costs. These costs include public infrastructure necessary to generate reuse of the properties.

The proposed legislation also eliminates the Business Extension Services Team program, otherwise known as the Urban Enterprise Loan program (BEST/UEL). It also eliminates the BEST fund. This would require repayment of all the outstanding BEST/UEL loans back to general revenue as they come in. No additional loans would be allowed, as there would be no guidelines for loaning the dollars. The purpose of the BEST/UEL program is to assist Missouri small business entrepreneurs with the creation, expansion and retention of their business enterprises located in the St. Louis and Kansas City urban areas.

The proposed legislation also eliminates the Youth Opportunities and Violence Prevention program and the YOVP fund. This means there would be no fund to receive money to grant out for the purposes of positive youth development. The intent of the fund is to provide an avenue to accept donations offered for the purpose of providing assistance to organizations that administer positive youth development or crime prevention programs.

Officials at the **Department of Elementary and Secondary Education** assume Section 164.303 allows for the statutory transfer of \$7 million which has not occurred for several years; but a small transfer of approximately \$400,000 is done on an annual basis to provide credit enhancement to school districts letting bonds. Since August 28, 1995 school districts have been able to issue bonds through the MOHELA program. At the outset, \$7 million was made available to districts to help defray issuance costs. Though those funds have ceased, \$390,000 has been appropriated to pay for the MO-HEFA fees to insure that school districts can achieve the benefits of the Missouri Bond Ratings.

Since 1995, \$9.3 billion in bond issues have been facilitated through this program. It has been estimated that bonds are issued at 25 basis points less due to this program, which have saved school districts approximately \$232 million since it inception. The \$390,000 appropriation is still very much needed.

This proposal would remove sections 178.930.1 (2) and 178.930.2 from statute which would eliminate Missouri's sheltered workshops. The sheltered workshops carry a \$24.7 million dollar budget, employ 7,068 disabled employees and 900 staff, and exist in 91 workshops throughout the state. Removal of section 178.930.1(1) and sections 178.930.3 and .4 could be accomplished without detriment to the workshops.

ASSUMPTION (continued)

Oversight assumes the programs identified in this proposal have not been funded by the State for at least five years. Therefore elimination of the programs would not result in a fiscal impact to the State.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

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.

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
	<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

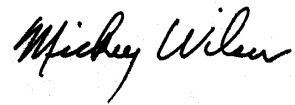
The proposed legislation appears to have no fiscal impact.

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

Alcohol & Tobacco Control
Budget and Planning
Capitol Police
Department of Agriculture
Department of Conservation
Department of Corrections
Department of Economic Development
Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Higher Education
Department of Insurance, Financial Institutions and Professional Registration
Department of Labor and Industrial Relations
Department of Mental Health
Department of Natural Resources
Department of Revenue
Department of Social Services
Fire Safety
Joint Committee on Administrative Rules
Missouri Gaming Commission
Missouri Highway Patrol
Office of Administration
Office of the State Auditor
Office of the Secretary of State
Office of State Courts Administrator
Office of the State Public Defender
Office of State Treasurer
State Emergency Management Agency

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A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive style with a large, prominent "M" and "W".

Mickey Wilson, CPA
Director
February 21, 2012

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