

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4745-01
Bill No.: SB 1305
Subject: Bonds: Higher Education
Type: Original
Date: March 2, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other 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 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials of the **University of Missouri** have prepared an economic impact analysis using the IMPLAN model. The model (see attached) projects an indirect economic impact of \$162,977,310 and 3,365 jobs created after one year. The model projects a ten-year impact of \$1,629,773,100 and 33,650 jobs created. The model assumes \$85,365,977 of outside grant support for the proposed projects.

Officials of the **Office of Administration - Division of Accounting** stated that, since the proposal only authorizes projects, there would be no fiscal impact. They did note that the proposal potentially authorizes about \$290,000,000 in bonds. Assuming 25-year maturity and six percent (6%) interest, the annual debt service would be approximately \$22,700,000. (Total cost to retire bonds over twenty-five years would be \$567,500,000.)

The proposal assumes local funds of at least \$115,433,000 for the projects specified in the proposal. (There is non-specific proposal for the Coordinating Board for Higher Education of \$100,000,000 from bond proceeds and an indeterminate amount from local funds). **Oversight** assumes these would be funds raised by the University from grants and contributions and that the direct fiscal impact to political subdivisions would be negotiated by the affected subdivisions and the University.

ASSUMPTION (continued)

Officials of the **Department of Higher Education** have not yet responded to the proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<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

This proposal would grant authorization to commence specified life sciences projects as approved by the Coordinating Board for Higher Education. The projects would be funded from bond proceeds and local funds.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space. This proposal would not affect Total State Revenue.

L.R. No. 4745-01
Bill No. SB 1305
Page 4 of 5
March 2, 2004

SOURCES OF INFORMATION

Office of Administration - Division of Accounting
University Of Missouri

NOT RESPONDING - Department of Higher Education

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

Mickey Wilson, CPA
Director
March 2, 2004

Economic Impact Analysis									
Project	Size (sq. ft.)	Purpose	# of Jobs	Outside Grant Support	Economic Impact*			Job Growth**	
				Support	1 year	5 year	10 year	1 year	10 year
MU Health Sciences Research Center:	400,000	Research space for biomedical research	576	\$41,760,000	\$76,462,560	\$382,312,800	\$764,625,600	1,641	16,410
UMSL Benton Stadler Building	133,200	Research and teaching space for biotechnology and molecular and cellular life sciences	16	\$6,555,977	\$18,676,200	\$93,381,200	\$186,762,000	259	2,590
UMR Mechanical Engineering Building	76,332 new renov 63,413 ated	Research space for biomedical, biomaterials, and manufacturing engineering	26	\$4,550,000	\$8,331,050	\$41,655,250	\$83,310,500	179	1,790
UMC Engineering Renovation	92,200	Teaching and research for Engineering students and faculty that will contribute to interdisciplinary life science development at MU	50	\$12,500,000	\$22,887,500	\$114,437,500	\$228,875,000	500	5,000
UMKC Health Sciences Building	Phase 63,465 I	Research space for life and health sciences translational research	320	\$20,000,000	\$36,620,000	\$183,100,000	\$366,200,000	786	7,860
Phase I & Phase II	Phase 190,480 II								
Summary	1,019,090 sq. ft.		988	\$85,365,977	\$162,977,310	\$814,886,750	\$1,629,773,100	3,365	33,650
*The IMPLAN model predicts that every 1.0 dollars brought into the university creates **IMPLAN shows every \$1,000,000 brought into the university supports 39.292 jobs in the community:									