

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3942-01
Bill No.: HB 1169
Subject: Education, Higher; Higher Education Dept.
Type: Original
Date: February 23, 2004

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|---|------------------|------------------|------------------|
| FUND AFFECTED | FY 2005 | FY 2006 | FY 2007 |
| General Revenue * | (Unknown) | (Unknown) | (Unknown) |
| | | | |
| Total Estimated Net Effect on General Revenue Fund * | (Unknown) | (Unknown) | (Unknown) |

* expected to be greater than \$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 * | (Unknown) | (Unknown) | (Unknown) |

* expected to be greater than \$100,000.

FISCAL ANALYSIS

ASSUMPTIONS

Officials from the **University of Missouri**, the **Department of Higher Education**, **Truman State University**, and **Central Missouri State University** assume this proposal would have no fiscal impact on their organizations.

Officials from **Moberly Area Community College** assume this proposal would have an unknown impact on their organization, with an estimated conversion cost of \$5,000 to \$10,000 for the first year.

Officials from the **St. Louis Community College System** assume it would cost in excess of \$20,000 to comply with the proposal's requirements.

Officials from **Southwest Missouri State University** (SMSU) assume this proposal would result in a first year cost in excess of \$10 million, and annual costs in excess of \$750,000. SMSU stated that complying with this proposal would require replacement of its current administrative systems, since modification of the current systems would require several years of programming effort.

ASSUMPTIONS (continued)

Oversight notes that modification or replacement of the existing system would require several years' effort on the part of Southwest Missouri State University and significant but unknown financial and administrative resources.

Officials from **Harris-Stowe State College, Lincoln University, the Metropolitan Community Colleges, Missouri Southern State University - Joplin, Missouri Western State College, Northwest Missouri State University, Southeast Missouri State University, State Fair Community College, and Three Rivers Community College** did not respond to our request for information.

Oversight has shown unknown costs in excess of \$100,000 for the state's public higher education institutions to comply with this proposal's requirements. Although the proposal allows the institutions to continue using the Social Security Number if it notifies students of this practice, the proposal would require institutions to eliminate the Social Security Number at the request of a student. These costs have been shown in the state General Revenue Fund. Oversight has also shown unknown costs in excess of \$100,000 for community college districts.

| <u>FISCAL IMPACT - State Government</u> | FY 2005 (10 Mo.) | FY 2006 | FY 2007 |
|---|-------------------------|-------------------------|-------------------------|
| GENERAL REVENUE FUND | | | |
| <u>Cost - Higher Education Institutions</u> | | | |
| Data processing * | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND * | <u>(Unknown)</u> | <u>(Unknown)</u> | <u>(Unknown)</u> |
| * expected to be greater than \$100,000. | | | |

FISCAL IMPACT - Local Government

FY 2005
(10 Mo.)

FY 2006

FY 2007

**COMMUNITY COLLEGE
DISTRICTS**

Cost - Higher Education Institutions

Data processing *

(Unknown)

(Unknown)

(Unknown)

**ESTIMATED NET EFFECT ON
COMMUNITY COLLEGE
DISTRICTS ***

(Unknown)

(Unknown)

(Unknown)

* expected to be greater than \$100,000.

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would prohibit public institutions of higher education from posting student social security numbers; requiring electronic transmission of social security numbers unless the connection is secured or password protected, and from using social security numbers on certain mailings unless state or federal law requires the number to be on such document. An institution may continue to use the social security number for student identification providing it notifies students of this practice annually, but an institution must stop such use at the request of any student.

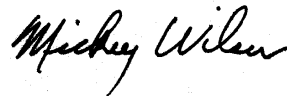
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Higher Education
Central Missouri State University
Moberly Area Community College
Southwest Missouri State University
St. Louis Community College System
Truman State University
University of Missouri

NOT RESPONDING

Harris-Stowe State College
Lincoln University
Metropolitan Community Colleges
Missouri Southern State University - Joplin
Missouri Western State College
Northwest Missouri State University
Southeast Missouri State University
State Fair Community College
Three Rivers Community College



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