

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4662-02
Bill No.: HB 2100
Subject: Education, Higher; Teachers
Type: Original
Date: January 25, 2016

Bill Summary: This proposal specifies that if a faculty member at a public college or university does not teach a certain percentage of classes for a course, students in that course shall receive reimbursement of a percentage of tuition.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
College & University	(Could exceed \$1,750,000)	(Could exceed \$1,750,000)	(Could exceed \$1,750,000)
Total Estimated Net Effect on <u>Other</u> State Funds	(Could exceed \$1,750,000)	(Could exceed \$1,750,000)	(Could exceed \$1,750,000)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Oversight was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Oversight notes this proposal requires faculty members at a higher education institution to teach at least 75% of a course or the institution would need to reimburse students 25% of their tuition and fees for the course. Additionally if a graduate or undergraduate teaching assistant teaches, as the sole instructor present, at least 75% of a course then students shall be reimbursed 25% of their tuition and fees for the course.

Oversight notes the cost of tuition at the University of Missouri is \$276.20 per credit hour. Therefore a three hour class would cost \$828.60. If a student was reimbursed 25% of the tuition for a three hour class it would be \$207.15. If 100 students had taken the class the total reimbursement for the students would be \$20,715 (207.15×100). If the class was a 500 student lecture then the reimbursement to the student could be \$103,575 (207.15×500).

Officials at the **Department of Higher Education** assume there is no fiscal impact from this proposal.

Officials at the **University of Missouri** assume that it would be difficult to calculate the exact fiscal impact of this proposal and very difficult to monitor or measure the amount of class time taught by listed faculty members. In a vast majority of cases, faculty listed as the instructors are the ones who are teaching the classes or developing the curriculum being followed by teaching assistants under close guidance of the faculty member. Given many courses include labs, small group discussions, or other non-lecture activities, it would be challenging to figure out how to monitor this situation in each and every course. Many courses are also taught online with recorded lectures and faculty availability times or communication channels. Trying to measure these would be difficult.

Officials at the **University of Central Missouri (UCM)** assume this would cause increased costs for UCM. One piece that impacts UCM is the employment of academically qualified graduate assistants (GA) to teach lower division courses. There were 5,833.5 credit hours taught by GAs

ASSUMPTION (continued)

in the fall and 4,549.5 credit hours are being taught by GAs this spring.

5,833.5 x \$214.85 = \$ 1,253,327.48

4,549.5 x \$214.85 = \$ 977,460.08

Total tuition = \$ 2,230,787.56

25% refund on total tuition = \$557,696.89

If UCM chose not to use Graduate Assistants at all to teach, the increased cost would be much more than the cost of paying the reimbursement listed above. Cost for UCM to deliver the instruction using adjunct professors would be about \$13,733,000 annually, and much more than that if full tenured professors were used.

Officials at the **Missouri State University** assume a loss of \$1.25 million annually.

Officials at the **Missouri Western State University** assume minimal cost.

Officials at the **Moberly Area Community College** and the **State Technical College of Missouri** each assume there is no fiscal impact from this proposal on their respective institution.

Officials at the following colleges: Crowder, East Central Community College, Harris-Stowe, Jefferson College, Lincoln University, Metropolitan Community College, Missouri Southern State University, Missouri Western State University, Northwest Missouri State University, Southeast Missouri State University, State Fair Community College, St. Charles Community College, St. Louis Community College, Three Rivers Community College and the Truman State University did not respond to **Oversight's** request for fiscal impact.

Oversight will reflect the impact to all Colleges and Universities as Could exceed the \$1.75 million, based upon the limited responses that we received.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
COLLEGE & UNIVERSITY FUNDS			
<u>Loss - tuition that may need to be reimbursed</u>	(Could exceed <u>\$1,750,000</u>)	(Could exceed <u>\$1,750,000</u>)	(Could exceed <u>\$1,750,000</u>)
ESTIMATED NET EFFECT ON COLLEGE & UNIVERSITY FUNDS	(Could exceed <u>\$1,750,000</u>)	(Could exceed <u>\$1,750,000</u>)	(Could exceed <u>\$1,750,000</u>)

FISCAL IMPACT - Local Government

FY 2017
(10 Mo.)

FY 2018

FY 2019

\$0

\$0

\$0

FISCAL IMPACT - Small Business

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

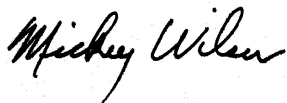
FISCAL DESCRIPTION

This proposal specifies that if a faculty member at a public college or university does not teach a certain percentage of classes for a course, students in that course shall receive reimbursement of a percentage of tuition.

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
Missouri State University
Missouri Western State University
Moberly Area Community College
State Technical College Missouri
University of Central Missouri
University of Missouri



Mickey Wilson, CPA
Director
January 25, 2016

Ross Strope
Assistant Director
January 25, 2016