

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6550-01
Bill No.: HB 2622
Subject: Higher Education Department; Education, Higher
Type: Original
Date: March 7, 2016

Bill Summary: This proposal grants certain state institutions of higher education the right to offer baccalaureate and graduate degree programs upon approval by the coordinating board for higher education.

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
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 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 in §174.167, allows the governing boards of Central Missouri State University, Southeast Missouri State University, Missouri State University, Northwest Missouri State University, Missouri Western State University, Missouri Southern State University and the Harris-Stowe State University to have the power to offer baccalaureate and graduate degree programs, subject to the approval by the coordinating board of higher education.

Oversight notes §174.645 allows the board of governors of Truman State University to have the power to offer baccalaureate and graduate degree programs, subject to the approval by the coordinating board of higher education.

Officials at the **Department of Higher Education** state that while there is no impact to the department to process applications for new degree programs, there could be a fiscal impact to institutions to hire faculty and open new facilities to house graduate degree programs.

Oversight notes §174.225, §174.231, §174.251 and §174.324 remove the restrictions from universities offering certain degree programs. Oversight notes that if a University decides to offer a certain degree program, tuition and fees from the students should cover the expenses of offering the courses. Oversight is unable to determine which Universities may expand their degree offerings as a result of this proposal. Oversight will not show an impact to the Universities from this proposal.

Officials at the **University of Missouri** assume the immediate impact this bill would have on the University is difficult to predict. With the expectation that state funding available for higher education will decline in the future, it is reasonable to believe starting new graduate, professional and engineering programs at other institutions will result in a loss of state funding to the University and its campuses.

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

ASSUMPTION (continued)

Officials at the **Missouri State University** assume there will be a positive fiscal impact on their College.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<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.

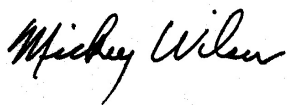
FISCAL DESCRIPTION

The proposed legislation appears to have no direct 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

Department of Higher Education
Metropolitan Community College
State Technical College of Missouri
University of Missouri
Missouri State University



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Mickey Wilson, CPA
Director
March 7, 2016

Ross Strobe
Assistant Director
March 7, 2016