

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4356-01  
Bill No.: HB 1474  
Subject: Higher Education; Employees - Employers  
Type: Original  
Date: January 4, 2018

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Bill Summary: This proposal eliminates tenure for new employees at public institutions of higher education and specifies information that public institutions of higher education must make available to the public.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
College & University Funds	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Could exceed \$100,000)</b>	<b>(Could exceed \$100,000)</b>	<b>(Could exceed \$100,000)</b>

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☒ 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 2019	FY 2020	FY 2021
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from the **Department of Higher Education** assume the proposal will have no fiscal impact on their organization.

Officials from **State Technical College of Missouri** assume this proposal will have a possibly large unknown fiscal impact as additional staff may be required to collect data, maintain it, and report it.

Officials from **Missouri State University** assume this proposal will have a negative fiscal impact of an undetermined amount.

Officials from the **University of Central Missouri (UCM)** assume most of the fiscal impact will be in labor costs. The financial impact will be the time it takes to conduct the following activities:

- Validate that UCM has all the appropriate data available to generate the recommended outcomes
- Define, create, and implement the reports to generate the appropriate data
- Define the process to load the report information to the appropriate web form
- Determine how best to present the information on the public facing web page
- Ensure processes and procedures are in place to continually update the information

Officials from the **University of Missouri System** assume the proposed legislation would have a significant negative fiscal impact on the University of Missouri System campuses due to increased difficulty in recruiting and retaining faculty members who teach and do research at the institutions.

**Oversight** notes this proposal, in §173.940, would prohibit the awarding of tenure to any person hired after January 1, 2019. Oversight is unable to determine any direct effects the tenure restriction will have on hiring by institutions of higher education.

**Oversight** notes this proposal, in §173.1004, would require the higher education institutions to post certain degree offering information on their websites, including cost of degree, types of employment opportunities, and current job market information about their degree, etc. Oversight will show an impact to the higher education institutions of could exceed \$100,000 annually for the collection and updating of this information.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
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**COLLEGE & UNIVERSITY FUNDS**

<u>Cost</u> - collecting and updating degree offering information	(Could Exceed <u>\$100,000</u> )	(Could Exceed <u>\$100,000</u> )	(Could Exceed <u>\$100,000</u> )
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<b>ESTIMATED NET EFFECT ON COLLEGE &amp; UNIVERSITY FUNDS</b>	<b>(Could Exceed <u>\$100,000</u>)</b>	<b>(Could Exceed <u>\$100,000</u>)</b>	<b>(Could Exceed <u>\$100,000</u>)</b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
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<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill prohibits public institutions of higher education in the State of Missouri from awarding tenure to any person who is hired by such institution for the first time on or after January 1, 2019.

This bill also requires all public institutions of higher education to post alongside their degree offerings, either on-line or in a course catalog, the following information for each degree program offered:

- (1) Estimated cost of the degree based on the hours required to complete the degree program, the books likely required to complete the degree program, and the on-campus housing costs for the number of academic years likely required to complete the degree program;
- (2) Types of employment opportunities generally expected to be available for students who earn the degree;
- (3) The current job market for people who have earned the degree;

FISCAL DESCRIPTION (continued)

(4) The number and percentage of students who earned the degree employed within one year of graduation for the most recent graduating class for which data is available and, for the students employed, their average income; and


(5) The number and percentage of students who earned the degree employed within one year of graduation in a field closely related to the degree program for the most recent graduating class for which data is available.

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  
State Technical College of Missouri  
University of Central Missouri  
University of Missouri System

Ross Strobe



Acting Director  
January 4, 2018