

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1390-01
Bill No.: HB 613
Subject: Higher Education
Type: Original
Date: April 23, 2019

Bill Summary: This proposal allows public institutions of higher education to charge differential tuition rates based on program of study.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
College & University Funds	\$0 or Unknown, Could exceed \$100,000	\$0 or Unknown, Could exceed \$100,000	\$0 or Unknown, Could exceed \$100,000
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or Unknown, Could exceed \$100,000	\$0 or Unknown, Could exceed \$100,000	\$0 or Unknown, Could exceed \$100,000

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
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 2020	FY 2021	FY 2022
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

Officials from the **University of Missouri System** assumes this proposal could have a significant financial impact on the University depending on the final language and implementation.

Officials from **State Technical College of Missouri** assume this proposal could have a significant positive fiscal impact to the College.

Officials from **Missouri State University** assume this proposal has a positive fiscal impact of an undetermined amount on the University.

Officials from **Department of Public Safety - Missouri National Guard** assume this would impact the MONG/Missouri State Tuition Assistance, but it would be an Unknown Fiscal impact to the Agency. With not knowing what the charge would be per "Program of study" we do not have the historical figures to calculate a response.

Oversight notes, based on the [Tuition Differential Fee Report](#) by the Board of Governors of the State University System of Florida, the tuition differential fees ranged from \$35.14 to \$52.29 per credit hour for the 2016-17 academic year for a estimated total of \$260.2 million in differential tuition revenues. Oversight assumes there could be a positive impact to colleges and universities from this proposal; however, the impact is unknown. Oversight will show a range of impact \$0 (no revenue increase) to an unknown increase in revenue that could exceed \$100,000 based on the differential rates of tuition implemented.

Oversight assumes, if institutions charge differential tuition rates, this could have an unknown impact on the tuition reimbursement scholarships and grants offered by the State such as the A+ program and the Missouri State Tuition Assistance program. Oversight assumes this would be an indirect impact and will not show a fiscal impact.

Oversight received a limited number of responses from colleges and universities related to the fiscal impact of this proposal. Oversight has presented this fiscal note on the best current information available. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

ASSUMPTION (continued)

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other institutions were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to www.legislativeoversight.mo.gov.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
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COLLEGE & UNIVERSITY FUNDS

<u>Income</u> - increase in revenue from differential tuition rates	\$0 or Unknown, Could exceed <u>\$100,000</u>	\$0 or Unknown, Could exceed <u>\$100,000</u>	\$0 or Unknown, Could exceed <u>\$100,000</u>
ESTIMATED NET EFFECT ON COLLEGE & UNIVERSITY FUNDS	\$0 or Unknown, Could exceed <u>\$100,000</u>	\$0 or Unknown, Could exceed <u>\$100,000</u>	\$0 or Unknown, Could exceed <u>\$100,000</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<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

This bill defines "program of study" as a program offered by an institution of higher education to which students are admitted and provides information pertaining to tuition rates.

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
Department of Public Safety - Missouri National Guard
University of Missouri System
State Technical College of Missouri
Missouri State University



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Director
April 23, 2019

Ross Strobe
Assistant Director
April 23, 2019