

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4628-02
Bill No.: HCS for HB 2151
Subject: Higher Education
Type: Original
Date: February 12, 2020

Bill Summary: This proposal allows Southeast Missouri State University to develop a statewide mission.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
College & University Funds (SEMO)	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
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 2021	FY 2022	FY 2023
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

In response to a previous version, HB 2151, officials from the **Department of Higher Education and Workforce Development** and the **University of Missouri System** each assumed the proposal will have no fiscal impact on their respective organization.

Officials from **Southeast Missouri State University (SEMO)** state there is a potential positive impact of an undetermined amount on Southeast Missouri State University, which is revenue that may come due to any enrollment increases realized in programs related to the statewide mission designation. The University is not seeking any additional appropriations via this legislation to implement the statewide mission. This is consistent with other institutions of higher education in Missouri that have a statewide mission in that the mere fact a school has a statewide mission does not mean additional state support has always followed to implement it. Therefore, any positive impact an institution may experience would likely be the result of actions at the institutional level such as increased marketing, new students, program enhancements, etc. and not necessarily the result of new money from the state. The statewide mission designation made the subject of this legislation has been unanimously endorsed by the Coordinating Board for Higher Education, and it does not duplicate a mission of any other institution of higher education in Missouri that has been granted a statewide mission.

Oversight notes that SEMO stated the proposal would have a positive fiscal impact on their organization. However, Oversight assumes there could be costs associated with implementing the statewide mission. Therefore, Oversight will show a range of impact of \$0 (statewide mission not implemented) to an unknown increase in revenue from the expansion of its statewide mission to an unknown cost to implement the statewide mission.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
COLLEGE & UNIVERSITY FUNDS			
Cost/Revenue - increase in potential cost and/or revenue for SEMO from expansion of statewide mission	\$0 or (Unknown) to <u>Unknown</u>	\$0 or (Unknown) to <u>Unknown</u>	\$0 or (Unknown) to <u>Unknown</u>
ESTIMATED NET EFFECT ON COLLEGE & UNIVERSITY FUNDS	\$0 or (Unknown) to <u>Unknown</u>	\$0 or (Unknown) to <u>Unknown</u>	\$0 or (Unknown) to <u>Unknown</u>

FISCAL IMPACT - Local Government

FY 2021
(10 Mo.)

FY 2022

FY 2023

\$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 bill states Southeast Missouri State University (SEMO) is hereby designated and shall hereafter be operated as an institution with a statewide mission in the visual and performing arts, computer science, and cybersecurity.. The bill modifies provisions relating to the Board of Governors for SEMO as outlined in the bill.

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 and Workforce Development
Southeast Missouri State University
University of Missouri System



Julie Morff
Director
February 12, 2020



Ross Strope
Assistant Director
February 12, 2020