

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0617H.06C
Bill No.: HCS for HB 355
Subject: Education, Higher; Higher Education and Workforce Development, Department of
Type: Original
Date: March 16, 2021

Bill Summary: This proposal establishes the "Students' Right to Know Act" to require institutions of higher education to provide outcomes information to incoming freshmen.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Colleges & Universities	(Could exceed \$250,000)	(Could exceed \$250,000)	(Could exceed \$250,000)
Total Estimated Net Effect on <u>Other</u> State Funds	(Could exceed \$250,000)	(Could exceed \$250,000)	(Could exceed \$250,000)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE			

- ☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- ☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education** and the **Department of Higher Education and Workforce Development** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to a previous version, officials from the **University of Missouri System** stated, as written, the proposed legislation will have a significant fiscal impact on the University in an amount greater than \$100,000. This includes costs associated with collecting the data requested by the provisions of the bill and working with other organizations that can aid the University in providing said data. Meeting the legislation's annual October 15 deadline would also create challenges, given the University's process for taking census and when student outcome surveys are conducted and finalized.

Officials from **Missouri State University** assume a potential negative fiscal impact of an undetermined amount due to time required to compile and report additional information to DHEWD.

Officials from **Southeast Missouri State University** assume this could potentially have a negative fiscal impact on the University. While the full extent of the impact is undetermined, it is estimated that 1 FTE may be necessary, which would add an annual cost, including benefits, of approximately \$62,000.

Officials from the **University of Central Missouri** have determined a negative fiscal impact on the University. It is estimated that 1 FTE would be added at an annual cost, including benefits, of approximately \$62,000.

Officials from **State Technical College of Missouri** assume this would have a negative fiscal impact on the College. It is estimated that 1 FTE would be added at an annual cost, including benefits, of approximately \$72,500.

Oversight assumes there could be costs to Colleges and Universities for the collection data. Oversight notes there are 27 public institutions of higher education. If half of the institutions required an FTE, the cost is estimated at \$806,000 (assuming a cost per FTE similar to the cost estimated by Southeast Missouri State University and University of Central Missouri).

For purposes of this fiscal note, **Oversight** will show a cost that could exceed \$250,000 to institutions of higher education.

Oversight received a limited number of responses from colleges & 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.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other Colleges and Universities were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
COLLEGE & UNIVERSITIES			
<u>Costs</u> - data collection	(Could exceed \$250,000)	(Could exceed \$250,000)	(Could exceed \$250,000)
ESTIMATED NET EFFECT ON COLLEGES & UNIVERSITIES	(Could exceed \$250,000)	(Could exceed \$250,000)	(Could exceed \$250,000)

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<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

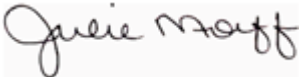
This bill creates the "Students' Right to Know Act", which, beginning January 1, 2022, requires the Department of Higher Education and Workforce Development to annually collect and compile specified information to help high school students make more informed decisions about their futures and ensure they are adequately aware of the costs of four-year college and alternative career paths. The document must be available to the Department of Elementary and Secondary Education for distribution to public school guidance counselors by October 15th each year.

The information provided by the public institutions is also required to be available on the website of the Department of Higher Education and Workforce Development.

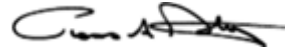
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Higher Education and Workforce Development
Department of Elementary and Secondary Education
University of Missouri System
State Technical College of Missouri
University of Central Missouri
Missouri State University
Southeast Missouri State University



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March 16, 2021



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March 16, 2021