

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4927H.02P
 Bill No.: Perfected HCS for HB 2310
 Subject: Education, Higher; Department of Higher Education And Workforce Development
 Type: Original
 Date: April 3, 2024

Bill Summary: This proposal modifies the "higher education core curriculum transfer act".

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2028)
General Revenue	(\$127,764)	(\$89,356)	(\$90,895)	Likely to exceed (\$90,895)
Total Estimated Net Effect on General Revenue	(\$127,764)	(\$89,356)	(\$90,895)	Likely to exceed (\$90,895)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2028)
College & University*	\$0	\$0	\$0	(Unknown)
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0	(Unknown)

* Unknown costs/losses are assumed to exceed \$250,000 annually.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2028)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2028)
General Revenue	1 FTE	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE	1 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 2025	FY 2026	FY 2027	Fully Implemented (FY 2028)
Local Government	\$0	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§§178.786, 178.787, and 178.788 – Higher education core curriculum transfer act

Officials from the **Department of Higher Education and Workforce Development (DHEWD)** state §178.787 of the proposed legislation requires community colleges, as defined in §163.191, and public four-year institution of higher education to adopt the [forty-two] sixty credit hour block, including specific courses comprising the curriculum, based on the core curriculum recommendations made by the coordinating board for higher education under subsections 1 and 2 of §178.786, for implementation beginning in the 2025-26 academic year.

DHEWD estimates the following in order to implement the legislation:

(1) The Core Curriculum Advisory Committee (CCAC) will need to meet in-person monthly for about a year to reach agreement on the lower-division requirements contained in the CORE 60. There are 37 members of the CCAC, and lunch per diem is \$11 in Jefferson City, costing \$407 per meeting and \$4,884 over the course of the year.

(2) The Office of Post-Secondary Policy will need 1.0 FTE Program Specialist at an annual salary of \$45,000 to handle the increased workload resulting from an expanded core (including meeting preparation, MOTR creation, additional course reviews, etc.).

(3) ITSD was provided funding in FY 2023 to automate the CORE 42 process. The funding was reappropriated in FY 2024, and work has not yet started. DHEWD anticipates enhancements may be required to go from a 42 credit hour block to a 60 credit hour block in the as-yet-to-be-built system.

(4) DHEWD did not receive technical assistance when CORE 42 was initially implemented, but the department feels that would have been extremely beneficial to its creation. Funding to secure a national expert to provide TA would also be helpful. DHEWD does not know how much that would cost.

§§178.786.3 and 178.787.1, RSMo, currently has the implementation date as the 2025-26 academic year. However, CORE 42 works a year in advance in order to meet the timelines needed for institutions to publish their catalogs. As a result, work for the 2025-26 academic year would take place in the fall of 2024, leaving no time for the department to convene stakeholders. Implementation in 2026-27 would provide staff enough time to work out the agreements between all public institutions on the expanded core.

§178.788, RSMo, references "a Missouri public institution of higher education accredited by a regional accrediting body." However, the U.S. Department of Education no longer recognizes a

distinction between regional and national accreditors when it repealed the regional monopoly rules in 2019. This language should instead reference accreditation by a United States Department of Education recognized accreditor.

While this bill may create a policy incentive for students to remain at community college longer, it does not create any additional financial incentives to do so. Since the A+ program will already pay for the full 60 hours needed for an associates' degree, the DHEWD anticipates some impact on the program, but believes that it will be minimal.

Oversight has no information to the contrary. Therefore, Oversight will present the fiscal impact to the General Revenue Fund provided by DHEWD as \$127,763 for FY 2025; \$89,355 for FY 2026 and \$90,894 for FY 2027.

Officials from the **University of Missouri System (UM)** state the immediate fiscal impact of this legislation is difficult to predict but could be significant. An investment of faculty and staff resources will be necessary across the four universities to expand the existing CORE 42 program to 60 credits, which may include modifications to the curricula of many programs to accommodate an increase in general education coursework. To the extent the additional 18 credits are in areas unrelated to the student's degree and still necessary for the bachelor's degree, this new requirement would increase the educational costs for the student.

Oversight has no information to the contrary. Oversight will present (Unknown) costs/losses as the fiscal impact to College and University Funds. It is assumed the impact could exceed \$250,000 annually, but would not occur until academic year 2027-2028. Oversight further assumes, as these core classes would be classes potentially transferred from community colleges, the proposal will have no fiscal impact on Local Governments but would represent a loss in fees to four year colleges and universities.

Officials from **Northwest Missouri State University** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other colleges and universities were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027	Fully Implemented (FY 2028)
GENERAL REVENUE FUND				
<u>Costs</u> – DHEWD (§§178.786, 178.787, and 178.788) p. 3&4				Likely to exceed...
Personal service	(\$37,500)	(\$45,900)	(\$46,818)	(\$46,818)
Fringe benefits	(\$27,051)	(\$32,810)	(\$33,166)	(\$33,166)
Equipment and expense	(\$13,317)	(\$417)	(\$426)	(\$426)
ITSD consultant costs	(\$49,896)	(\$10,229)	(\$10,485)	(\$10,485)
Total Costs - DHEWD	(\$127,764)	(\$89,356)	(\$90,895)	(\$90,895)
FTE Change - DHEWD	1 FTE	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	<u>(\$127,764)</u>	<u>(\$89,356)</u>	<u>(\$90,895)</u>	<u>Likely to exceed</u> <u>(\$90,895)</u>
Estimated Net FTE Change on the General Revenue Fund	1 FTE	1 FTE	1 FTE	1 FTE
COLLEGE & UNIVERSITY FUNDS				
<u>Costs</u> – College & Universities (§§178.786, 178.787, and 178.788) – Expansion of core curriculums from 42 to 60 classes p.4	\$0	\$0	\$0	(Unknown)
<u>Losses</u> – College & Universities (§§178.786, 178.787, and 178.788) – Reduction in fees p.4	\$0	\$0	\$0	(Unknown)
ESTIMATED NET EFFECT ON COLLEGE & UNIVERSITY FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>(Unknown)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027	Fully Implemented (FY 2028)
	<u>\$0</u>	<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

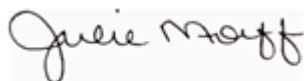
This bill increases from 42 to 60 the number of semester credit hours that shall be approved as "transferable core of lower division courses" from community colleges and four-year universities. By the 2025-26 academic year the coordinating board for higher education shall identify an additional 18 credit hours to be included in the transferable core of lower-division courses.

The bill allows students with an associate degree from a Missouri public institution of higher education to be considered as satisfying the transferable lower-division coursework requirements and upon transfer to a public institution no additional general education requirements for the same program of study will be required.

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
 University of Missouri Systems
 Northwest Missouri State University



Julie Morff
 Director
 April 3, 2024



Ross Strobe
 Assistant Director
 April 3, 2024