

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5094H.02C
Bill No.: HCS for HB 2905
Subject: Education, Higher; Department of Higher Education and Workforce Development
Type: Original
Date: April 1, 2024

Bill Summary: This proposal modifies provisions governing funding for higher education.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on FTE	0	0	0

- 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
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§173.1541 – Funding for higher education

Officials from the **Department of Higher Education and Workforce Development (DHEWD)** 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.

Officials from the **University of Central Missouri (UCM)** state this proposal will have an indeterminate fiscal impact on UCM due to unknown information regarding the funding model.

Officials from **Northwest Missouri State University (NWMSU)** stated this proposal has the potential for a positive fiscal impact on NWMSU dependent on the model and approval.

Oversight assumes colleges and universities will have no direct fiscal impact as a result of this legislation as the proposal directs that a funding model be developed. Any impact experienced by institutions of higher education is dependent on the adoption of a new funding model and funding of that model by the General Assembly.

Oversight notes, in the 2022 legislation session, the General Assembly passed HB 3003 which directed the DHEWD to commission a study that would provide recommendations to the Governor and the General Assembly on higher education performance funding models. DHEWD contracted with the National Center for Higher Education Management Systems (NCHEMS) to conduct a review of the State’s higher education funding models and create a recommended funding model for the state of Missouri. In addition, NCHEMS was to review efficiency measures. NCHEMS issued their final report with the results of their review of Missouri’s higher education performance funding models along with recommendations on July 3, 2023. Based on their findings, the NCHEMS designed a new funding model for Missouri institutions of higher education

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

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
	<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.

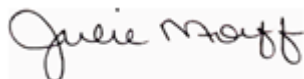
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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
Northwest Missouri State University
University of Central Missouri



Julie Morff
Director
April 1, 2024



Ross Strobe
Assistant Director
April 1, 2024