

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0313H.02P
 Bill No.: Perfected HB 183
 Subject: Education, Higher; Department of Higher Education and Workforce Development
 Type: Original
 Date: April 1, 2025

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
General Revenue	(\$308,011)	(\$365,074)	(\$293,338)
Total Estimated Net Effect on General Revenue	(\$308,011)	(\$365,074)	(\$293,338)

*Oversight reflects estimates from DHEWD for Section §§178.786 and 178.787 – Higher Education Core Curriculum Transfer Act. Oversight notes, according to DHEWD to establish new software, they will need to hire one FTE for the added workload and bring in a consultant.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
College & University*	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown)	(Unknown)	(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
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
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on 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
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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

Officials from the **Department of Higher Education and Workforce Development (DHEWD)** state the proposed legislative changes will cause a fiscal impact to the DHEWD. DHEWD projects the following costs for Section 178.786 (4):

(1) To create clear transfer pathways, including common course numbering matrices, across Missouri's public institutions in five degree program areas (general business, elementary education and teaching, psychology, registered nursing, and biology), they will need to gather degree program data from all institutions, analyze it, and work with faculty and senior leadership to make proposed changes to the programs. To accomplish this, they will need to secure a national expert to provide analysis and technical assistance. DHEWD estimates consultant costs at approximately \$70,000, based on similar work done in Louisiana.

(2) The OPP will need 1.0 FTE at the Program Specialist level (estimated salary of \$50,000 + \$33,774.97 fringe = \$83,774.89) to handle the increased workload resulting from creation of the pathways (including meeting preparation, creating common course equivalencies, additional course reviews, IT management, etc.).

(3) The Core Curriculum Advisory Committee, or similar committee established to handle the project, will need to meet monthly for the 18 months prior to the launch of the pathways, and then on an ongoing basis to manage the work each academic year. The committee would begin meeting in September 2025, and meet monthly until February 2027, at which time the new courses would be due for publication in institutional catalogs for the AY 2028 academic year. There are currently 37 members of the CCAC, and lunch per diem is \$11 in Jefferson City, costing \$407 per meeting and \$7,326 over the course of the 18 months.

(4) The recently launched CORE 42 submission portal will need to be enhanced to accommodate additional requirements from the expanded transfer pathways. This will include building a new model to handle pathways instead of courses, and accommodations for different components including review structures and timelines. The DHEWD worked with Accenture to build the current system using Service Now software. ITSD projects cost \$150,000 for the first year and \$200,000 in the second and third years, for a total of \$550,000.

Oversight has no information to the contrary. Therefore, Oversight will present the fiscal impact to the General Revenue Fund provided by DHEWD as \$308,011 for FY 2026; \$365,074 for FY 2027 and \$293,338 for FY 2028.

Officials from the **University of Missouri System (UM)** state this legislation would require significant investment of resources to develop a 60-hour core curriculum for each of the five

identified academic programs, including reaching consensus on the core across Missouri's 14 public community colleges and 13 public universities. These investments in faculty and staff resources would be necessary to expand the existing CORE 42 program to 60 credits, which may include modifications to the curricula of many programs to accommodate all credit hours into specific programs. To the extent the additional 18 credits are in areas unrelated to the student's degree, this new requirement would increase the educational costs for the student.

Officials from the **University of Central Missouri** assume there would be an indeterminate fiscal impact at UCM.

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. In addition, Oversight assumes 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 if students remain at community college longer.

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.

FISCAL IMPACT – State Government	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE FUND			
<u>Costs</u> – DHEWD (§§178.786 and 178.787) p.3			
Personal service	(\$41,667)	(\$51,000)	(\$52,020)
Fringe benefits	(\$29,860)	(\$36,233)	(\$36,642)
Equipment and expense	(\$12,414)	(\$4,585)	(\$4,676)
Total Costs - DHEWD	(\$83,941)	(\$91,818)	(\$93,338)
FTE Change - DHEWD	1 FTE	1 FTE	1 FTE
<u>Costs</u> – ITSD/Other - DHE (§§178.786 and 178.787) p.3			
CCAC Meeting Expenses	(\$4,070)	(\$3,256)	\$0
Consultant – Analysis & Technical	(\$70,000)	(\$70,000)	\$0
CORE 42 ITSD Enhancements	(\$150,000)	(\$200,000)	(\$200,000)
Total Costs – ITSD/DHE	(\$224,070)	(\$273,256)	(\$200,000)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	(\$308,011)	(\$365,074)	(\$293,338)
Estimated Net FTE Change on the General Revenue Fund	1 FTE	1 FTE	1 FTE
COLLEGE & UNIVERSITY FUNDS			
<u>Costs</u> – College & Universities (§§178.786 and 178.787) – Expansion of core curriculums from 42 to 60 classes p.3	(Unknown)	(Unknown)	(Unknown)
<u>Losses</u> – College & Universities (§§178.786 and 178.787) – Reduction in fees p.3	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON COLLEGE & UNIVERSITY FUNDS	(Unknown)	(Unknown)	(Unknown)

<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

This bill specifies that, prior to June 30, 2027, the coordinating board, with the assistance of an advisory committee, shall approve a 60-credit hour transferable lower-division courses and common course numbering equivalency matrix for the five applicable degree programs outlined in the bill beginning in the 2027 - 28 academic year. Each public institution of higher education, offering the approved degree programs, must include in its programs of study an approved 60-hour program equivalency matrix.


If a student successfully completes the transferable lower-division courses at a public institution of higher education, such courses may be transferred and shall be substituted for core curriculum courses in the same degree program at a receiving institution. The transferring student receives credit toward the student's degree and is not required to take additional core classes for the same degree program at the receiving institution. Transferring students who have not fully completed the transferable coursework curriculum may be required to satisfy further course requirements at the receiving institution.

The coordinating board must report to the House Higher Education Committee and the Senate Education Committee on progress related to the requirements of 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
University of Missouri Systems
University of Central Missouri



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April 1, 2025



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April 1, 2025