

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0518H.01I  
Bill No.: HB 90  
Subject: Higher Education; Department of Higher Education and Workforce Development  
Type: Original  
Date: March 3, 2025

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Bill Summary: This proposal modifies provisions relating to the authority to confer degrees at public institutions of higher education.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
Colleges and Universities*	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>

\*This proposal allows other universities to confer degrees currently conferred only by the University of Missouri (UM). It is assumed if other universities decide to offer degrees in programs currently only conferred by UM that the administrative costs could exceed \$250,000 annually and that revenue (tuition and fees) would move from one university to another and would net to \$0.

Numbers within parentheses: () indicate costs or losses.

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

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☒ 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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

#### **§§172.280, 173.005 & 174.160 – Authority to confer degrees at colleges/universities**

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

Officials from the **University of Missouri System (UM)** state the fiscal impact on the UM System is difficult to predict but could be significant. It is reasonable to believe that starting new PhD programs, professional degrees, and engineering degrees will significantly increase expenditures at other institutions. These cost increases would require a significant increase in state funding for these institutions, causing a corresponding loss of state funding to the UM System and its four universities.

**Oversight** assumes UM could experience a negative fiscal impact as a result of this proposal since students could opt to attend another university to obtain their desired degree and that other universities in Missouri would incur additional administrative expenses starting up/adding new programs. The administrative expenses may or may not be offset by an increase in enrollment. Therefore, for fiscal note purposes, Oversight assumes this proposal will have a \$0 to unknown negative fiscal impact on universities.

In addition, the net effect on tuition/fees lost by UM and received by other universities will not be significantly different. Lastly, Oversight assumes the impact could be greater than \$250,000 if even one university decided to create a new graduate, professional and/or engineering program at their institution. Oversight will range the impact from \$0 to an unknown amount.

Officials from the **University of Central Missouri** assume there is an indeterminate fiscal impact at UCM. **Oversight** does not have any information to the contrary.

In response to similar legislation (HB 1497, 2024) officials from **Northwest Missouri State University** and **Missouri State University** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary.

**Oversight** only reflects the responses received from state agencies and political subdivisions; however, other 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 2026 (10 Mo.)	FY 2027	FY 2028
<b>COLLEGES AND UNIVERSITIES</b>			
<u>Costs – Colleges &amp; Universities</u> (§§172.280, 173.005 & 174.160) – increased administrative costs p.3	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<b>ESTIMATED NET EFFECT ON COLLEGES AND UNIVERSITIES</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>

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

### FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

### FISCAL DESCRIPTION

This bill relates to the authority to confer degrees at public institutions of higher education.

The bill repeals the following provisions:

(1) The University of Missouri is the state’s only public research university and the exclusive grantor of research doctorates and first-professional degrees, including dentistry, law, medicine, optometry, pharmacy, and veterinary medicine (Section 172.280);

(2) Degrees in podiatry and chiropractic and osteopathic medicine may be conferred only by the University of Missouri or by a public institution of higher education in collaboration with the University of Missouri, with the University of Missouri being the degree-granting institution, unless the University of Missouri declines to collaborate with the institution (Section 173.005); and

(3) Degrees in engineering may be conferred only by the University of Missouri or by a public institution of higher education in collaboration with the University of Missouri, with the

University of Missouri being the degree-granting institution, unless the University of Missouri declines to collaborate with the institution (Section 174.160).

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

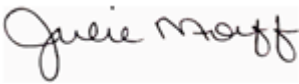
Department of Higher Education and Workforce Development

University of Missouri System

University of Central Missouri

Northwest Missouri State University

Missouri State University



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March 3, 2025



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March 3, 2025