

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1473H.02C
 Bill No.: HCS for HB Nos. 616 & 90
 Subject: Higher Education; Department of Higher Education and Workforce Development
 Type: Original
 Date: May 7, 2025

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

FISCAL SUMMARY

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

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

*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.

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

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 (UCM)** assume there would be an indeterminate impact on their organization.

In response to a previous version, officials from the **Southeast Missouri State University** assumed there is the potential for a likely positive impact on Southeast Missouri State University.

Officials from the **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.

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
COLLEGES AND UNIVERSITIES			
<u>Costs – Colleges & Universities</u> (§§172.280, 173.005 & 174.160) – increased administrative costs p.3	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
ESTIMATED NET EFFECT ON COLLEGES AND UNIVERSITIES	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<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 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, RSMo);
- (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
Northwestern Missouri State University
University of Central Missouri
Southeast Missouri State University



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May 7, 2025



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May 7, 2025