

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3061-02
Bill No.: SCS for SB 830
Subject: Education, Higher; Military Affairs; Higher Education Department.
Type: Original
Date: February 8, 2008

Bill Summary: This proposal limits the tuition that may be charged by a higher education institution to certain combat veterans.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Higher Education (DHE)** assume the provisions of this bill will require work on the part of DHE staff, but the DHE assumes these additional duties can be performed with existing resources.

Officials at the **Linn State Technical College** assume losses as follows:

FY 2009= \$252,720 39 students affected x 72 credit hours x \$140/credit hour = \$393,120
x \$50/credit hour = \$140,400
\$252,720

FY 2010= \$277,488 41 students affected x 72 credit hours x \$144/credit hour = \$425,088
x \$50/credit hour = \$147,600
\$277,488

FY 2011= \$303,408 43 students affected x 72 credit hours x \$148/credit hour = \$458,208
x \$50/credit hour = \$154,800
\$303,408

Officials at the **Metropolitan Community College** assume a negative fiscal impact of approximately \$335,000 in lost tuition revenue in the first year of the enactment of this proposal.

In a previous version of this bill, officials at the **University of Missouri (UM)** assume the total cost to the UM would be more than \$2.4 million if this proposal is adopted. The loss would be as follows:

University of Missouri - Columbia = \$605,415.

University of Missouri - Kansas City = \$782,458.

University of Missouri - Rolla = \$398,362.

University of Missouri - St. Louis = \$839,208.

This includes students at the undergraduate, graduate and professional level.

Officials at the **University of Central Missouri (UCM)** assume administrative costs to collect and review paperwork to determine eligibility would be \$8,721 to cover a half-time employee to do the work. Additionally, UCM assumes lost tuition revenue estimated at \$508,680 per year based on 108 students now enrolled in this category at 30 credit hours per year times \$157 lost per credit hour.

ASSUMPTION (continued)

Officials at the **Missouri State University** assume at a current cost of \$175.00/credit, the savings to the student and cost to the institution would be \$129.00. Assuming 49 veterans, each taking an average of 30 credits at a discount of \$129.00 per credit the cost/loss of revenue to be made up by the institution would be $(49 \times 30 \times 129) = \$189,630$. If inflation is 3% per year, the cost to the institution in 2010 would be \$195,319, and in 2011 would be \$201,178.

Officials at the **Lincoln University** assume a possible modest fiscal impact in the form of lost tuition revenue.

Officials at the **Truman State University** assume that there is no fiscal impact from this proposal.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Oversight assumes there would be no direct effect on state revenue. Oversight recognizes that the universities will lose tuition funding but tuition income is not general revenue or state money.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
	<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.

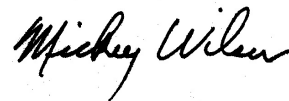
FISCAL DESCRIPTION

The proposed legislation appears to have no 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
Truman State University
Linn State Technical College
Metropolitan Community College
University of Missouri
Lincoln University
University of Central Missouri
Office of the Secretary of State
Missouri State University
University of Missouri



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