

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4233-03  
Bill No.: Perfected SB 455  
Subject: Education, Higher; Boards, Commissions, Committees, Councils; Governor and Lt. Governor; General Assembly; Elementary and Secondary Education Department  
Type: Original  
Date: February 8, 2012

Bill Summary: This proposal modifies the duties prescribed to the Coordinating Board for Higher Education.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2013	FY 2014	FY 2015
Universities	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Unknown - Could exceed \$100,000)</b>	<b>(Unknown - Could exceed \$100,000)</b>	<b>(Unknown - Could exceed \$100,000)</b>

Numbers within parentheses: ( ) indicate costs or losses. This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</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 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2013</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>Local Government</b>	<b>( Unknown - Could exceed \$100,000)</b>	<b>(Unknown - Could exceed \$100,000)</b>	<b>(Unknown - Could exceed \$100,000)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Elementary and Secondary Education** indicated no fiscal impact to their agency resulting from this proposal.

Officials from the **Missouri Senate** stated this proposal either has no fiscal impact as it relates to their agency or minimal costs which can be absorbed by present appropriations.

Officials from the **Office of the Governor** and the **Missouri House of Representatives** stated there should be no fiscal impact to their respective agencies.

Officials from the **Department of Higher Education (DHE)** state this proposal would create several new duties for the Coordinating Board for Higher Education (CBHE).

§173.005.2(6) The CBHE would require all public two-year and four-year higher education institutions to replicate best practices in remediation and identify and reduce methods that have been found to be ineffective in preparing or retaining students or which delay students' enrollment in college-level courses.

§173.005.2(8) Would prescribe that the CBHE require all public two-year and four-year institutions to create a statewide core-transfer library of at least 25 lower division courses. The same section would require the DHE. to develop a policy to foster reverse transfer for students accumulating enough hours in combination with at least one public four-year and one public two-year institution to satisfy the requirements for an associate degree.

§173.040.(6) Would require the CBHE to annually report on the progress of its duties under §173.005.02(6) and §173.005.2(8), as well as campus-level progression, retention and completion metrics consistent with performance-funding goals.

DHE states it is currently operating at capacity with its existing resources. The completion of these duties, in addition to the current duties of the CBHE, would require additional resources. DHE does, however, anticipate receipt of external funding to address the need for additional resources created by the proposed legislation, so DHE does not anticipate that this proposal will have a fiscal impact on their agency.

ASSUMPTION (continued)

Officials from Colleges and Universities responded as follows:

**Missouri Southern State University**

No fiscal impact is anticipated.

**Missouri State University (MSU)**

§173.005.2 (6) Selective and Highly Selective admissions institutions currently are not required to offer remedial courses thus MSU may not be affected by these changes. If the proposal refers to "all" four-year institutions, then Missouri State would have to develop and offer such courses and expenses for development, instructors, and instructional space related to a yet to be determined number of courses would be incurred.

§173.005.2 (8) Statewide general education transfer articulation currently exists. Collaborative effort to develop specific general education courses is ongoing. There could be undetermined costs involved with, developing, staffing, and maintaining those specific courses. MSU assumes the proposed changes in reverse transfer would seem to have impact on two-year institutions.

**University of Central Missouri (UCM)**

§173.005.2 (8) Compliance with the proposed revision would require UCM faculty members to meet and work with faculty members from other public institutions beyond the current level of work on transfer and articulation. Given the expectation of a reasonable mix of face-to-face, teleconference, and web-based conference meetings, officials estimate UCM's one-time travel and communication expenses to be \$5,000 to \$8,000. This does not include the assignment of any cost to the faculty and administrative time that would be required to complete the process.

**Missouri Western State University (MWSU)**

§173.005.2 (6) Replicating best practices may result in space and technical equipment adjustments, software expenses, increased staff costs, professional development and training for assigned staff, and/or increased staff costs in academic support centers. The projected costs to Missouri Western State University could exceed \$100,000 annually.

§173.005.2 (8) MSWU officials state it is unclear whether the reference to all institutions includes all public or all public, private, for-profit and proprietary institutions operating in Missouri. The complexity of coordinating among "all" institutions will require multiple meetings

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ASSUMPTION (continued)

and potentially some course adjustments or development to meet the intent of the proposed provision. The potential cost for individual institutions is difficult to determine.

Missouri Western is currently working on a reverse transfer option with two community colleges. This process is projected to require one additional staff person in both the Registrar and Admissions offices and require significant training for information technology staff to deal with non-compatible administrative systems. Projected annual costs are estimated at \$100,000.

**Saint Louis Community College**

§173.005.2 (6) Officials assume the fiscal impact is “Unknown” until such time as they are notified by CHE. as to which best practice strategies are being mandated for adoption.

**Linn State Technical College**

The proposal has an unknown fiscal impact on Linn State Technical College.

**Officials from the Office of the Lieutenant Governor did not provide a fiscal note response.**

<u>FISCAL IMPACT - State Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
<b>UNIVERSITIES</b>			
<u>Cost - Universities - §173.005.2 (6) &amp; §173.005.2 (8)</u>	(Unknown - Could exceed <u>\$100,000</u> )	(Unknown - Could exceed <u>\$100,000</u> )	(Unknown - Could exceed <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT ON UNIVERSITIES</b>	<u>(Unknown - Could exceed \$100,000)</u>	<u>(Unknown - Could exceed \$100,000)</u>	<u>(Unknown - Could exceed \$100,000)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2013 (10 Mo.)	FY 2014	FY 2015
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Cost - Community Colleges -§173.005.2 (6) &amp; §173.005.2 (8)</u>	(Unknown - Could exceed <u>\$100,000</u> )	(Unknown - Could exceed <u>\$100,000</u> )	(Unknown - Could exceed <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<u>(Unknown - Could exceed \$100,000)</u>	<u>(Unknown - Could exceed \$100,000)</u>	<u>(Unknown - Could exceed \$100,000)</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposal modifies the duties prescribed to the Coordinating Board for Higher Education (CBHE).

§173.005.2 (6)

The CBHE will require all public two-year and four-year higher education institutions to replicate best practices in remediation, as described in the proposal.

§173.005.2 (8)

The CBHE will also require all public two-year and four-year higher education institutions, by July 1, 2014, to create a statewide core transfer library of at least twenty-five lower division courses across all institutions that are transferable among all public higher education institutions.

The CBHE must develop a policy to foster reverse transfer for students who have accumulated enough hours in combination with public higher education institution in Missouri that offers an associate degree and four-year institutions to be awarded an associate degree.

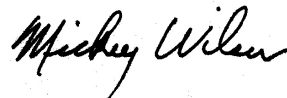
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

**SOURCES OF INFORMATION**

Department of Higher Education  
Department of Elementary and Secondary Education  
Office of the Governor  
Missouri Senate  
Missouri House of Representatives  
Colleges and Universities  
    Missouri State University  
    Missouri Western State University  
    Missouri Southern State University  
    University of Central Missouri  
    St Louis Community College  
    Linn State Technical College

**NOT RESPONDING**

**Office of Lieutenant Governor**



Mickey Wilson, CPA  
Director  
February 8, 2012