

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0664-01  
Bill No.: SB 117  
Subject: Education, Higher; Higher Education Department; Boards, Commissions, Committees, Councils; Military Affairs  
Type: Original  
Date: January 29, 2013

Bill Summary: This proposal allows individuals who are separating from the military to have resident student status for purposes of attending public institutions of higher education.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
<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 2014	FY 2015	FY 2016
Colleges and Universities	(More than \$100,000)	(More than \$100,000)	(More than \$100,000)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(More than \$100,000)</b>	<b>(More than \$100,000)</b>	<b>(More than \$100,000)</b>

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</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 2014</b>	<b>FY 2015</b>	<b>FY 2016</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 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Higher Education (DHE)** state this proposal is not anticipated to have any direct, foreseeable fiscal impact on their agency; however, granting groups of students certain tuition rates which may be lower than the rates currently charged to those students could have a negative fiscal impact on the tuition revenue collected by public institutions of higher education in this state. Not knowing the number of students to which this might apply or what institutions those students might attend, makes it difficult to project an actual cost as individual institution tuition rates differ. DHE will defer to those institutions for responses on how the proposal might fiscally impact them.

Officials from **Linn State Technical College** state this proposal will have an unknown fiscal impact on their college.

Officials from the **University of Missouri System** state this proposal is estimated to cost approximately \$600,000 per year.

Officials from the **Kansas City Metropolitan Community College** assume this proposal would have a slightly negative, although unknown, fiscal impact on their college.

Officials from **Missouri Southern State University** assume an indeterminate fiscal impact.

Officials from **Northwest Missouri State University** assume there will be fiscal impact, but cannot quantify or project the impact without knowing the exact number of military members who will enroll as a result of this proposal.

The **University of Central Missouri (UCM)** estimates this proposal would have little, if any, fiscal impact on UCM because the university already awards resident status to active duty military personnel, including those separating from the military.

**Oversight** assumes the cumulative negative fiscal impact on colleges and universities will exceed \$100,000 per year for loss of out-of-state tuition.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS's office is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact

ASSUMPTION (continued)

for this fiscal note to Secretary of State's office for Administrative Rules is less than \$2,500. SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, 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 their office can sustain with their core budget. Therefore, 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 with core funding. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Joint Committee on Administrative Rules, Department of Public Safety - Missouri Veterans Commission** and the **Missouri National Guard and Missouri State University** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
<b>COLLEGES AND UNIVERSITIES</b>			
<u>Loss - Colleges and Universities - Out-of-State tuition</u>	(More than <u>\$100,000</u> )	(More than <u>\$100,000</u> )	(More than <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT ON COLLEGES AND UNIVERSITIES</b>	<b>(More than <u>\$100,000</u>)</b>	<b>(More than <u>\$100,000</u>)</b>	<b>(More than <u>\$100,000</u>)</b>
<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
	<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 act allows any individual who is separating from the military forces of the United States to be considered a resident student for admission and in-state tuition purposes at a public institution of higher education. The separating military member must demonstrate presence within Missouri and, if attending a community college, presence within the service area of the community college.

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 Public Safety  
    Missouri Veterans Commission  
    Missouri National Guard  
Joint Committee on Administrative Rules  
Office of Secretary of State  
    Administrative Rules Division  
Colleges and Universities  
    University of Missouri System  
    Linn State Technical College  
    Kansas City Metropolitan Community College  
    Missouri State University  
    Missouri Southern State University  
    University of Central Missouri  
    Northwest Missouri State University



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