

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4908-03
Bill No.: SB 583
Subject: Education, Higher
Type: Original
Date: February 1, 2016

Bill Summary: This proposal creates an instructional waiver review board for the University of Missouri System.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
College & University Funds	(Unknown greater than \$60,000,000)	(Unknown greater than \$60,000,000)	(Unknown greater than \$60,000,000)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown greater than \$60,000,000)	(Unknown greater than \$60,000,000)	(Unknown greater than \$60,000,000)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Oversight notes this proposal in §172.100, would require the University of Missouri Board of Curators to establish minimum teaching workloads for faculty members. The University of Missouri Board of Curators would be required to establish an instructional waiver review board comprised of Missouri residents to determine which faculty members can receive a waiver of the minimum teaching workloads for faculty.

Officials at the **University of Missouri (UM)** assume this proposal as drafted would cost approximately \$60 million annually to implement. The impact is as follows:

\$29 million as a result of a 15% reduction in research grants for MU faculty who are not able to receive waivers from teaching responsibilities.

\$7 million as a result of a 15% reduction in research grants for faculty at UMKC and UMSL who are not able to receive waivers from teaching responsibilities.

These represent losses. In some cases faculty members who now have the flexibility to do research because of a waiver will not be able to under this new proposal and UM may lose the federal or other research funding.

\$18 million from increased physician costs associated with the MU School of Medicine since many faculty would not be able to run clinics that require receiving a waiver. The School of Medicine would need to employ additional physicians.

\$5 million in administrative costs for filling positions that are now held by faculty who receive waivers but would be unable to with passage of the law. The school would need to hire additional administrative FTE to handle work currently done by faculty.

Officials at the **Department of Higher Education** and the **Missouri House of Representatives** each assume there is no fiscal impact from this proposal to their respective organization.

Officials at the **University of Central Missouri (UCM)** assume that in the event this were interpreted to apply also to UCM it would increase costs in terms of staff hours in the amount of \$45,000 annually to hire additional staff. The \$45,000 annually would cover \$25,000 additional staff hours to UCM Institutional Research and \$20,000 additional staff hours in the Provost's Office.

ASSUMPTION (continued)

Officials at the **Jefferson College, Metropolitan Community College, Missouri State University, Northwest Missouri State University** and the **State Technical College of Missouri** each assume there is no fiscal impact from this proposal to their respective organization.

Oversight notes that §174.457, provides that the board of governors at the University of Central Missouri, Missouri State University, Missouri Southern State University, Missouri Western State University and each other public institution of higher education is charged with a statewide mission shall have the same powers, duties, authority, responsibilities, privileges, immunities, liabilities and compensation as prescribed by law for the board of curators at the University of Missouri. Given this provision, these Universities may also be required to implement the instructional waiver review board. Oversight will show the impact to all Universities as Unknown greater than the estimate provided by UM.

Officials at the following colleges: Crowder, East Central Community College, Harris-Stowe, Lincoln University, Moberly Area Community College, Missouri Southern State University, Missouri Western State University, Southeast Missouri State University, State Fair Community College, St. Charles Community College, St. Louis Community College, Three Rivers Community College, Truman State University, and the University of Missouri did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
COLLEGE & UNIVERSITY FUNDS			
<u>Cost</u> - Additional staff hired or loss of funding	(Unknown greater than <u>\$60,000,000</u>)	(Unknown greater than <u>\$60,000,000</u>)	(Unknown greater than <u>\$60,000,000</u>)
ESTIMATED NET EFFECT ON COLLEGE & UNIVERSITY FUNDS	(Unknown greater than <u>\$60,000,000</u>)	(Unknown greater than <u>\$60,000,000</u>)	(Unknown greater than <u>\$60,000,000</u>)
<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<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

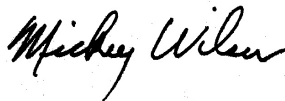
This act creates an instructional waiver review board for the University of Missouri System. Such review board shall be composed of nine members as described in the act, and terms shall be three years.

The review board shall meet at least twice annually and shall evaluate all instructional waivers requested by regular faculty members. The anonymity of the faculty requesting the waiver shall be maintained throughout the review. The number of instructional waivers granted for each campus shall not exceed thirty percent of the total number of regular faculty employed by that campus, and preference for the granting of a waiver shall be given to faculty whose research is funded through means other than state appropriations.

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
Jefferson College
Metropolitan Community College
Missouri House of Representatives
Missouri State University
Northwest Missouri State University
State Technical College of Missouri
University of Central Missouri
University of Missouri



Mickey Wilson, CPA
Director

Ross Strobe
Assistant Director

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