

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6003-02  
Bill No.: SCS for SB 968  
Subject: Education, Higher; Veterans  
Type: Original  
Date: April 1, 2016

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Bill Summary: This proposal allows current members of the Missouri National Guard and reserve components of the U.S. Armed Forces to receive in-state residency status for the purposes tuition at public higher education institutions.

**FISCAL SUMMARY**

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

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
College & University	(Unknown over \$250,000)	(Unknown over \$250,000)	(Unknown over \$250,000)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>(Unknown over \$250,000)</b>	<b>(Unknown over \$250,000)</b>	<b>(Unknown over \$250,000)</b>

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

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</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 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

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

## FISCAL ANALYSIS

### ASSUMPTION

**Oversight** notes this proposal allows members of the Missouri National Guard to pay in-state tuition at Missouri higher education institutions. This tuition limitation is applied after all other federal and state aid for which the individual is eligible is applied.

**Oversight** notes that tuition at the University of Missouri for 14 credit hours is estimated to be \$10,586 for in-state students and \$25,198 for out-of-state students. Oversight notes that the University of Central Missouri charges \$214.85 per credit hour for in-state students and \$429.70 for out-of-state students. Oversight is unable to determine how many Missouri National Guard members pay out-of-state tuition. Additionally, Oversight is unable to determine if the institutions currently have programs that would lower the amount paid by Missouri National Guard members when they enroll as a student.

**Oversight** notes that in this current version of the proposal (SCS), members of the reserve component of the Armed Forces of the United States are also allowed to receive this tuition limitation. Neither Oversight nor the Office of the Adjutant General are able to determine how many additional reserve members would apply for this tuition limitation. Oversight found an estimate of the number of Missouri National Guard members of 11,733 (2,293 Air National Guard and 9,440 Army National Guard). However, Oversight was unable to accurately determine how many individuals currently serve in the Reserves. Oversight found a report that in 2013, there were 20,159 U.S. Selected Reserves serving in Missouri. Additionally, there were 16,566 active duty military serving in Missouri.

**Oversight** notes the tuition limitation is only allowed at a Missouri public or private higher education institution. This program requires the individual who wants to be eligible for the program to demonstrate a presence in Missouri. Therefore, the number of eligible individuals could be 48,458 (11,733 + 16,566 + 20,159). Oversight will show the impact as Unknown over \$250,000.

Officials at the **Department of Higher Education** assume this would not fiscally impact the department; though they would need to promulgate rules for the program.

In response to similar legislation filed this year, HB 2155, officials at the **Office of the Adjutant General** assumed there is no fiscal impact from this proposal.

ASSUMPTION (continued)

Officials at the **University of Missouri** assumed the approximate cost would be \$250,000 at the Columbia campus assuming the numbers stay about the same with roughly 45 eligible students. At University of Missouri- St. Louis there are 36 eligible students and their cost would be \$0. At the Missouri University of Science and Technology report that their cost would be \$34,650. UMKC assumes this proposal would result in additional students being eligible.

Officials at the **State Technical College of Missouri** assume this would have a negative fiscal impact but the impact can not be determined at this time.

Officials at the **Missouri State University** assume this would have an unknown negative impact.

Officials at the **University of Central Missouri** assume there is no fiscal impact from this proposal.

Officials at the **Northwest Missouri State University** assume this would have an impact of \$35,000.

Officials at the **Metropolitan Community College** assume there is no fiscal impact from this proposal.

In response to the previous version of this proposal, officials at the **St. Louis Community College** assumed there was no fiscal impact from this proposal to their institution.

In response to similar legislation filed this year, HB 2155, officials at the **Missouri Western State University** and the **State Fair Community College** each assumed there was no fiscal impact from this proposal to their respective institutions.

Officials at the **Joint Committee on Administrative Rules** assumed 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

ASSUMPTION (continued)

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.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
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**COLLEGE & UNIVERSITY FUNDS**

<u>Loss - Institutions - loss of tuition</u>	(Unknown over <u>\$250,000</u> )	(Unknown over <u>\$250,000</u> )	(Unknown over <u>\$250,000</u> )
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<b>ESTIMATED NET EFFECT ON COLLEGE &amp; UNIVERSITY FUNDS</b>	<b>(Unknown over <u>\$250,000</u>)</b>	<b>(Unknown over <u>\$250,000</u>)</b>	<b>(Unknown over <u>\$250,000</u>)</b>
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<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

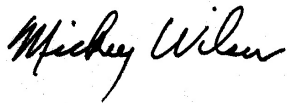
FISCAL DESCRIPTION

This act allows current members of the Missouri National Guard and reserve components of the U. S. Armed Forces to receive in-state residency status for the purposes of tuition at any public four-year institution of higher education, or in-district residency status for any two-year public institution, as described in the act.

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  
Joint Committee on Administrative Rules  
Metropolitan Community College  
Missouri State University  
Missouri Western State University  
Northwest Missouri State University  
Office of the Adjutant General  
Office of the Secretary of State  
State Fair Community College  
State Technical College of Missouri  
St. Louis Community College  
University of Central Missouri  
University of Missouri



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April 1, 2016

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