

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5054-02  
Bill No.: Perfected SCS for SB Nos. 807 & 577  
Subject: Higher Education; Department of Higher Education  
Type: Original  
Date: February 7, 2018

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Bill Summary: This proposal modifies provisions relating to degree offerings at public institutions of higher education.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	(\$55,629)	(\$66,253)	(\$66,908)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$55,629)</b>	<b>(\$66,253)</b>	<b>(\$66,908)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Colleges & Universities	\$0	\$0	\$0 to (Unknown)
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0 to (Unknown)</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 2019</b>	<b>FY 2020</b>	<b>FY 2021</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 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
General Revenue	1 FTE	1 FTE	1 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>	<b>1 FTE</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 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

In response to a previous version (SB 807, LR 5054-01), officials from **University of Central Missouri** assumed there would be a negative fiscal impact for the university.

In response to a previous version (SB 807, LR 5054-01), officials from **Missouri State University** assumed there is a positive fiscal impact of an undetermined amount to the university.

In response to a previous version (SB 807, LR 5054-01), officials from **State Technical College of Missouri** assumed this proposal should have no impact.

In response to a previous version (SB 807, LR 5054-01), officials from the **University of Missouri System** assumed the fiscal impact on the University of Missouri System is not expected to exceed \$100,000.

**Oversight** assumes this proposal grants the coordinating board of higher education the power to approve, not approve, or provisionally approve new degree programs and to authorize a degree program outside an institution's board-approved mission if certain requirements are met.

**Oversight** assumes the fiscal impact from this proposal would be based on changes made by the coordinating board of higher education in regards to the approval, denial or provisional approval of certain degree programs. Oversight assumes this portion of the proposal is permissive and will not show a fiscal impact.

### Senate Amendment 3

Officials from **Department of Higher Education (DHE)** assume Senate Amendment 3 requires the Coordinating Board for Higher Education (CBHE) to promulgate rules and set standards and regulations for student counseling facilities at public institutions of higher education. Furthermore, the amendment requires the CBHE to develop a process for measuring/assessing institutions ability to meet these requirements and objectively evaluate the programs for effectiveness.

**DHE** assumes the department will need one full time position to research and develop the rules and to train institutions on the standards and regulations and then to evaluate the institutions ability to meet the standards, etc.

ASSUMPTION (continued)

Officials from the **Department of Mental Health** assume the proposal will have no fiscal impact on their organization.

In response to a similar proposal (SB 785), officials from the **University of Central Missouri (UCM)** stated the proposal may result in the need for UCM to increase its capacity for clinical appointments as the University currently has 4 clinical staff. Current wait times for initial appointments average a few days except at the peak period of the fall semester. The current average number of sessions per student is 3, which is less than half the national average. Therefore, the goal would be to further decrease wait times and increase the number of sessions available to students to approximately 6.

Based on the International Association of Counseling Services, Inc. (IACS), 2010 standards that recommend a ratio of 1 clinician to every 1,000 - 1,500 students and a Fall 2017 enrollment of 12,333 students, UCM would need 8-12 clinical staff, or an increase of approximately 3-7 clinicians.

Therefore, UCM's goal would be an increase of 5 clinical staff with a corresponding increase in its annual operating budget of \$371,850 (salaries + benefits + operating budget items) plus one time costs of \$25,000 for office furniture and computer equipment. NOTE: Operating budget items include professional expenses, continuing education, license renewals, liability insurance, etc.

FY 2019 costs:  $\$371,850 + \$25,000 = \$396,850$

FY 2020 costs: \$371,850

FY 2021 costs: \$371,850

In response to a similar proposal (SB 785), officials from **Missouri State University (MSU)** stated this proposal will have a negative fiscal impact of an undetermined amount to MSU.

In response to a similar proposal (SB 785), officials from **State Technical College of Missouri** stated the fiscal impact of this proposal on their organization is unknown and would be contingent upon rules and whether it was required to hire more counselors.

In response to a similar proposal (SB 785), officials from the **University of Missouri (UM)** assumed, that as written, the proposal should have little to no fiscal impact on the University of Missouri system.

ASSUMPTION (continued)

In response to a similar proposal (SB 785), officials from the **Joint Committee on Administrative Rules** and **Missouri Western State University** each assumed the proposal would not fiscally impact their respective agencies.

**Oversight** assumes there could be some costs associated with meeting the standards developed by the coordinating board. Oversight will show a fiscal impact of \$0 (compliance not required or already in compliance) to an unknown cost for universities to comply with the (to be determined) standards. Oversight notes the amendment states the each public institution of higher education, in the 2020-2021 school year, shall report on compliance with the new standards and what plan the institution has to meet the standards. Therefore, Oversight will reflect the potential unknown costs to public colleges and universities in FY 2021.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
<b>GENERAL REVENUE</b>			
<u>Cost - DHE</u>			
Personal Service	(\$30,980)	(\$37,548)	(\$37,923)
Fringe Benefits	(\$18,191)	(\$21,940)	(\$22,051)
Equipment & Expenses	<u>(\$6,458)</u>	<u>(\$6,765)</u>	<u>(\$6,934)</u>
<u>Total Costs - DHE</u>	(\$55,629)	(\$66,253)	(\$66,908)
FTE Change - DHE	1 FTE	1 FTE	1 FTE
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>			
	<b><u>(\$55,629)</u></b>	<b><u>(\$66,253)</u></b>	<b><u>(\$66,908)</u></b>
Estimated Net FTE Change for General Revenue Fund	1 FTE	1 FTE	1 FTE
<b>COLLEGE AND UNIVERSITY FUNDS</b>			
<u>Cost - reporting and compliance with standards for student counseling facilities</u>	\$0	\$0	\$0 to <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON UNIVERSITY FUNDS</b>			
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0 to (Unknown)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<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 provides that community colleges may grant baccalaureate degrees if authorized by the Coordinating Board for Higher Education. The West Plains Campus of Missouri State University and the State Technical College of Missouri may also offer baccalaureate degrees if authorized by the Coordinating Board. The University of Missouri is the only state college or university authorized to offer doctor of philosophy degrees or first-professional degrees.

The Coordinating Board may approve, not approve, or provisionally approve proposed new degree programs offered by state institutions of higher education. The Coordinating Board may authorize a degree program outside of an institution's Coordinating Board-approved mission only when certain requirements are met as described in the act.

The board of regents of each state college and each state teachers college have authority to confer additional degrees when authorized by the Coordinating Board, in circumstances as described in the act. An institution may be authorized to offer nonresearch doctoral degrees in allied health professions independently if collaboration with another institution would not increase the quality of the program. The boards of state colleges and state teachers colleges have the power and authority to confer degrees in engineering only in collaboration with the University of Missouri if the collaborative agreement is approved by the governing board of each institution. In such instance the University of Missouri will be the degree-granting institution. If the University of Missouri declines to collaborate, institutions may seek approval of the program with the Coordinating Board through the Board's review process.

No state college or university may seek the land grant designation held by Lincoln University and the University of Missouri or the research designation currently held by the University of Missouri.

FISCAL DESCRIPTION (continued)

This act repeals provisions relating to Missouri Southern State University's ability to offer specific programs and degrees in collaboration with the University of Missouri and provisions granting authority to Missouri Southern State University and Missouri Western State University to offer master's level degree programs in accountancy.

Prior to January 1, 2020, the CBHE shall set forth reasonable standards and regulations for student counseling facilities, as defined in the act, at public institutions of higher education that relate to mental health problems within the academic community. After such standards are established, the CBHE shall develop a process for measuring an institution's ability to meet student mental health needs.

Beginning with the 2020-2021 school year, each public institution of higher education shall publish a report that measures compliance with the standards for student counseling facilities, with details as set forth 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  
Department of Mental Health  
Missouri Western State University  
University of Central Missouri  
Missouri State University  
State Technical College of Missouri  
University of Missouri System

Ross Strope



Acting Director  
February 7, 2018