

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4987S.01I
 Bill No.: SB 1322
 Subject: Education, Higher; Military Affairs; National Guard
 Type: Original
 Date: February 20, 2024

Bill Summary: Modifies provisions relating to education assistance for members of the Missouri National Guard.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2028)
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2028)
College & University	Up to (\$2,467,590)	Up to (\$2,467,590)	Up to (\$2,467,590)	Up to (\$2,467,590)
Total Estimated Net Effect on Other State Funds	Up to (\$2,467,590)	Up to (\$2,467,590)	Up to (\$2,467,590)	Up to (\$2,467,590)

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2028)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2028)
Total Estimated Net Effect on FTE	0	0	0	\$0

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2025	FY 2026	FY 2027	Fully Implemented (FY 2028)
Local Government	(Unknown)	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

§173.239 – Tuition waiver for eligible MONG members

Officials from the **University of Missouri System (UM or University)** state the University has determined that 120 credit hours tuition cost \$51,472 in academic year 2024. This fiscal impact would be this amount multiplied by the number of students who were eligible to receive this waiver, which the University cannot estimate at this time.

Oversight notes the University of Missouri's response indicates an average cost per credit hour of \$429 ($\$51,472 / 120$ hours) for academic year 2024.

Officials from **Northwest Missouri State University (Northwest)** state the fiscal impact of this proposal will be contingent on the number of individuals who would qualify and enroll at Northwest. For estimation purposes, it is assumed there would be an estimated cost of \$32,000 annually per individual to an estimated \$160,000 per individual per degree. The exact cost is unknown.

Officials from the **University of Central Missouri (UCM)** state this proposal would have an unknown fiscal impact. Possible positive fiscal impact could result from students accepting the assistance and attending UCM. Possible negative fiscal impact depending on the definition of the fees applied.

Oversight obtained information from the Missouri National Guard (MONG). The MONG stated there are currently 10,638 active MONG members and that during FY 2023, 991 members utilized the state tuition assistance program. In addition, the MONG reimburses members up to \$346 per undergraduate credit hour completed. The proposal will have no fiscal impact on the MONG as it would continue to provide tuition assistance up to their maximum amount.

Oversight assumes this proposal could negatively impact UM and other qualifying colleges and universities by up to \$83 ($\$429 - \346) per credit hour or \$9,960 per undergraduate degree. If all 991 MONG members received a waiver of fees above those reimbursed by the MONG, the fees lost could total up to \$9,870,360. It is further assumed that a 120 credit hours will take the average student 4 years to complete. Therefore, Oversight assumes College and University Funds could lose fees up to \$2,467,590 per year ($\$9,870,360 / 4$ years) and be fully implemented in FY 2028.

Community colleges would also be impacted by this proposal. However, since no community colleges responded to Oversight's fiscal note request, Oversight will present an unknown loss of fees to Local Governments – Community Colleges.

Officials from the **Department of Higher Education and Workforce Development** and the **Missouri National Guard** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight only reflects the responses received from state agencies and political subdivisions; however, other colleges and universities were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027	Fully Implemented (FY 2028)
COLLEGE AND UNIVERSITY FUNDS				
<u>Loss –Colleges and Universities – Reduction in fees collected due to tuition and waiver of fees for undergraduate MONG members (§173.239) p.3-4</u>	Up to (\$2,467,590)	Up to (\$2,467,590)	Up to (\$2,467,590)	Up to (\$2,467,590)
ESTIMATED NET EFFECT ON COLLEGE AND UNIVERSITY FUNDS	<u>Up to (\$2,467,590)</u>	<u>Up to (\$2,467,590)</u>	<u>Up to (\$2,467,590)</u>	<u>Up to (\$2,467,590)</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027	Fully Implemented (FY 2028)
LOCAL GOVERNMENTS – COMMUNITY COLLEGES				
<u>Loss</u> – Community Colleges – Reduction in fees collected due to tuition and waiver of fees for undergraduate MONG members (§173.239) p.3-4	(Unknown)	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON LOCAL GOVERNMENTS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

Currently, any Missouri National Guard member may be awarded an educational assistance grant to an approved public or private higher education institution. This act provides that any Missouri National Guard member may be awarded, upon application before each semester, either a tuition and fee waiver for undergraduate courses at a postsecondary institution of higher education located in this state that directly receives funds appropriated by the General Assembly or a grant to certain eligible institutions as defined in the act. The educational assistance shall not exceed the lesser of the actual tuition charged at an institution where the member is enrolled or accepted for enrollment or the total of the number of credit hours taken multiplied by the average tuition cost per credit hour charged to a Missouri resident at the University of Missouri for attendance, with the average cost determined by the Missouri National Guard.

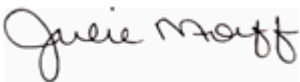
This act additionally allows members of the Missouri National Guard to make a one-time transfer of the educational assistance to a dependent spouse. The total educational assistance shall not exceed a cumulative total equal to 150 credit hours multiplied by the average tuition

cost per credit hour charged to a Missouri resident at the University of Missouri. Spouses seeking to receive educational assistance shall provide a certificate of satisfactory service of the member's National Guard duties along with proof of a cumulative grade point average of at least 2.5 on a 4.0 scale while attending the approved institution. (§173.239)

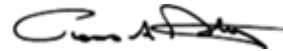
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Higher Education and Workforce Development
Missouri National Guard
University of Missouri System
Northwest Missouri State University
University of Central Missouri



Julie Morff
Director
February 20, 2024



Ross Strobe
Assistant Director
February 20, 2024