

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0260-11
Bill No.: Perfected SS#2 for SCS for SB 55
Subject: Education, Higher; Higher Education Department
Type: Original
Date: February 20, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on Other State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

A. Cooperative Agreements for Graduate Degree Programs

In response to a similar proposal, officials from the **Department of Higher Education (DHE)** assumed this legislation would have no direct fiscal impact on their organization. However, they note that the total cost to the state is unknown based on the inability of DHE to identify the number of courses and the cost of each course which might receive state funding as a result of this legislation.

In response to a similar proposal, officials from **Truman State University, Central Missouri State University**, and the **University of Missouri** assumed this proposal would have no impact on their organization.

In response to a similar proposal, officials from **Southwest Missouri State University** assumed this proposal would not result in any additional costs to their organization. Further, they assumed that some potential savings could occur depending on the terms of the cooperative financial agreements that might be worked out.

ASSUMPTION (continued)

In response to a similar proposal, officials from **Lincoln University** assumed this proposal could result in additional revenues of \$486,000 per program and additional expenditures of \$372,000 per program for onsite delivered programs.

Oversight assumes this proposal would have unknown fiscal impact on the state's four-year colleges and Universities. Although the proposal states that costs incurred with respect to the provisions of the proposal would be paid from state funds allocated to the institution assigned the administrative authority for the program, the organizations affected by the proposal are state-owned institutions. Oversight assumes the proposal could be implemented by the affected organizations from student fees or other institutional resources, and without the need for additional state appropriations. Accordingly, Oversight has shown no fiscal impact for any specific state fund.

B. Name and Institutional Mission Change

Officials from the **Department of Higher Education** (DHE) assume this legislation would have no direct fiscal impact on the DHE. However, it would have an unknown impact on the higher education institution specified due to costs incurred with the change in institutional mission to a statewide mission. Further, DHE assumes the proposal could have an unknown impact on the higher education institution specified since the proposal allows the institution to seek state funding for master's degree programs. Finally, DHE assumes there would be institutional costs directly related to the name change of the specified institution for changes in signage, stationary, and other related items.

Officials from **Missouri Southern State College** did not respond to this proposal.

Oversight assumes this proposal would result in minimal one-time costs to Missouri Southern State College for signage, stationary, and other related changes. Oversight assumes there could be increased costs for graduate degree programs permitted as a result of the proposal which might be partially or completely offset by the potential elimination of associate degree programs as a result of the proposal. Oversight assumes the proposal would not necessarily require additional appropriations for increases in operating costs as a result of this proposal, and that any costs associated with changes in institutional mission would be addressed through the normal state budget process for higher education.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
	<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.

DESCRIPTION

This proposal would allow the Department of Higher Education to promote and encourage the development of cooperative agreements between Missouri public four-year institutions which do not offer graduate degrees, and Missouri public four-year institutions which offer graduate degrees. The proposal specifies that costs incurred with respect to the agreements may be paid from state funds allocated to the institution assigned the administrative authority for the program.

This proposal would also change the name of Missouri Southern State College to Missouri Southern State University - Joplin and would change its institutional mission as follows:

- a. The institution would be designated as a statewide institution of international or global education.
- b. The institution would be permitted to offer master's degree programs subject to the approval of the Department of Higher Education.
- c. The institution would be required to discontinue associate degree programs unless continuation is approved by the Department of Higher Education.

Costs incurred with respect to the name change could not be paid from state funds.

DESCRIPTION (continued)

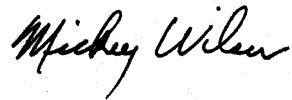
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Higher Education

NOT RESPONDING

Missouri Southern State College

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
February 20, 2003