

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2453-01  
Bill No.: SB 496  
Subject: Higher Education; Department of Higher Education  
Type: Original  
Date: April 8, 2019

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Bill Summary: This proposal includes supplementary fees, course fees, laboratory fees, and all other fees in the definition of "tuition" for public institutions of higher education.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<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 2020	FY 2021	FY 2022
College & University Funds	\$0 to (Could exceed \$14,000,000)	\$0 to (Could exceed \$14,000,000)	\$0 to (Could exceed \$14,000,000)
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0 to (Could exceed \$14,000,000)</b>	<b>\$0 to (Could exceed \$14,000,000)</b>	<b>\$0 to (Could exceed \$14,000,000)</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 2020</b>	<b>FY 2021</b>	<b>FY 2022</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 2020</b>	<b>FY 2021</b>	<b>FY 2022</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 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

**Oversight** notes a request for fiscal impact was sent to the Department of Higher Education on March 5, 2019 and was due back to Oversight by March 19, 2019. Oversight did not receive a response from the Department of Higher Education as of the date this note was completed. Oversight has presented this fiscal note on the best current information. Upon the receipt of all agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Officials from **University of Central Missouri** state, while the addition of supplemental fees, course fees, lab fees and other fees to the defined HESFA-relevant tuition calculation appears straightforward at first glance, in reality the variables involved in the calculation will likely lead to inconsistent and imprecise numbers. Unlike instructional fees and mandatory student general fees required and applicable to all on-campus resident undergraduates, these supplemental fees are not uniform to these students and can vary dramatically depending upon student program selection and course paths. Simple year-over-year comparison of average supplemental fees per student FTE has potential to yield large swings simply as a result of change in student mix (e.g., type, program, or course), even when there has been no rate adjustment.

"Graduate student" is being added into the definition of "tuition"; however, there is no specification of associated credit hours, and the term "net tuition revenue" appears only to be applied to resident undergraduate tuition and required fees.

While the fiscal impact is uncertain, there is potential that the institution would forego millions of dollars in revenue over a few years.

Officials from **University of Missouri System (UM)** assume this proposal would result in an estimated \$14 million loss in revenue annually, representing \$70 million in lost revenue over a 5 year period.

Officials from **Missouri State University** assume this proposal has a negative fiscal impact of an undetermined amount on the university.

Officials from **State Technical College of Missouri** assume this proposal will have a negative fiscal impact.

**Oversight** assumes this proposal includes supplementary fees, course fees, laboratory fees, and

ASSUMPTION (continued)

all other fees in the definition of tuition. Oversight assumes by including these fees in the definition of tuition this proposal would cap these fees.

Additionally, **Oversight** assumes this proposal includes tuition and fees charged to undergraduates enrolled in less than 15 hours and tuition and fees charged to graduate students in the definition of tuition which is subject to an annual cap.

After a brief review, Oversight notes the following fees:

University of Missouri Columbia - [Supplemental Course Fees](#)

College of Ag, Food and Natural Resources	Course Fee - Per Credit	\$53.20
College of Arts & Science (level 2000+)	Course Fee - Per Credit	\$40.80
School of Medicine (level 2000+)	Course Fee - Per Credit	\$40.80
College of Veterinary Medicine (level 2000+)	Course Fee - Per Credit	\$40.80
Trulaske College of Business (Undergraduate)	Course Fee - Per Credit	\$94.50
Trulaske College of Business (Graduate)	Course Fee - Per Credit	\$110.70
College of Education	Course Fee - Per Credit	\$52.00
College of Engineering	Course Fee - Per Credit	\$210.00
School of Health Professions	Course Fee - Per Credit	\$100.20
Health Management & Informatics	Course Fee - Per Credit	\$40.00
School of Journalism	Course Fee - Per Credit	\$80.80
Sinclair School of Nursing Clinical Nursing	Graduate Fee - Per Credit	\$209.20
Sinclair School of Nursing (Undergraduate)	Course Fee - Per Credit	\$108.20
College of Human Environmental Sciences	Course Fee - Per Credit	\$58.00
Truman School	Course Fee - Per Credit	\$43.30
Applied Music Fee	Flat Rate	\$263.10

ASSUMPTION (continued)

Missouri State University - [Fee Schedule](#)

Advanced Technical Writing	Course Fee	\$75.00
Electrical Systems for Buildings	Course Fee	\$40.00
Food Science	Course Fee	\$30.00
Nursing: The Adult Client	Course Fee	\$100.00
Basic Astronomy	Course Fee	\$20.00
Genetics	Course Fee	\$35.00
Introduction to Cellular Biology	Course Fee	\$40.00
Introduction to Analytical Chemistry	Course Fee	\$40.00
Environmental Field Studies	Course Fee	\$300.00
Foundation of Physics I	Course Fee	\$30.00
Agricultural Industry Study	Course Fee	\$400.00
Soil Fertility/Plant Nutrition	Course Fee	\$20.00
Supervised Teaching	Course Fee	\$175.00
SQL Database Management (West Plains)	Course Fee	\$55.00
Computers for Learning (West Plains)	Course Fee	\$155.00
Media, Journalism and Film	Enrollment Fee - Per Credit Hour	\$25.00
College of Arts and Letters	Enrollment Fee - Per Credit Hour	\$15.00
College of Business (Upper Level)	Enrollment Fee - Per Credit Hour	\$40.00

**Oversight** will show a range of impact of \$0 (additional fees and charges do not exceed cap) to an unknown loss in revenue to colleges and universities - possibly exceeding the estimate provided by the University of Missouri System (\$14 million).

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
<b>COLLEGE AND UNIVERSITY FUNDS</b>			
<u>Loss</u> - of revenue from supplemental fees and other charges now included in the definition of tuition and subject to the tuition cap	\$0 to (Could exceed <u>\$14,000,000</u> )	\$0 to (Could exceed <u>\$14,000,000</u> )	\$0 to (Could exceed <u>\$14,000,000</u> )
<b>ESTIMATED NET EFFECT ON COLLEGE AND UNIVERSITY FUNDS</b>	<b>\$0 to (Could exceed <u>\$14,000,000</u>)</b>	<b>\$0 to (Could exceed <u>\$14,000,000</u>)</b>	<b>\$0 to (Could exceed <u>\$14,000,000</u>)</b>

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<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

Under this act, supplementary fees, course fees, laboratory fees and all other fees charged to a Missouri resident undergraduate or graduate student shall be included in the definition of "tuition".

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

University of Missouri System  
 University of Central Missouri

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SOURCES OF INFORMATION (continued)

Missouri State University  
State Technical College of Missouri



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April 8, 2019

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April 8, 2019