

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5746-01
Bill No.: Perfected HB 2156
Subject: Education, Higher
Type: Original
Date: February 16, 2016

Bill Summary: This proposal changes the laws regarding the Missouri Returning Heroes' Education Act.

FISCAL SUMMARY

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

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
College & University	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

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

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

FISCAL ANALYSIS

ASSUMPTION

Oversight notes this proposal makes changes to the Missouri Returning Heroes’ Education Act (Act). The Act requires that the public higher education institutions in this state limit the amount of tuition that is paid by combat veterans to \$50 per credit hour. Currently the tuition limitations are applied after all other federal and state aid is applied and no veteran can receive more aid than the actual cost of attendance. Oversight notes this proposal would apply the tuition limitation before other aid is calculated. Additionally, this proposal removes the restriction that total aid received can’t be greater than actual tuition.

Oversight requested from the Department of Higher Education the amount of tuition and number of students whose tuition has been waived in the past under this program. The Department stated they do not routinely gather this information. The last time they asked the institutions for this information was 2011. At that time the institutions reported the one year tuition waiver listed below:

Table 1 - Tuition Waived

Institution	Tuition Waived	Number of Students
Crowder	\$3,967	11
East Central Community College	not reported	
Harris- Stowe	\$8,094	2
Jefferson College	\$12,215	24
Lincoln University	\$11,977	6
Metropolitan Community College	not reported	
Mineral Area Community College	\$608	1
Missouri Southern State University	\$7,690	10
Missouri State University	\$173,816	40
Missouri Western State University	\$18,311	12
Moberly Area Community College	\$28,935	40
North Central Community College	\$0	0

Institution	Tuition Waived	Number of Students
Northwest Missouri State University	\$9,730	4
Ozark Technical College	\$34,388	87
Southeast Missouri State University	\$84,766	56
St. Charles Community College	\$21,090	37
St. Louis Community College	not reported	
State Fair Community College	\$2,512	10
State Technical College of Missouri	\$33,061	11
Three Rivers Community Collegew	\$4,702	13
Truman State University	\$0	0
University of Central Missouri	\$75,485	22
University of Missouri	\$443,586	207
Total	\$974,933	593

Source: Department of Higher Education

Oversight will show the loss of tuition to the institutions as Unknown greater than \$100,000.

Officials at the **Department of Higher Education** assume there is no fiscal impact from this proposal to the agency.

Officials at the **University of Central Missouri** assume they already provide the recommended tuition rate to all active duty military personnel, so this proposal would have no fiscal impact.

Officials at the **Missouri State University** assume this would have a negative impact on the University but the amount cannot be determined at this time.

Officials at the **State Technical College of Missouri** assume this will have an unknown negative impact on the College.

Officials at the **Missouri Western State University** assume a loss of \$25,000 annually.

ASSUMPTION (continued)

Officials at the **University of Missouri** assume the approximate annual loss to the Columbia campus would be \$250,000. This assumes the number of students remain consistent at 45 current students. The St. Louis campus has 36 students but this would not impact them. The Kansas City campus assumes this may encourage more students to attend. The Science and Technology campus assumes this would be a loss of \$34,650.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
COLLEGES & UNIVERSITIES			
<u>Loss</u> - reduced tuition rate for veterans	(Unknown greater than <u>\$100,000</u>)	(Unknown greater than <u>\$100,000</u>)	(Unknown greater than <u>\$100,000</u>)
ESTIMATED NET EFFECT ON COLLEGES & UNIVERSITIES	(Unknown greater than <u>\$100,000</u>)	(Unknown greater than <u>\$100,000</u>)	(Unknown greater than <u>\$100,000</u>)
<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<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.

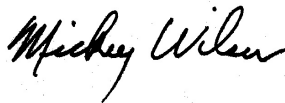
FISCAL DESCRIPTION

This bill changes provisions of the Missouri Returning Heroes' Education Act that limit the amount of tuition all public institutions of higher education must charge a veteran. Currently, the tuition limitation must be provided after all other federal and state aid for which the veteran is eligible is applied and no combat veteran is permitted to receive more than the actual cost of attendance when the limitation is combined with other available aid. The bill changes the law to require the tuition limitation be provided before all other aid is applied and repeals the provisions prohibiting a veteran from receiving more than the actual cost of attendance when the limitation is combined with other available aid.

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
Missouri State University
Missouri Western State University
State Technical College of Missouri
University of Central Missouri
University of Missouri



Mickey Wilson, CPA
Director
February 16, 2016

Ross Strobe
Assistant Director
February 16, 2016