

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6407-01
Bill No.: HB 2651
Subject: Education, Higher; Higher Education Department
Type: Original
Date: April 11, 2016

Bill Summary: This proposal establishes the “Higher Education Core Curriculum Transfer Act.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(Up to \$15,013)	(Up to \$7,507)	\$0
Total Estimated Net Effect on General Revenue	(Up to \$15,013)	(Up to \$7,507)	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
College & University	\$0	(Could exceed \$2,600,000)	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	(Could exceed \$2,600,000)	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 9 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 was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of 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.

Oversight notes this proposal requires the establishment of a standard core curriculum and common course numbering system for lower-division courses (forty-eight semester credit hours) at community colleges and the public institutions of higher education to facilitate student transfers. The coordinating board of higher education shall assist with the creation and approval of the numbering system.

Oversight notes this proposal requires the community colleges and the public higher education institutions to work together as an advisory board to create the numbering system. Oversight assumes this proposal would require meetings of the advisory board.

Officials at the **Department of Higher Education (DHE)** assume this would require the formation of an advisory group (similar to one the department has had for more than 10 years) as well as "faculty discipline groups" to develop the curriculum. This will be a labor intensive project, requiring 15 or more faculty workgroups each with approximately 25 members meeting over a minimum of two years.

DHE estimates the need for about 15 meetings over a two-year period with the faculty discipline groups created in §178.786.1. The reimbursement rate set by the Office of Administration (OA) is \$0.37 per mile, with the cost to travel to Jefferson City broken out per institution in the chart below:

ASSUMPTION (continued)

Institution	Distance (mi)	Per Mile Rate	Total Cost
Crowder College	214	\$0.37	\$79.18
East Central College	79	\$0.37	\$29.23
Jefferson College	115	\$0.37	\$42.55
Metropolitan Community College	155	\$0.37	\$57.35
Mineral Area College	136	\$0.37	\$50.32
Moberly Area Community College	67	\$0.37	\$24.79
North Central Missouri College	171	\$0.37	\$63.27
Ozarks Technical Community College	135	\$0.37	\$49.95
St. Charles Community College	107	\$0.37	\$39.59
St. Louis Community College	133	\$0.37	\$49.21
State Fair Community College	64	\$0.37	\$23.68
Three Rivers Community College	202	\$0.37	\$74.74
State Technical College of Missouri	24	\$0.37	\$8.88
Harris-Stowe State University	131	\$0.37	\$48.47
Lincoln University	2	\$0.37	\$0.74
Missouri Southern State University	203	\$0.37	\$75.11
Missouri State University	136	\$0.37	\$50.32
Missouri University of Science & Technology	63	\$0.37	\$23.31
Missouri Western State University	210	\$0.37	\$77.70
Northwest Missouri State University	252	\$0.37	\$93.24
Southeast Missouri State University	233	\$0.37	\$86.21
Truman State University	121	\$0.37	\$44.77
University of Central Missouri	91	\$0.37	\$33.67
University of Missouri – Columbia	30	\$0.37	\$11.10
University of Missouri – Kansas City	157	\$0.37	\$58.09
University of Missouri – St. Louis	124	\$0.37	\$45.88
Total Cost			\$1,241.35

The meal reimbursement rate set by OA for Jefferson City is \$10 for lunch. If all 26 institutions are represented, the cost for lunch would be \$260 per meeting. The total cost for all 15 meetings would be \$22,520.25 [(\$1,241.35 * 15) + (\$260 * 15)].

Additionally, DHE would need one FTE at the Research Associate I level to oversee the new program and ensure compliance with the statute at all 26 public postsecondary institutions.

ASSUMPTION (continued)

Officials at the **University of Missouri (UM)** assume the renumbering on each of the UM campuses took close to a year to develop the plan and another to implement, develop cross walks, feed all the systems, etc. It involved faculty, staff, administrators and technology staff. There would need to be a campus course number coordinator. That could take 10% of a person's time. UM assumes a cost of \$2.6 million for the entire UM system.

Officials at the **University of Central Missouri** predicts the main fiscal impact would come from personnel time to manage the re-numbering of the institutional course records system, technology personnel time to facilitate that modification to our current system, and ongoing cost to maintain accurate records and write reports related to the process as well as challenges to the process.

Registrar's Office personnel time: approximately \$30,000 (one-time)
Office of Technology personnel time: approximately \$25,000 (one-time)
Office Professional position to manage the records and challenges: approximately \$35,000 in salary and benefits (annually)

Officials at the **Mineral Area Community College** assume identifiable costs are hard to determine without knowing the course of action from Department of Higher Education. Extensive travel should be required by each of the community colleges to formalize the standard core curriculum and a common course numbering matrix. The College anticipates 7 faculty involved in the process. Costs for travel, lodging, and stipends is estimated at \$34,328.

Officials at the **Northwest Missouri State University** assume the development of a statewide common course numbering system will be a costly endeavor for higher education institutions to adopt as it will require significant computer programming and staff time to retrofit our information system to accommodate the new model. The exact impact is unknown at this time.

Officials at the **State Technical College of Missouri** assume this would have a negative impact, but are unable to quantify.

Officials at the **State Fair Community College, Missouri State University** and the **Missouri Western State University** each assume there is no fiscal impact from this proposal.

Officials at the **Joint Committee on Administrative Rules** assume there is no fiscal impact from this proposal.

ASSUMPTION (continued)

Oversight notes that in similar legislation granting rule-making authority to the coordinating board of higher education, the Office of the Secretary of State stated the following:

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Oversight notes the DHE currently has a Core Transfer Library (CTL) consisting of 26 courses that transfer as equivalents among all public two- and four-year institutions. Most-but not all-of the courses in the CTL would fulfill general education requirements. The department also is currently working on a course equivalency matrix, which this proposal effectively duplicates. The CTL is authorized in statute, §173.005.2(8).

Oversight notes that DHE stated the Advisory Board would need to meet 15 times to prepare the course numbering system. Oversight will show them meeting 10 times in FY 2017 and 5 times in FY 2018 to finalize the numbering system. Oversight assumes the Advisory Board would begin by reviewing the current 26 courses to determine if they could be used for this proposal's 48 credit hours. If they can, then fewer meetings would be needed.

Oversight will show the meeting costs as the estimate provided by DHE. Oversight notes that DHE would be required to pay the meeting costs and therefore will show the impact to General Revenue.

Oversight notes that current DHE staff are required to monitor the existing 26 courses; therefore staff would be able to monitor any additional courses added because of this proposal. Should the

ASSUMPTION (continued)

number of new courses justify additional FTE, then DHE could request those FTE through the appropriation process.

Oversight will show the one-time computer upgrades to the Colleges and Universities occurring in FY 2018, once plans are finalized.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE			
<u>Cost - DHE -travel expenses of advisory board</u>	<u>(Up to \$15,013)</u>	<u>(Up to \$7,507)</u>	<u>\$0</u>
ESTIMATED NET EFFECT OF GENERAL REVENUE	<u>(Up to \$15,013)</u>	<u>(Up to \$7,507)</u>	<u>\$0</u>
COLLEGE & UNIVERSITY FUNDS			
<u>Cost - Colleges & Universities - computer upgrades to new numbering system</u>	<u>\$0</u>	<u>(Could exceed \$2,600,000)</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON COLLEGE & UNIVERSITY FUNDS	<u>\$0</u>	<u>(Could exceed \$2,600,000)</u>	<u>\$0</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 establishes a standard core curriculum and a common course numbering system for lower division courses at community colleges and public four-year institutions of higher learning. The coordinating board of higher education will work in conjunction with an advisory committee, composed of representatives from community colleges and public four year institutions, to develop a recommended core curriculum.

The core curriculum must be comprised of at least 42 semester credit hours and will cover mathematics, English, communications, humanities, biological and physical science, social science, and computer technology. All undergraduate students of the above institutions must complete the core curriculum as a requirement of graduation.

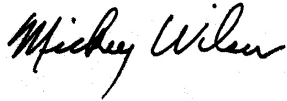
Each community college and public four-year institution must adopt a core curriculum of no less than 42 credit hours. Such curriculum must include specific courses and be based on the core curriculum recommended by the Coordinating Board of Higher Education. The Coordinating Board must also approve a common course numbering system for lower-division courses at all institutions of higher learning in the state. Community colleges and four-year institutions must include in its course listings the corresponding numbers from the common course numbering system.

Students will be able to transfer credits earned under the core curriculum, as described within the bill. The coordinating board must also develop criteria to evaluate the transfer practices each public institution of higher learning in the state and subsequently evaluate each institution. Institutions of higher education must publish in its course catalogs and on its website the evaluation policies of the Coordinating Board.

This legislation is not federally mandated, would at least partly duplicate an existing program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Higher Education
Joint Committee on Administrative Rules
Mineral Area Community College
Missouri State University
Missouri Western State University
Northwest Missouri State University
Office of the Secretary of State
State Fair Community College
State Technical College of Missouri
University of Central Missouri
University of Missouri



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