

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0060H.011
 Bill No.: HB 311
 Subject: HIGHER EDUCATION AND WORKFORCE DEVELOPMENT,
 DEPARTMENT OF; EDUCATION, HIGHER
 Type: Original
 Date: January 19, 2021

Bill Summary: This proposal allows public institutions of higher education to charge differential tuition rates based on program of study.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
COLLEGE & UNIVERSITY FUNDS*	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Total Estimated Net Effect on <u>Other State Funds</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

*This proposal is permissive (may) to public institutions of higher education.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on FTE	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.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Higher Education and Workforce Development** assume the proposal will have no fiscal impact on their organization.

Officials from **University of Missouri System** assume this proposal could have a significant financial impact on the University depending on the final language and implementation.

Officials from **Missouri State University** assume a potential positive fiscal impact due to increased flexibility in establishing tuition based on programs of study

Officials from **State Technical College of Missouri** assume this proposal could have a positive fiscal impact on the college.

Officials from the **University of Central Missouri** estimate a potential revenue impact of an indeterminate amount.

Officials from the **St. Charles Community College** assume the proposal will have no fiscal impact on their organization.

Oversight notes, based on the [Tuition Differential Fee Report](#) by the Board of Governors of the State University System of Florida, the tuition differential fees ranged from \$35.14 to \$52.29 per credit hour for the 2017-18 academic year for an estimated total of \$269.6 million in differential tuition revenues. Oversight assumes there could be a positive impact to colleges and universities from this proposal; however, the impact is unknown. Oversight will show a range of impact \$0 (no revenue increase) to an unknown increase in revenue based on the differential rates of tuition that may be implemented.

Oversight assumes, if institutions charge differential tuition rates, this could have an unknown impact on the tuition reimbursement scholarships and grants offered by the State such as the A+ program and the Missouri State Tuition Assistance program. Oversight assumes this would be an indirect impact and will not show a fiscal impact.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
COLLEGE & UNIVERSITY FUNDS			
<u>Income</u> – increase in revenue from differential tuition rates (if adjusted)	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>

ESTIMATED NET EFFECT ON COLLEGE & UNIVERSITY FUNDS	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<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.

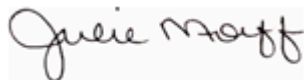
FISCAL DESCRIPTION

This bill defines "program of study" as a program offered by an institution of higher education to which students are admitted and allows public institutions of higher education to charge differential tuition rates based on program of study.

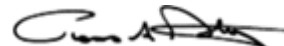
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Higher Education and Workforce Development
 University of Missouri System
 State Technical College of Missouri
 Missouri State University
 University of Central Missouri
 St. Charles Community College



Julie Morff
 Director
 January 19, 2021



Ross Strobe
 Assistant Director
 January 19, 2021