

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3621-01
Bill No.: HB 1424
Subject: Education, Higher, Higher Education Dept.
Type: Original
Date: January 29, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue *	\$0	\$0 to Unknown	\$0 to Unknown
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0 to Unknown	\$0 to Unknown

* expected to exceed \$100,000 per year.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
Community College Districts	(\$0 to Unknown)	(\$0 to Unknown)	(\$0 to Unknown)
Local Government	(\$0 to Unknown)	(\$0 to Unknown)	(\$0 to Unknown)

* expected to exceed \$100,000 per year.

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Coordinating Board for Higher Education** assume this proposal would have no impact on their agency.

Officials from the **University of Missouri** stated they are unable to estimate the fiscal impact this proposal would have on the University.

Officials from **Truman State University** stated they are unable to estimate the fiscal impact this proposal would have on the University, however, they assume the potential range of additional state withholding from violating this proposal could range from \$500,000 to \$11,000,000.

Officials from **St. Louis Community Colleges** assume the fiscal impact of the proposal would be difficult to determine, but that it would have a negative impact.

Officials from the **Metropolitan Community Colleges** assume that prohibiting fee increases during an academic year would have reduced their revenue \$435,000 for the Spring 2002 semester, by preventing their implementation of a technology fee of \$3.00 per credit hour. They also assume that holding their fee increases to the increase in the Consumer Price Index would have reduced total tuition and fee revenue by \$114,312 less than currently projected.

Officials from **East Central College** assume their organization would have lost \$2.1 million in tuition and state revenue had this proposal been in effect for FY 2002, in addition to \$600,000 in appropriations withheld the following year.

Officials from **Southwest Missouri State University** assume they could not reliably estimate the cost to their organization of this proposal, but that the proposal would have prevented implementation of a student fee increase amounting to \$900,000 for the current academic year.

Oversight assumes the impact of this proposal, although significant, can not be estimated since it is not possible to predict what tuition and fee increases would be implemented by the public institutions of higher education in the absence of such a proposal. Oversight assumes such deferred tuition and fee increases would not be replaced with additional state appropriations. Oversight assumes the impact of the proposal would be in excess of \$100,000 per year, and has ranged the impact of potential reductions in state appropriations from \$0 to unknown beginning in FY 2004.

FISCAL IMPACT - State Government FY 2003 FY 2004 FY 2005
 (10 Mo.)

GENERAL REVENUE FUND

Expenditure Reduction -
 Higher education appropriations * \$0 \$0 to Unknown \$0 to Unknown

NET EFFECT ON GENERAL REVENUE FUND * **\$0** **\$0 to Unknown** **\$0 to Unknown**

* expected to exceed \$100,000 per year.

FISCAL IMPACT - Local Government FY 2003 FY 2004 FY 2005
 (10 Mo.)

COMMUNITY COLLEGE DISTRICTS

Revenue reduction -
 Tuition and fees * (\$0 to Unknown)
 State appropriations * \$0

(\$0 to Unknown) (\$0 to Unknown)
Unknown (\$0 to Unknown) (\$0 to Unknown)

NET EFFECT ON COMMUNITY COLLEGE DISTRICTS * **(\$0 to Unknown)** **(\$0 to Unknown)** **(\$0 to Unknown)**

* expected to exceed \$100,000 per year.

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

DESCRIPTION

This proposal would prohibit public institutions of higher education from increasing tuition, fees, and surcharges after the opening date of any school year, and would prohibit public institutions of higher education from increasing tuition, fees, and surcharges larger than increase in the consumer price index.. An educational organization which violated these prohibitions would be subject to a twenty-five percent reduction in its state appropriations for the following year.

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

Coordinating Board for Higher Education
University of Missouri
Truman State University
Metropolitan Community Colleges
St. Louis County Community Colleges
East Central College
Southwest Missouri State University

NOT RESPONDING

Central Missouri State University
Harris-Stowe State College
Lincoln University
Mineral Area College
Missouri Southern State College
North Central Missouri College
Southeast Missouri State University
State Fair Community College
Three Rivers Community College



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