

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1929-01
Bill No.: HB 946
Subject: Veterans; Department of Higher Education
Type: Original
Date: March 31, 2017

Bill Summary: This changes the law regarding the Missouri Returning Heroes Education Act.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
College and University Funds	(Could exceed \$5,800,000)	(Could exceed \$5,800,000)	(Could exceed \$5,800,000)
Total Estimated Net Effect on <u>Other</u> State Funds	(Could exceed \$5,800,000)	(Could exceed \$5,800,000)	(Could exceed \$5,800,000)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
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 2018	FY 2019	FY 2020
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Higher Education** assume that while this won't have an impact on the Department, it will have an impact on the state institutions.

Officials at the **University of Missouri** assume the estimated cost is between \$5.8 million and \$7.3 million. The largest cost is estimated to be the UM St. Louis campus because they have the largest number of combat veterans who would qualify. The second largest cost would be at the Columbia campus.

Officials at the **Missouri Western State University** assume this will have an impact on the University. The actual loss of revenue per enrolled veteran will be approximately \$1,756 for six credit hours. This is calculating a 70% reduction in tuition and a 70% reduction in fees.

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

Officials at the **Metropolitan Community College, Northwest Missouri State University** and the **State Technical College of Missouri** each assume there is no fiscal impact from this proposal.

Oversight notes this proposal makes changes to the Missouri Returning Heroes' Education Act (Act). The Act currently requires that the public higher education institutions in this state limit the amount of tuition that is paid by combat veterans to no more than \$50 per credit hour. This \$50 per credit hour limit is applied toward a program working towards a certificate, associate or baccalaureate degree.

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 \$50 per credit hour existing 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	

Institution	Tuition Waived	Number of Students
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
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 College	\$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

ASSUMPTION (continued)

Oversight notes this proposal expands the Act to limit the amount the public higher education institutions can charge for veteran students working toward a graduate degree to no more than 30% of the cost of tuition and fees. Oversight notes the graduate degrees includes masters degrees and doctorate degrees. Oversight is providing the following examples for informational purposes.

- The University of Missouri School of Law- St. Louis Campus estimates the cost for a first year student as \$39,600. According to this proposal the most that could be charged for a veteran is \$11,880 and the school would have a loss of \$27,720 per veteran. Just four veterans would result in a loss of \$100,000.
- The University of Missouri School of Medicine - Columbia Campus estimates the cost for a first year student as \$30,550 in tuition. According to this proposal the most that could be charged for a veteran is \$9,165 and the school would have a loss of \$21,385 per veteran. Just five veterans would result in a loss of \$100,000.
- The University of Missouri School of Law- Columbia Campus estimates the cost for a first year student as \$19,682 in tuition. According to this proposal the most that could be charged for a veteran is \$6,275 and the school would have a loss of \$14,643 per veteran. Just seven veterans result in a loss of \$100,000.
- The University of Missouri estimates the cost for 9 semester hours of graduate level coursework (masters and doctorate) for the 2016-2017 school term to cost \$7,382 in tuition. According to this proposal the most that could be charged for a veteran is \$2,215. The school would have a loss of \$5,167 per veteran. The University notes that additional fees may be charged depending on the program entered.

Oversight notes there are numerous masters and doctorate degrees at the public higher education institutions. Oversight is unable to determine how many of the students would qualify for the veteran tuition and fee rate. Oversight will show the impact as Could exceed the \$5.8 million estimated by the University of Missouri.

Officials at the Missouri National Guard did not respond to **Oversight's** request for fiscal impact.

Officials at the following colleges: Crowder, East Central Community College, Harris-Stowe, Jefferson College, Lincoln University, Moberly Area Community College, Missouri Southern State University, Southeast Missouri State University, State Fair Community College, St. Charles

ASSUMPTION (continued)

Community College, St. Louis Community College, Three Rivers Community College, Truman

State University and the University of Central Missouri did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
COLLEGES & UNIVERSITIES			
<u>Loss</u> - reduced tuition rate for veterans	(Could exceed <u>\$5,800,000</u>)	(Could exceed <u>\$5,800,000</u>)	(Could exceed <u>\$5,800,000</u>)
ESTIMATED NET EFFECT ON COLLEGES & UNIVERSITIES	(Could exceed <u>\$5,800,000</u>)	(Could exceed <u>\$5,800,000</u>)	(Could exceed <u>\$5,800,000</u>)

<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<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 requires any institution of higher education that receives state funds to limit the amount of tuition it charges to combat veterans enrolled in a program leading to a graduate degree to no more than 30 percent of the cost of tuition and fees. A combat veteran is eligible for the tuition limitation for a 10 year period beginning on the date of the veteran's last discharge from service.

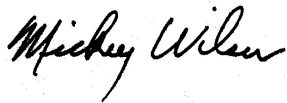
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Higher Education
Metropolitan Community College
Missouri State University
Missouri Western State University
Northwest Missouri State University
State Technical College of Missouri
University of Missouri

Not Responding

Missouri National Guard



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March 31, 2017

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March 31, 2017