

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0921H.01I
 Bill No.: HB 297
 Subject: Education, Higher
 Type: Original
 Date: February 3, 2021

Bill Summary: This proposal allows Southeast Missouri State University to develop a statewide mission.

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 (SEMO)	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown

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

FORMCHECKBOX 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. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

Officials from **Southeast Missouri State University (SEMO)** assume there is a potential positive impact of an undetermined amount to the university, which is revenue that may come due to any enrollment increases realized in programs related to the statewide mission designation. The University is not seeking any additional appropriations via this legislation to implement the statewide mission. This is consistent with other institutions of higher education in Missouri that have a statewide mission in that the mere fact a school has a statewide mission does not mean additional state support has always followed to implement it. Therefore, any

positive impact the institution may experience would likely be the result of actions at the institutional level such as increased marketing, new students, program enhancements, etc. and not necessarily the result of new money from the state. The statewide mission designation made the subject of this legislation has been unanimously endorsed by the Coordinating Board for Higher Education, and it does not duplicate a mission of any other institution of higher education in Missouri that has been granted a statewide mission.

Oversight notes that SEMO stated the proposal would have a positive fiscal impact on their organization. However, Oversight assumes there could be costs associated with implementing the statewide mission. Therefore, Oversight will show a range of impact of \$0 (statewide mission not implemented) to an unknown increase in revenue from the expansion of its statewide mission to an unknown cost to implement the statewide mission.

Oversight notes the tuition and required fees for SEMO is \$8,032 for FY 2021 and the full-time equivalent enrollment was 7,969 in 2020. If enrollment at SEMO increased by 1% or 80 students, the gain in revenue is estimated at \$642,560 ($\$8,032 * 80$).

In order to accommodate an increase in enrollment, this could result in the need to hire additional staff. **Oversight** notes the national median salary for a Postsecondary Computer Science Teacher is \$85,180. Oversight notes the Fall 2020 SEMO undergraduate enrollment is 8,929 and the student to teacher ratio is 19:1. Oversight assumes it is unlikely expenditures would exceed \$250,000.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
UNIVERSITY FUNDS			
<u>Cost/Revenue</u> - increase in potential cost and/or revenue for SEMO from expansion of statewide mission	\$0 or (Unknown) to <u>Unknown</u>	\$0 or (Unknown) to <u>Unknown</u>	\$0 or (Unknown) to <u>Unknown</u>
ESTIMATED NET EFFECT ON UNIVERSITY FUNDS	\$0 or (Unknown) to <u>Unknown</u>	\$0 or (Unknown) to <u>Unknown</u>	\$0 or (Unknown) to <u>Unknown</u>

<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.

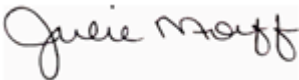
FISCAL DESCRIPTION

This bill designates Southeast Missouri State University (SEMO) as an institution with a statewide mission in visual and performing arts, computer science, and cybersecurity. The bill modifies provisions relating to the Board of Governors for SEMO as outlined in the bill.

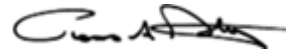
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Higher Education and Workforce Development
Southeast Missouri State University



Julie Morff
Director
February 3, 2021



Ross Strobe
Assistant Director
February 3, 2021