

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3339-01
Bill No.: HB 1473
Subject: Education, Higher; Higher Education Department; Public Assistance
Type: Original
Date: February 3, 2010

Bill Summary: Revises the grade point average requirements for renewal of Access Missouri Scholarships.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	(\$3,529,427 to \$4,065,826)	(\$3,705,899 to \$4,269,117)	(\$3,891,194 to \$4,482,573)
Total Estimated Net Effect on General Revenue Fund	(\$3,529,427 to \$4,065,826)	(\$3,705,899 to \$4,269,117)	(\$3,891,194 to \$4,482,573)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Higher Education (MHDE)** assume the following:

Access Missouri. The MDHE assumes that this legislation would only substantially affect renewal eligibility for sophomores. The number of additional juniors and seniors eligible for aid as a result of the GPA change is likely to be relatively small. The MDHE's additional assumptions and conclusions are detailed in the attached spreadsheet. The MDHE assumes that it could administer the Access Missouri program with no additional appropriation for staff, equipment, or computer reprogramming.

Other programs. The programs the MDHE administers already have 2.5 renewal requirements. The MDHE assumes that the fiscal impact of these programs would not change based on this draft legislation.

AM = Access Missouri GPA Change Cost Estimate

	FY 2010	FY11****	FY 2012	FY 2013
Total # of AM recipients	46,581	48,910	51,356	53,923
Freshman currently receiving AM*	18,632	19,564	20,542	21,569
% of freshman who end freshman year with GPA between 2. & 2.49	17%			
Estimated % of freshman who return for sophomore year	56%			
Estimated # of sophomores who will receive AM as a result of legislation	1,774	1,862	1,956	2,053
Estimated Fiscal Impact				
Assuming award levels remain at 2009-2010 levels		\$3,529,427	\$3,705,899	\$3,897,194
Assuming maximum award levels		\$4,065,823	\$4,269,117	\$4,482,573

Average 2009-2010 award levels ** \$1,895

Maximum average award levels*** \$2,183

JH:LR:OD

ASSUMPTION (continued)

- * In 2007-2008 approximately 40% of AM recipients were classified as freshmen.
- **Award amounts for 2009-2010 have been set at 78% of statutory maximum because of limited appropriations.
- ***Average maximum award calculated based on 2008-2009 award year.
- ****Projected numbers of recipients based on assumption of 5% growth.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
GENERAL REVENUE			
Cost - increased number of Access Missouri scholarships	(\$3,529,427 to \$4,065,826)	(\$3,705,899 to \$4,269,117)	(\$3,891,194 to \$4,482,573)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$3,529,427 to \$4,065,826)</u>	<u>(\$3,705,899 to \$4,269,117)</u>	<u>(\$3,891,194 to \$4,482,573)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<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

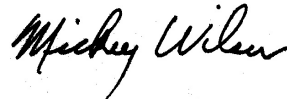
This bill revises the grade required for renewing an Access Missouri Scholarship from a 2.5 grade point average (GPA) on a four-point scale to maintaining satisfactory academic progress for those scholarship recipients who have less than 60 semester hours, while retaining the 2.5 GPA for those with 60 semester hours or more. Satisfactory academic progress is to be defined by the institution of attendance but cannot be lower than a 2.0 on a four-point scale. The bill clarifies that the required GPA for the renewal of other assistance programs will continue to be 2.5.

The bill contains an emergency clause.

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



Mickey Wilson, CPA
Director
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