

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4547-02
Bill No.: HCS for HB 1812
Subject: Education, Elementary and Secondary; Higher Education Department; Boards, Commissions, Committees, Councils
Type: Original
Date: March 17, 2010

Bill Summary: Changes amounts of financial assistance awards for the Access Missouri Financial Assistance Program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

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** assume this bill would have no fiscal impact until FY 2015, the first year the changes in award amount go into effect. Because Access Missouri is completely scaleable (award amounts are adjusted based on the amount appropriated for the program), this bill would not necessarily change the cost of the program. Assuming that Access Missouri funding remains constant or increases at the rate of inflation, this bill would not significantly impact the percent of the maximum award that the MDHE is able to make to students.

Officials at the **Metropolitan Community College** assume a positive fiscal impact of \$250,000-\$300,000 for the students who attend the college.

Officials at the **Lincoln University** assume a possible fiscal impact due to increased numbers of students enrolling at University and being awarded financial aid from Access Missouri.

Officials at the **Linn State Technical College** assume an unknown impact.

Officials at the **Missouri Western State University** assume for the fall 2009 term - the University has 1,498 students who were disbursed \$1,158,503. The average award was \$773.36. The maximum award based on State allocations was \$840 for the term. Our students on average received 92% of the max award for the term. The University is estimating that the total disbursement for the year will be around \$2,317,006.

For the 2008-2009 school year - we had 1,595 students receive \$2,578,087.50.

If the maximum award amount raises to \$2,850 (up from the current statutory maximum of \$2,150 for public four years) and our students on average receive 92% of the award amount, and we have about 1,500 students receive an award, Western would receive approximately \$3,933,000 in Access Missouri funds.

Officials at the **University of Missouri** assume if passed, this bill is anticipated to have a small positive impact on the University. The increase in amounts of financial assistance awards to students attending public 4-year institutions from the Access Missouri Financial Assistance Program would decrease the net expense for students, and may make the University more accessible or attractive to students who would otherwise not attend the University. Likewise, the decrease in funds available for students attending private institutions may result in students

ASSUMPTION (continued)

choosing the University over a private university. These two sources of increase in enrollment, though anticipated to be small, would result in a net increase in revenue to the University.

Officials at the **Missouri Southern State University (MSSU)** assume a positive impact though the impact is undeterminable at this time.

Officials at the **East Central College** and the **University of Central Missouri** assume that there is no fiscal impact from this proposal.

Oversight assumes the legislation affects the 2014-2015 academic year which is outside the fiscal note period.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
	<u>\$0</u>	<u>\$0</u>	<u>\$0</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

The proposed legislation appears to have no fiscal impact.

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
East Central College
Lincoln University
Linn State Technical College
Metropolitan Community College
Missouri Southern State University
Missouri State University
Missouri Western State University
University of Central Missouri
University of Missouri

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
March 17, 2010