

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2627-01  
Bill No.: HB 1254  
Subject: Education, Higher  
Type: Original  
Date: April 6, 2015

Bill Summary: This proposal changes the law by adding virtual institutions to the “Access Missouri Financial Assistance Program.”

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>	<b>\$0 to (Unknown)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any Of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTION**

**Oversight** was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Officials at the **Metropolitan Community College, St. Louis Community College, State Technical College of Missouri**, the **Office of the Governor** and the **University of Missouri** each assume there is no fiscal impact to their respective organization from this proposal.

**Oversight** notes this proposal would allow students that attend virtual institutions to receive money from the Access Missouri Financial Assistance Program. Each year the Legislature appropriates funding for the Access Missouri Financial Assistance Program. In FY 2015, \$78,500,000 was appropriated for a projected 56,000 students. Should the amount of the appropriation remain the same then the amount distributed to each individual student would be reduced. Should the Legislature decide to increase the appropriation to cover these students then General Revenue would be impacted but the student's funding level would not. Oversight is not able to determine how many students attend a virtual institution. Oversight will show the impact as \$0 (no additional funds appropriated) to Unknown.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>GENERAL REVENUE</b>			
<u>Costs</u> - DHE - funding for the Access MO Financial Assistance Program	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>	\$0 to <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>\$0 to <u>(Unknown)</u></b>	<b>\$0 to <u>(Unknown)</u></b>	<b>\$0 to <u>(Unknown)</u></b>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2016 (10 Mo.)	 FY 2017	 FY 2018
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill adds approved virtual institutions to the Access Missouri Financial Assistance Program that are recognized as a qualifying institution by gubernatorial executive order and through a memorandum of understanding between the state of Missouri and the approved virtual institution; organized as a nonprofit institution; accredited by a regional accrediting agency recognized by the United States Department of Education; have established and continuously maintain a physical campus or location of operation in Missouri; and maintain a governing body or advisory board based in Missouri with oversight of Missouri operations.

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

Metropolitan Community College  
Office of the Governor  
St. Louis Community College  
State Technical College of Missouri  
University of Missouri



Mickey Wilson, CPA  
Director  
April 6, 2015

Ross Strobe  
Assistant Director  
April 6, 2015