

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1601-02
Bill No.: HCS for HB 984
Subject: Higher Education
Type: Original
Date: April 12, 2017

Bill Summary: This proposal establishes a work-study program within the Department of Higher Education.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
Total Estimated Net Effect on General Revenue	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Allan Purdy Work- Study Program*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

* Transfers in and expenses net to zero.

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 6 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 the cost to implement is unknown because it is driven by the amount the legislature decides to appropriate, and the bill contains no “shall” provision relating to the size or the scope of the program.

In response to the previous version, officials at **Metropolitan Community College** assumed that if it works like the federal work study program then it would not incur additional work or expense.

Officials at the **University of Central Missouri** estimate a minimal fiscal impact. Without having the number of students this could potentially affect, it is difficult to attach a dollar amount. The proposal could potentially offset dwindling federal dollars to the federal work study program.

Officials at the **State Technical College of Missouri** assume this could have an unknown impact.

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

Oversight notes this proposal creates a work-study program that is to be funded with appropriations from the General Assembly. Oversight is unable to determine how much funding would be appropriated for such program. Oversight will show the impact as Could exceed \$100,000.

Oversight notes this proposal creates the Allan Purdy Work-Study Program Fund that is to be used for the funding of the work-study program. Oversight assumes that all money received by the Fund will be spent in the year it is received in accordance with the requirements of the proposal.

Officials at the **Joint Committee on Administrative Rules** and the **Office of the State Treasurer** each assume there is no fiscal impact from this proposal.

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year’s legislative session. The fiscal impact for

ASSUMPTION (continued)

this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials at the following colleges: Crowder, East Central Community College, Harris-Stowe, Jefferson College, Lincoln University, Moberly Area Community College, Missouri Southern State University, Missouri Western State University, Southeast Missouri State University, State Fair Community College, St. Charles Community College, St. Louis Community College, Three Rivers Community College and the Truman State University did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
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GENERAL REVENUE FUND

<u>Transfer Out</u> - to Allan Purdy Work-Study Program Fund	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)
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ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)
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**ALLAN PURDY WORK-STUDY
PROGRAM FUND**

<u>Transfer In</u> - from General Revenue Fund	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
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<u>Cost</u> - work study programs at the institutions and DHE financial aid	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)
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ESTIMATED NET EFFECT ON ALLAN PURDY WORK-STUDY PROGRAM FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill establishes the "Allan Purdy Work-Study Program." The program will be administered by the Coordinating Board for Higher Education. Any resident of the state enrolled or accepted for enrollment at any accredited two-year or four-year institution of higher education as an

FISCAL DESCRIPTION (continued)

undergraduate may qualify for participation in the program.

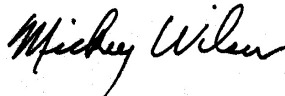
Funds appropriated to the work-study program must be used to provide a work-study program of employment of resident students in good standing with his or her institution that are directly under the control of the institution in which the student is enrolled or in positions with nonprofit organizations, governmental agencies, or for-profit organization with which the institution may execute student employment contracts.

Funds may also be used by the coordinating board in conjunction with and to supplement funds for current job opportunities or to supplement or match funds made available through any other public or private program for financial assistance, as specified 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
Joint Committee on Administrative Rules
Metropolitan Community College
Missouri State University
Northwest Missouri State University
Office of the Secretary of State
Office of the State Treasurer
State Technical College of Missouri
University of Central Missouri
University of Missouri



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April 12, 2017

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April 12, 2017