

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0480-01  
Bill No.: HB 198  
Subject: Higher Education  
Type: Original  
Date: April 23, 2019

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

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
General Revenue	\$0 or (Could exceed \$100,000)	\$0 or (Could exceed \$100,000)	\$0 or (Could exceed \$100,000)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 or (Could exceed \$100,000)</b>	<b>\$0 or (Could exceed \$100,000)</b>	<b>\$0 or (Could exceed \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2020</b>	<b>FY 2021</b>	<b>FY 2022</b>
Allan Purdy Work-Study Program Fund*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Transfers in and distributions 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 2020	FY 2021	FY 2022
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<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.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## **FISCAL ANALYSIS**

### **ASSUMPTION**

Officials from **Department of Higher Education (DHE)** assume this proposal establishes a work-study program within the department of higher education.

DHE reports the Fiscal Impact for this proposal is unknown, as the amount of funds available for this program is subject to appropriation from the General Assembly which will dictate the size and scope of the administrative costs to run the program.

**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 the program. Oversight will show a range of impact of \$0 (no appropriation) to an unknown cost to General Revenue that could exceed \$100,000.

Officials from the **Office of the State Treasurer (STO)** assume the proposal will have no fiscal impact on their organization. This bill would create the "Allan Purdy Work-Study Program Fund" which would not be subject to the biennial transfer and would have interest credited back to it.

**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.

Officials from **State Technical College of Missouri** assume, if the College is awarded or has access to dollars from this program, there would be a positive fiscal impact on the College.

Officials from **University of Central Missouri** estimates a positive impact from this proposal.

Officials from **University of Missouri System** assume this proposal will have no to minimal fiscal impact on the University.

Officials from the **Missouri State University** assume the proposal will have no fiscal impact on their organization.

After a brief review, **Oversight** notes several of the universities participate in the [Federal Work Study](#) program which is designed to give part-time employment to students based on financial need. Oversight notes Federal Work Study funds are allocated to institutions under a statutory formula that requires an institutional match.

ASSUMPTION (continued)

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 this fiscal note to the SOS for Administrative Rules is less than \$5,000. 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 require additional resources.

Officials from the **Joint Committee on Administrative Rules (JCAR)** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

**Oversight** assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
<b>GENERAL REVENUE FUND</b>			
<u>Transfer Out - to Allan Purdy Work-Study Program Fund</u>	\$0 or (Could exceed <u>\$100,000</u> )	\$0 or (Could exceed <u>\$100,000</u> )	\$0 or (Could exceed <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b>\$0 or (Could exceed <u>\$100,000</u>)</b>	<b>\$0 or (Could exceed <u>\$100,000</u>)</b>	<b>\$0 or (Could exceed <u>\$100,000</u>)</b>

FISCAL IMPACT - State Government  
 Continued

FY 2020  
 (10 Mo.)

FY 2021

FY 2022

**ALLAN PURDY WORK-STUDY  
 PROGRAM FUND**

Transfer In - from General Revenue Fund

\$0 or Could  
 exceed  
 \$100,000

\$0 or Could  
 exceed  
 \$100,000

\$0 or Could  
 exceed  
 \$100,000

Transfer In - from gifts, bequests or  
 donations

\$0 or Could  
 exceed  
 \$100,000

\$0 or Could  
 exceed  
 \$100,000

\$0 or Could  
 exceed  
 \$100,000

Cost - work study program at the  
 institutions and DHE financial aid

\$0 or (Could  
 exceed  
\$200,000)

\$0 or (Could  
 exceed  
\$200,000)

\$0 or (Could  
 exceed  
\$200,000)

**ESTIMATED NET EFFECT ON  
 ALLAN PURDY WORK-STUDY  
 PROGRAM FUND**

**\$0**

**\$0**

**\$0**

FISCAL IMPACT - Local Government

FY 2020  
 (10 Mo.)

FY 2021

FY 2022

**\$0**

**\$0**

**\$0**

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 may qualify for participation in the program.

FISCAL DESCRIPTION (continued)

Funds appropriated to the program shall be used to provide a workstudy program of employment for resident students in good standing with their institution. A student may be employed by the institution in which he or she is enrolled, nonprofit organizations, governmental agencies, or for-profit organizations.

Sixty percent of funds shall be used for students with demonstrated financial need. Up to 40% of funds may be used to provide funding on another basis.

This bill will sunset six years after the effective date.

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  
Office of the State Treasurer  
Joint Committee on Administrative Rules  
Office of the Secretary of State  
State Technical College of Missouri  
University of Central Missouri  
University of Missouri System  
Missouri State University



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April 23, 2019

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April 23, 2019