

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0999-02  
Bill No.: Perfected HCS for HB 411  
Subject: Education, Higher  
Type: Original  
Date: April 10, 2017

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Bill Summary: This proposal changes the laws 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 2018	FY 2019	FY 2020
General Revenue	\$0 to (Could exceed \$868,500)	\$0 to (Could exceed \$868,500)	\$0 to (Could exceed \$868,500)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 to (Could exceed \$868,500)</b>	<b>\$0 to (Could exceed \$868,500)</b>	<b>\$0 to (Could exceed \$868,500)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<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 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2018</b>	<b>FY 2019</b>	<b>FY 2020</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 2018</b>	<b>FY 2019</b>	<b>FY 2020</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 2018</b>	<b>FY 2019</b>	<b>FY 2020</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Department of Higher Education (DHE)** assume to be eligible for Access Missouri, students need to file their FAFSA by the priority deadline of February 1, or the final deadline of April 1, each year. While not all students will file by the final deadline, we do expect the number who do to increase. However, that projection cannot be determined, so calculations are based on the number of students who have filed by the priority deadline this year.

Since an increase in the number of eligible students does not require a specific increase in the appropriation to the program, the projected fiscal impact of this change is zero. However, there are about 743 students who are likely to attend Western Governors University during the 2017-2018 academic year who have an expected family contribution of less than \$12,000, making them potentially eligible for an award. The utilization rate for the Access Missouri population is about 52 percent, meaning approximately 386 students would receive and use the grant. The current award amount is \$2,250; while that award amount could change, adding this pool of students would require \$868,500 (386 x \$2,250) to continue to maintain current award levels.

Officials at the **Office of the Governor** assume there is no fiscal impact from this proposal.

Officials at the **Metropolitan Community College** assume there would only be an impact if the state does not increase funding to cover the additional eligible students.

In response to the previous version, officials at the **Truman State University** assumed they are unable to calculate the impact at this time.

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

**Oversight** notes this proposal would allow students that attend approved virtual institutions to receive money from the Access Missouri Financial Assistance Program. An approved virtual institution is amended in §173.1101 to §173.1107 to allow students from Western Governors University to receive this funding.

The Access Missouri program is designed to provide need-based financial aid to eligible Missouri residents. Students with an expected family contribution below the established cutoff

ASSUMPTION (continued)

are eligible for the award. Award amounts are graduated, using statutory formula, based on the student's expected family contribution.

Starting in FY 2015 and beyond the award amounts are:  
 Public two-year sector = \$300 minimum and \$1,300 maximum  
 Public four-year sector and State Technical College = \$1,500 minimum and \$2,850 maximum  
 Private institutions = \$1,500 minimum and \$2,850 maximum.

Table 1 - Number of Students Receiving Grant

	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Target	FY 2017 Target	FY 2018 Target
Number of Students	55,858	52,826	51,367	49,100	47,100	47,100
Appropriated Amount	\$64,067,301	\$60,664,771	\$59,933,326	\$69,500,000	\$69,500,000	N/A

Source: Department of Higher Education  
 N/A - Not Available

**Oversight** notes each year the Legislature appropriates funding for the Access Missouri Financial Assistance Program, from General Revenue, Lottery Proceeds and other Funds. In FY 2017, \$69,500,000 was appropriated for a projected 47,100 students. Should the amount of the appropriation remain the same and the number of eligible students increase, then the amount distributed to each individual student would be reduced. Should the Legislature decide to increase the appropriation to cover the additional Western Governors University students, then General Revenue would be impacted but the individual student's funding level would not. Oversight will show the impact as \$0 (no additional funds appropriated) to could exceed the estimate provided by DHE.

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

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
<b>GENERAL REVENUE</b>			
<u>Cost</u> - Department of Higher Education - increased Access MO funding for students attending a virtual institution	\$0 to (Could exceed <u>\$868,500</u> )	\$0 to (Could exceed <u>\$868,500</u> )	\$0 to (Could exceed <u>\$868,500</u> )
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>\$0 to (Could exceed <u>\$868,500</u>)</b>	<b>\$0 to (Could exceed <u>\$868,500</u>)</b>	<b>\$0 to (Could exceed <u>\$868,500</u>)</b>

<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<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

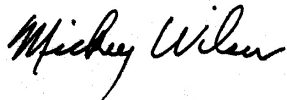
This act allows students enrolled in virtual institutions, as defined in the act, to participate in the Access Missouri Financial Assistance Program.

A virtual institution must continuously maintain all specified requirements to be considered an approved virtual institution.

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



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