

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4619-01  
Bill No.: Perfected HB 1275  
Subject: Higher Education  
Type: Original  
Date: April 4, 2018

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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>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Could exceed \$100,000)</b>	<b>(Could exceed \$100,000)</b>	<b>(Could exceed \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Allan Purdy Work- Study Program*	\$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 expenses net to zero.

Numbers within parentheses: ( ) indicate costs or losses.  
 This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2019</b>	<b>FY 2020</b>	<b>FY 2021</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 2019</b>	<b>FY 2020</b>	<b>FY 2021</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 2019</b>	<b>FY 2020</b>	<b>FY 2021</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from **Department of Higher Education (DHE)** assume the impact of this proposal is unknown, as the amount of funds available is subject to appropriation from the General Assembly.

Officials from **State Technical College of Missouri** assume an unknown impact.

Officials from **University of Missouri System** assume there is no negative impact on the university.

Officials from the **University of Central Missouri (UCM)** assume this proposal would have a positive impact on the University of Central Missouri. Any funds allocated to UCM would enhance a student's earning potential in a campus position and allow for the student to be able to assist in the payment of their educational expenses while at UCM. The amount of additional oversight and labor associated with this program would be minimal in relation to the other work-study programs that the university currently manages.

Officials from **Missouri State University** assume there is a potential positive fiscal impact for the university.

Officials from the **Office of the State Treasurer** assume the proposal will have no fiscal impact on their organization. The bill creates the "Allan Purdy Work-Study Program Fund" which is exempt from the biennial transfer and retains interest.

**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.

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

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

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
<b>GENERAL REVENUE FUND</b>			
<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> )
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b>(Could exceed <u>\$100,000</u>)</b>	<b>(Could exceed <u>\$100,000</u>)</b>	<b>(Could exceed <u>\$100,000</u>)</b>
<b>ALLAN PURDY WORK-STUDY PROGRAM FUND</b>			
<u>Transfer In</u> - from General Revenue Fund	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Transfer In</u> - from gifts, bequests or donations	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Cost</u> - work study program at the institutions and DHE financial aid	(Could exceed <u>\$200,000</u> )	(Could exceed <u>\$200,000</u> )	(Could exceed <u>\$200,000</u> )
<b>ESTIMATED NET EFFECT ON ALLAN PURDY WORK-STUDY PROGRAM FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<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 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 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. Sixty percent of funds will be allocated based on financial need and 40% may be allocated to students based on other criteria. This bill contains a sunset provision..

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

Ross Strope



Acting Director

L.R. No. 4619-01  
Bill No. Perfected HB 1275  
Page 7 of 7  
April 4, 2018

April 4, 2018