

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1919-01
Bill No.: SB 390
Subject: Education, Higher; Higher Education Department; Boards, Commissions, Committees, Councils
Type: Original
Date: March 27, 2009

Bill Summary: This proposal changes amounts of financial assistance awards for the Access Missouri Financial Assistance Program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Higher Education (MDHE)** estimates that the scholarship portion of this program would be revenue-neutral. That estimate is based on the following assumptions:

The Access Missouri Program is not an entitlement program. The program's basic statutory construction, unchanged by this bill, is designed to accommodate various appropriation levels. If appropriations are insufficient to fund the maximum awards for all students with an expected family contribution (EFC) under \$12,000, regardless of what those maximum awards may be, all award amounts are prorated downward. If appropriations exceed what is necessary to fund all students with an EFC below \$12,000, the statute allows awards to be made to students with EFCs above \$12,000. So there is no additional funding required, nor are there any automatic savings that would be associated with any changes in the maximum award amounts.

Nevertheless, one may assume, for illustrative purposes that all students with an EFC below \$12,000 are to receive their maximum awards. This is the case in the current fiscal year with the current award amounts. If the proposed new award amounts were in effect, \$2,850 for all students in four-year institutions and Linn State, the current core appropriation would be sufficient to award the maximum allowed for all students under \$12,000 EFC.

The MDHE estimates that it could perform the duties associated with this change without additional staff or funds.

Officials at the **Metropolitan Community College, University of Central Missouri, Missouri Southern State University, University of Missouri** and the **Missouri State University- West Plains Campus** assume that there is no fiscal impact from this proposal.

Officials at the **Missouri State University** assume an additional \$2,035,300 awarded.

Officials at the **Missouri Western State University** assume this would be a positive fiscal impact for the students.

Officials at the **Linn State Technical College** assume that for the 2008-2009 academic year, 218 students attending the school are receiving the Access Missouri Financial Award. The College has received \$334,808 for the current academic year. Based on the proposed legislation and a

ASSUMPTION (continued)

5% increase in students attending, projected awards in 2010 could be \$365,154 or an increase of \$30,346. In 2011, the total estimated awards may be \$490,015 or an increase of \$155,207. In 2012 the awards could total \$502,038 or an increase in revenue of \$167,230.

Oversight assumes no impact on the Colleges and Universities as this proposal does not effect the number of students enrolled at the schools.

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
	<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.

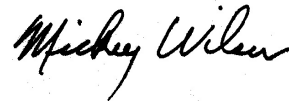
FISCAL DESCRIPTION

The proposed legislation appears to have no fiscal impact.

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
University of Central Missouri
Missouri Southern State University
Missouri State University
Missouri State University - West Plains Campus
Missouri Western State University
Linn State Technical College
University of Missouri



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