



DEPARTMENT OF  
HIGHER EDUCATION &  
WORKFORCE DEVELOPMENT

## State Aid Budget Update 6.4.20

As with almost everything else, the state aid programs have been affected by the economic impact of COVID-19. As a result, there is uncertainty about how that impact will trickle down to students for the remainder of the 2019-2020 academic year, as well as the upcoming 2020-2021 academic year. While the Missouri Department of Higher Education & Workforce Development doesn't have all of the answers yet, we do want to take this opportunity to share with you what we know (as well as what we don't know) and where we are in the state aid process.

### 2019-2020 Academic Year (FY 2020)

*What we know:*

- Some funding was restricted effective April 1 and June 1, but none affected the state aid programs.

*What we expect:*

- A smooth close out of FY 2020 on June 30

### 2020-2021 Academic Year (FY 2021)

*What we know:*

- According to the state Budget Director, the Truly Agreed to and Finally Passed budget could be as much as \$700 million out of balance
- **Bright Flight** funding is currently set at \$20,176,666, a \$3.5 million decrease from the FY 2020 appropriation
- **Access Missouri** funding is currently set at \$63,921,052, a \$2.5 million decrease from the FY 2020 appropriation. This does not include the \$5 million in Gaming funds typically received for this program (see "What we expect" for Access below).
- **A+ Scholarship** funding is currently set at \$41,113,326, equal to the FY 2020 appropriation
- **Fast Track** funding is currently set at \$3,000,000, a \$7 million decrease from the FY 2020 appropriation
  - The appropriation is evenly divided between General Revenue, Lottery and federal funding (\$1 million each)

- Assuming no changes to the General Revenue portion of the appropriation, students at independent institutions will be able to receive the grant in 2020-2021
- **Marguerite Ross Barnett** funding has been eliminated, ending the program at the conclusion of the 2019-2020 academic year.
- Funding for all other state aid programs remains at FY 2020 levels
- Requests for dual credit programs (through A+ and the stand-alone program) were not funded.

*What we expect:*

- Because it is projected that revenues will not be sufficient to fund the appropriation bills passed by the legislature, we expect the Governor to implement some restrictions or vetoes soon after the July 1 beginning of FY 2021
- A special legislative session to address the budget shortfall is possible
- **Bright Flight** growth, which would likely lead to reduced awards
- **Access** awards should remain above 70% of the statutory maximum, although this may be affected if there is significant growth in eligible students due to the poor economy and eligibility requirements that were relaxed to accommodate students affected by spring 2020 COVID-19 changes. It is likely the \$5 million typically received from the Gaming Commission will not be available this year, which would also impact our ability to keep awards above the 70% level.
- **A+** growth, which MDHEWD will monitor closely to determine the extent of the impact to the program
- **Fast Track** renewal students, in earliest application received date order, will have priority and students will be paid full awards until all funding is expended.

*What we don't know yet:*

- How any restrictions or vetoes will affect award amounts for the state aid programs
- Revised award amounts (expected in July, after restrictions/vetoes are known)
- Whether a reduction in the number of credit hours eligible for A+ reimbursement will be necessary and, if so, the maximum number of credit hours that will be reimbursed. An evaluation is expected in summer, once we have more complete information about FY 2020 utilization and FY 2021 withholdings.

We will continue to provide updated information as it becomes available and will notify institutions of revised estimated awards for the 2020-2021 academic year as soon as possible.

If you have any questions, please contact the following staff. At this time, email is still the preferred method of communication.

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