

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0844-01
Bill No.: HB 249
Subject: Education, Elementary and Secondary: Elementary and Secondary Education
 Department
Type: Original
Date: March 13, 2007

Bill Summary: Establishes the Senior Cadets Program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	\$0	(\$48,419)	(\$5,276,688)
Total Estimated Net Effect on General Revenue Fund	\$0	(\$48,419)	(\$5,276,688)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Missouri Senior Cadets Program Fund*	\$0	\$0	\$0
Total Estimated Net Effect on Other State Funds*	\$0	\$0	\$0

***Offsetting Transfers In and Out total \$5,234,688 in FY 2010**

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	0	1 FTE	1 FTE
Total Estimated Net Effect on FTE	0	1 FTE	1 FTE

- 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 2008	FY 2009	FY 2010
Local Government	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Treasurer** state this proposal will have no fiscal impact on their agency.

Officials from the **Department of Elementary and Secondary Education (DES)** assume this proposal would establish the "Missouri Senior Cadets Program" for high school seniors who plan to attend college. Participants who assist K-8 students regarding their educational needs for a minimum of ten hours per week during a school year would receive one hour of class credit which may satisfy graduation requirements, and should the cadet attend college with the stated intention of becoming a teacher, the cadet would be reimbursed for the costs of three credit hours per semester for a total of no more than eight semesters.

Based on information on the Coordinating Board for Higher Education website regarding the FY07 Comprehensive Fee Schedule Report, DES calculated the average credit hour charge for resident students at Missouri four-year institutions to be \$184.02 per credit hour. DES assumes implementation in FY08; therefore, only current seniors would be eligible the first year.

In order to provide oversight of this program, DES would need 1.0 FTE Administrative Assistant II to provide program oversight, process student information, and field program questions from students and districts. Current staff would handle payments and programmatic areas. The proposal does not indicate whether the reimbursement would go directly to the student or to the institution. Either option will raise payment questions related to vendor files and paperwork volume.

From a school district's perspective, there would be costs and issues related to this program, including tracking student assistance hours, ensuring compliance with eligibility requirements, completing reports and submitting them to DES for payment.

ASSUMPTION (continued)

DES has calculated costs based on a 5% level of participation and an average cost of \$184 per credit hour with a limit of three credit hours per semester:

FY2008

63,214	FY07 Seniors*
3,161	Estimated total students eligible
\$1,744,896	One semester total cost
\$5,234,688	Current year total cost (possibility of three semesters)

FY2009

\$5,234,688	FY07 Seniors Total (from above)
64,429	FY08 Seniors*
3,221	Estimated total students eligible
\$ 1,778,433	One semester total cost
\$ 5,335,301	Current year total cost (possibility of three semesters)
\$10,569,989	Current year and prior year eligible

FY2010

\$3,489,792	FY07 Seniors Total (only two semesters left)
\$5,335,301	FY08 Seniors Total (from above)
65,131	FY09 Seniors*
3,256	Estimated total students eligible
\$ 1,797,811	One semester total cost
\$ 5,393,433	Current year total cost (possibility of three semesters)
\$14,218,526	Current year and prior year eligible

* Per State Profile XV--Fall Enrollment, Average Daily Attendance, Eligible Pupils Projections from the web

Oversight assumes that school year 07-08 programs will already be set up by this time this proposal would be effective (August 28, 2007) so this program will not be implemented until school year 08-09 (FY 08) and reimbursements will not begin until FY 10 for the first year of

ASSUMPTION (continued)

eligible students. **Oversight** has, for fiscal note purposes only, adjusted the salary and benefits of the Administrative Assistant to correspond with the range for starting salaries posted by DES for similar positions and has excluded travel costs of \$4,500 annually, assuming the program could be administered with minimal travel.

Officials from the **Independence School District** state they would incur additional expenditures for two teachers.

Officials from the **Springfield School District** state there will be no fiscal impact on their district.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE			
<u>Cost -DES - Senior Cadets Program</u>			
Personal Costs (1 FTE)	\$0	(\$26,157)	(\$27,972)
Fringe Benefits	\$0	(\$12,291)	(\$12,660)
Expense and Equipment	<u>\$0</u>	<u>(\$8,971)</u>	<u>(\$1,379)</u>
Total Administrative Costs	\$0	(\$48,419)	(\$42,011)
<u>Cost - DESE - Reimbursements for Senior Cadets Program</u>			
	<u>\$0</u>	<u>\$0</u>	<u>(\$5,234,688)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>\$0</u>	<u>(\$48,419)</u>	<u>(\$5,276,688)</u>
Estimated Net FTE Change for General Revenue Fund	\$0	1 FTE	1FTE

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
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MISSOURI SENIOR CADETS FUND

<u>Transfer In</u> - General Revenue	\$0	\$0	\$5,234,688
<u>Transfer Out</u> - Tuition Reimbursements	\$0	\$0	(\$5,234,688)

ESTIMATED NET EFFECT ON MISSOURI SENIOR CADETS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
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POLITICAL SUBDIVISIONS

<u>Cost</u> - School Districts - Administrative costs for mentoring program	(Unknown - Could Exceed \$100,000)	(Unknown - Could Exceed \$100,000)	(Unknown - Could Exceed \$100,000)
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ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS	<u>(Unknown - Could Exceed \$100,000)</u>	<u>(Unknown - Could Exceed \$100,000)</u>	<u>(Unknown - Could Exceed \$100,000)</u>
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FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This proposal establishes the Missouri Senior Cadets Program for college-bound high school seniors with a grade point average of at least 3.0. Public high schools will establish cadet programs in which the cadets will assist kindergarten through eighth grade students with their educational needs for at least 10 hours a week. Successful cadets will get an hour of elective credit to be applied to their high school graduation and may, if they attend college to become a teacher, be reimbursed by the Department of Elementary and Secondary Education for the cost of

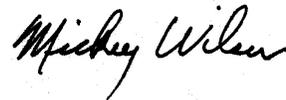
DESCRIPTION (continued)

three credit hours per semester for no more than eight semesters.

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 Elementary and Secondary Education
School Districts
 Springfield
 Independence



Mickey Wilson, CPA
Director
March 13, 2007