

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1000-01  
Bill No.: HB 232  
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Department  
Type: Original  
Date: February 7, 2011

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Bill Summary: This proposal modifies eligibility requirements for the A+ Schools Program.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	Up to (\$4,162,574)	Up to (\$8,951,744)	Up to (\$9,828,757)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>Up to (\$4,162,574)</b>	<b>Up to (\$8,951,744)</b>	<b>Up to (\$9,828,757)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<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 2012</b>	<b>FY 2013</b>	<b>FY 2014</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 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2012</b>	<b>FY 2013</b>	<b>FY 2014</b>
<b>Local Government</b>	<b>Up to \$4,162,574</b>	<b>Up to \$8,951,744</b>	<b>Up to \$9,828,757</b>

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## **FISCAL ANALYSIS**

### ASSUMPTION

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the proposal. 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.

**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. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

According to officials from the **Joint Committee on Administrative Rules (JCAR)**, this proposal should create no additional fiscal impact above current appropriations to JCAR.

Officials from the **Department of Elementary and Secondary Education** deferred to the Coordinating Board of Higher Education for an estimate of fiscal impact of this proposal.

According to officials from the **Department of Higher Education (DHE)**, this proposal would expand the existing A+ Scholarship Program by allowing some students who otherwise meet the program's qualification criteria but do not attend an A+ designated high school to be eligible for the scholarship.

The proposal specifies that the expansion will only apply to students with a certain expected family contribution (EFC) as established by the Coordinating Board for Higher Education (CBHE) on an annual basis. It is assumed that this EFC eligibility level will be established once the amount of funding available is known. Thus the estimated cost ranges from \$0 to the cost of full expansion regardless of EFC.

Officials from DHE made the following assumptions:

- Graduates at non-A+ high schools will utilize the A+ program in the same proportion as students at A+ high schools.
- Graduates at non-A+ high schools have an income distribution that mirrors that of graduates at A+ high schools.

ASSUMPTION (continued)

- The amount of the federal Pell grant will not change.
- The relevant community college tuition will increase by 5% per year.
- Natural growth in the number of eligible students will be 2%.
- The number of A+ high schools will not change. If the number of A+ high schools increases, the costs will be incurred under the provisions of current law, and would technically reduce the costs associated with this bill.

This estimate is generated by taking the number of estimated additional students and arraying them according to the EFC breakdown of current A+ participants. A deduction is then taken for the Pell Grant according to imputed income level and the cost is totaled.

DHE assumed the fiscal impact for FY 12 would be Up to (\$4,162,574). The number of students and the associated cost will be double in FY 13 as the expansion is applied only to freshmen in the first year. Fiscal impact for FY 13 is Up to (\$8,951,744) and the impact for FY 14 is Up to (\$9,828,757)

Officials from the **Parkway School District** and the **Special School District of St Louis County** assumed no fiscal impact on their respective districts.

Officials from the **St Louis Community College** assume no negative fiscal impact as a result of this proposed legislation.

Officials from the **Metropolitan Community College of Kansas City** assumed this proposal would have an unknown positive fiscal impact on their college.

Officials from **Linn State Technical College** state the fiscal impact on their college is unknown at this time.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
<b>GENERAL REVENUE</b>			
<u>Cost - Department of Higher Education - Expanded A+ Program</u>	Up to <u>(\$4,162,574)</u>	Up to <u>(\$8,951,744)</u>	Up to <u>(\$9,828,757)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>Up to</u> <b><u>(\$4,162,574)</u></b></b>	<b><u>Up to</u> <b><u>(\$8,951,744)</u></b></b>	<b><u>Up to</u> <b><u>(\$9,828,757)</u></b></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Income - Community Colleges, Vocational &amp; Technical Schools - Increased student enrollment due to expanded A+ Program</u>	Up to <u>\$4,162,574</u>	Up to <u>\$8,951,744</u>	Up to <u>\$9,828,757</u>
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>Up to</u> <b><u>\$4,162,574</u></b></b>	<b><u>Up to</u> <b><u>\$8,951,744</u></b></b>	<b><u>Up to</u> <b><u>\$9,828,757</u></b></b>

FISCAL IMPACT - Small Business

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

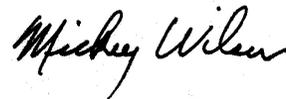
FISCAL DESCRIPTION

This proposal extends eligibility for the A+ Schools Program to a high school student who has attended a Missouri public high school for at least three years and who has an expected family contribution to his or her college expenses at or below a level to be determined each year by the Department of Higher Education.

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  
Department of Elementary and Secondary Education  
Office of Secretary of State  
    Administrative Rules Division  
Joint Committee on Administrative Rules  
School Districts  
    Parkway  
    Special School District of St Louis County  
Community Colleges  
    Metropolitan Community College of Kansas City  
    St Louis Community College  
Vocational or Technical Schools  
    Linn State Technical College



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Director  
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