

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0854-01  
Bill No.: HB 753  
Subject: Education, Higher: Higher Education Department  
Type: Original  
Date: March 30, 2005

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
General Revenue*	(Expected to Exceed \$100,000)	(Expected to Exceed \$100,000)	(Expected to Exceed \$100,000)
<b>Total Estimated Net Effect on General Revenue Fund*</b>	<b>(Expected to Exceed \$100,000)</b>	<b>(Expected to Exceed \$100,000)</b>	<b>(Expected to Exceed \$100,000)</b>

\* Subject to Appropriations

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<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 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2006	FY 2007	FY 2008
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Elementary and Secondary Education** state this proposal does not have a fiscal impact their agency or local schools.

According to officials from the **Coordinating Board for Higher Education**, the fiscal impact of this proposal is unknown as it is difficult to determine the number of Bright Flight eligible Missouri students that attend out-of-state institutions for the purpose of pursuing a program not offered in Missouri. However, subject to appropriations, any increase in the number of recipients would have a negative fiscal impact on General Revenue.

**Oversight** assumes that the impact on General Revenue could exceed \$100,000 (50 students) since the program in 2004 had a participation of 8,270 students for a total expenditure of over \$15 million.

Officials from the **Office of Secretary of State (SOS)** assumed the rules, regulations and forms issued by the Department of Higher Education could require as many as 8 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The actual

ASSUMPTION (continued)

costs could be more or less the SOS's estimated cost of \$492 for FY 2006. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

**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.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
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# **GENERAL REVENUE**

Cost - Coordinating Board for Higher Education - Funding for Additional "Bright Flight" Scholarships\*

(Expected to Exceed \$100,000)	(Expected to Exceed \$100,000)	(Expected to Exceed \$100,000)
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# **ESTIMATED NET EFFECT ON GENERAL REVENUE\***

<u>(Expected to Exceed \$100,000)</u>	<u>(Expected to Exceed \$100,000)</u>	<u>(Expected to Exceed \$100,000)</u>
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**\*Subject to Appropriations**

<u>FISCAL IMPACT - Local Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<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.

# DESCRIPTION

LD:LR:OD (12/02)

The academic scholarship program known as Bright Flight is currently limited to only higher education institutions in Missouri. This proposal permits a student to use the scholarship at an out-of-state institution when the desired program of study is not available in state.

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

Coordinating Board for Higher Education  
Department of Elementary and Secondary Education  
Office of Secretary of State  
Administrative Rules Division

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
March 30, 2005