

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4446-01  
Bill No.: HB 1428  
Subject: Education, Higher, Higher Education Dept.  
Type: Original  
Date: January 26, 2006

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	(\$16,428,000)	(\$16,592,000)	(\$16,758,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$16,428,000)</b>	<b>(\$16,592,000)</b>	<b>(\$16,758,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
<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.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</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 LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

### **FISCAL ANALYSIS**

#### **ASSUMPTION**

Officials from **Lincoln University** assume this proposal could have a modest positive fiscal impact on their organization, in the form of tuition revenue.

Officials from **Missouri State University, Truman State University, the University of Missouri, Linn State Technical College, Metropolitan Community College, St. Charles Community College, and St. Louis Community College** assume this proposal would have no fiscal impact on their organizations.

Officials from the **Department of Higher Education (DHE)** assume this proposal would increase the amount of "Bright Flight" awards from \$2,000 to \$4,000 per student. Using the fall 2005 "Bright Flight" recipient total of 8,214 and the increased amount of \$2,000 per recipient, the first year cost would total \$16,428,000. Assuming the number of recipients increases by 1% each year, the total cost would be \$16,592,000 for FY 2008 and \$16,758,000 for FY2009.

ASSUMPTION (continued)

DHE recently implemented a new web-based system for the administration of the state student financial assistance programs. If the award amount were to change after the first scholarship payment was sent out, significant programming changes would need to take place for the system to recognize a different maximum annual award amount. The time required to make adjustments to the system for mid year award changes will not be known until a thorough review has been completed.

**Oversight** assumes that any changes in maximum award amounts resulting from this proposal would be implemented in advance of processing financial aid for the fall semester, and that DHE could perform any needed system updates with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
<b>GENERAL REVENUE FUND</b>			
<u>Cost - DHE</u>			
Scholarships	(\$16,428,000)	(\$16,592,000)	(\$16,758,000)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$16,428,000)</u></b>	<b><u>(\$16,592,000)</u></b>	<b><u>(\$16,758,000)</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

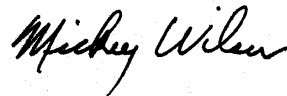
### DESCRIPTION

This proposal would increase the amount of the "Bright Flight" scholarship from \$2,000 a year to \$4,000 per year.

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  
Lincoln University  
Missouri State University  
Truman State university  
University of Missouri  
Linn State Technical College  
Metropolitan Community College  
St. Charles community College  
St. Louis Community College



Mickey Wilson, CPA  
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