

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5495-02
Bill No.: HB 2038
Subject: Education, Elementary and Secondary: Elementary and Secondary Education Dept
Type: Original
Date: April 3, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue Fund*		(\$46,585)	(\$4,862,817)
Total Estimated Net Effect on General Revenue Fund*	\$0	(\$46,585)	(\$4,862,817)

***Subject to appropriation**

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Missouri Junior/Senior Cadets Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds*	\$0	\$0	\$0

***Offsetting Transfers In and Out for FY 09 total \$4,822,883, subject to appropriation**

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0 to (Unknown)	\$0 to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** assumed costs of this proposal using these assumptions:

- 1) Number of seniors calculated per State Profile XV – Fall Enrollment, Average Daily Attendance, Eligible Pupils Projections
- 2) DESE used a 5% participation level for calculation purposes; however, the actual level of participation is unknown and may be more or less than 5%.
- 3) \$175.14 average per credit hour cost based on FY 04 Comprehensive Fee Schedule Report from Coordinating Board for Higher Education.
- 4) DESE assumes implementation in FY07; therefore, only current seniors would be eligible the first year.

ASSUMPTION (continued)

FY2007					
61,194	FY06 Seniors				
0.05	Level of participation				
3,059.70	estimated total students eligible				
\$175.14	Average cost per credit hour				
3.00	possible credit hours per semester				
\$1,607,627.57	One semester total cost				
\$4,822,882.72	Current year total cost (possibility of three semesters)				
FY2008					
\$4,822,882.72	FY06 Seniors Total (from above)				
62,202	FY07 Seniors				
0.05	Level of participation				
3,110.10	estimated total students eligible				
\$175.14	Average cost per credit hour				
3.00	possible credit hours per semester				
\$1,634,108.74	One semester total cost				
\$4,902,326.23	Current year total cost (possibility of three semesters)				
\$9,725,208.95	Current year and prior year eligible				
FY2009					
\$3,215,255.15	FY06 Seniors Total (only two semesters left)				
\$4,902,326.23	FY07 Seniors Total (from above)				
63,530	FY08 Seniors				
0.05	Level of participation				
3,176.50	estimated total students eligible				
\$175.14	Average cost per credit hour				
3.00	possible credit hours per semester				
\$1,668,996.63	One semester total cost				
\$5,006,989.89	Current year total cost (possibility of three semesters)				
\$13,124,571.26	Current year and prior year eligible				

ASSUMPTION (continued)

DESE officials state their agency would provide oversight of this program. DESE assumes they would need 1.0 FTE Administrative Assistant 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.

DESE also assumes that from a district's perspective, there would be costs and issues related to this program, including tracking student mentoring hours, ensuring compliance with eligibility requirements, completing reports and submitting them to the Department for payment.

Oversight assumes that school year 06-07 programs will already be set up by this time this proposal would be effective (August 28, 2006) so this program will not be implemented until school year 07-08(FY 08) and reimbursements will not begin until FY 09 for the first year of 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 DESE for current positions and has excluded travel costs of \$4,500 annually, assuming the programs could be administered with minimal travel. **Oversight** assumes this position will only be necessary if funds are appropriated for the Missouri Junior/Senior Cadets Program.

Officials from the **Office of State Treasurer (STO)** stated there would be no fiscal impact to STO.

Officials from the **Poplar Bluff School District** state that if the mentioned fund is over and above currently promised foundation formula monies, there would be no significant impact to their district.

In response to an earlier similar proposal (SB 1134 - 2004), officials from the **Kansas City Missouri School District** stated this proposal, as written, would have no fiscal impact on their district.

In response to an earlier similar proposal (SB 1134 - 2004), officials from the **Columbia Public Schools** indicated no fiscal impact to their district, but there would be cost to the state.

A fiscal impact request was sent to the school districts of **Parkway, St Louis, Maryville, and others** who did not respond to a request for fiscal impact of the proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2007	FY 2008	FY 2009
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GENERAL REVENUE

Cost - Dept of Elementary and Secondary
 Education-Junior/Senior Cadets Program

Personal Costs (1 FTE)	\$0	(\$26,110)	(\$26,763)
Fringe Benefits	\$0	(\$11,504)	(\$11,792)
Expense and Equipment	<u>\$0</u>	<u>(\$8,971)</u>	<u>(\$1,379)</u>
Total Administrative Costs	\$0	(\$46,585)	(\$39,934)

Cost - DESE - Reimbursements for Cadet
 Program*

<u>\$0</u>	<u>\$0</u>	<u>(\$4,822,883)</u>
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**ESTIMATED NET EFFECT ON
 GENERAL REVENUE FUND**

<u>\$0</u>	<u>(\$46,585)</u>	<u>(\$4,862,817)</u>
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***Subject to appropriation**

**MISSOURI JUNIOR/SENIOR
 CADETS FUND***

<u>Transfer In</u> - General Revenue	\$0	\$0	(\$4,822,883)
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<u>Transfer Out</u> - Tuition Reimbursements	<u>\$0</u>	<u>\$0</u>	<u>(\$4,822,883)</u>
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**ESTIMATED NET EFFECT ON
 MISSOURI JUNIOR/SENIOR
 CADETS FUND***

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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***Subject to appropriation**

<u>FISCAL IMPACT - Local Government</u>	FY 2007	FY 2008	FY 2009
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SCHOOL DISTRICTS

Cost - Administrative Costs for
 Mentoring Program

<u>\$0</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</u>
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**ESTIMATED NET EFFECT ON
 LOCAL SCHOOL DISTRICTS**

<u>\$0</u>	<u>\$0 to</u> <u>(Unknown)</u>	<u>\$0 to</u> <u>(Unknown)</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.

DESCRIPTION

This proposed legislation establishes the Missouri Senior Cadets Program.

The program will encourage high school seniors to mentor kindergarten through eighth grade students in their respective school districts for a minimum of ten hours per week during the school year. The proposal sets up eligibility criteria for mentors.

If a mentor successfully provides mentoring services for an average of at least ten hours per week during a school year, the mentor shall receive one hour of class credit which may satisfy elective graduation requirements. If the mentor attends college with the stated intention of becoming a teacher, the mentor shall be reimbursed by DESE for the costs of one credit hour per semester for a total of no more than eight semesters.

The act establishes the "Missouri Junior/Senior Cadets Fund" in the state treasury.

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
Office of State Treasurer
Poplar Bluff School District

NOT RESPONDING

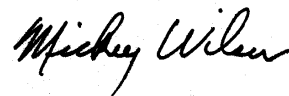
School Districts

Parkway

St Louis

Maryville

Other school districts



Mickey Wilson, CPA

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