

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5075-04  
Bill No.: HCS for HB 1247  
Subject: Education, Elementary and Secondary; Elementary and Secondary Education  
Department  
Type: Original  
Date: April 7, 2014

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Bill Summary: This proposal requires the Department of Higher Education to develop a procedure for dual credit fee reimbursement for students in the A+ scholarship program.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
General Revenue	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown - Could exceed \$100,000)</b>	<b>(Unknown - Could exceed \$100,000)</b>	<b>(Unknown - Could exceed \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
A+ Schools Fund	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**\*Offsetting Transfers In and Disbursements are Unknown - Could exceed \$100,000 annually.**

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<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>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<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>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<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** assume no direct fiscal impact from this proposal and defer to the Department of Higher Education regarding costs associated with this proposed legislation.

According to officials from the **Department of Higher Education (DHE)**, this bill would enact four changes to the existing A+ program:

1. Removes the statutory provision for a grant program to high schools seeking A+ designation. No funding has been provided for this grant in more than a decade.
2. Authorizes the Commissioner of Higher Education and the Coordinating Board to administer the A+ scholarship program. This language reflects the changes made in response to Executive Order 10-16.
3. Directs the DHE to establish a procedure for reimbursement of A+ eligible students for dual credit course work. The reimbursement would take place after the student enrolls at the postsecondary institution and would be payable toward books and other academic fees.
4. Directs the Commissioner of Education and the Commissioner of Higher Education to evaluate the impact of the A+ program on improved high school outcomes and the effectiveness of the scholarship program in promoting access and completion.

Since the proposal establishes a payment hierarchy if funds appropriated to A+ are insufficient to cover this program expansion, it is assumed there would be no impact on program distribution as a result. However, in order to fully fund this additional provision, additional funding would be necessary. Since the proposal now limits the payments to students seeking certificates or technical associate degrees, DHE has insufficient data to determine the cost to fully fund this additional provision.

No new staff resources are indicated based on the assumption this additional provision can be reasonably incorporated into the department's existing aid administration system. Using that technology would negate the need for additional DHE staff for administration.

While there will be information technology costs associated with this proposal, it is assumed the

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ASSUMPTION (continued)

revisions that will be necessary to the existing FAMOUS processing system will not be substantial and, as such, can be covered within the current department funding allocated to IT services.

Officials from **Linn State Technical College** assume there should be no fiscal impact to their institution.

Officials from the following colleges: Jefferson College, State Fair Community College, East Central College, Kansas City Metro Community College, Moberly Area Community College, St. Charles Community College, St. Louis Community College and Three Rivers Community College did not respond to **Oversight's** request for fiscal impact.

Officials from the following school districts: Blue Springs, Branson, Caruthersville, Charleston R-I, Cole R-I, Columbia, Fair Grove, Francis Howell, Fulton, Harrison R-IX, Independence, Jefferson City, Johnson County R-7, Kansas City, Kirksville, Kirbyville R-V, Lee's Summit, Malden R-I, Malta Bend, Mexico, Monroe City R-I, Nixa, Parkway, Pattonville, Raymore-Peculiar R-III, Raytown, Riverview Gardens, Sedalia, Sikeston, Silex, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, St. Charles, Sullivan, Warren County R-III, and Waynesville did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>GENERAL REVENUE</b>			
<u>Transfer Out</u> - Department of Higher Education - A+ Scholarship Program	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(Unknown - Could exceed \$100,000)</u></b>	<b><u>(Unknown - Could exceed \$100,000)</u></b>	<b><u>(Unknown - Could exceed \$100,000)</u></b>
<b>A+ SCHOOLS FUND</b>			
<u>Transfer In</u> - General Revenue - A+ Scholarship Program	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000
<u>Costs</u> - Disbursements to students	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)
<b>ESTIMATED NET EFFECT ON A+ SCHOOLS FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<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.

FISCAL DESCRIPTION

This bill revises the law regarding the A+ Program by:

- (1) Updating references and deleting obsolete provisions;

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FISCAL DESCRIPTION (continued)

(2) Adding a requirement that the Department of Higher Education develop a procedure to reimburse the dual credit course costs incurred during high school by students who qualify for the A+ Program beginning with academic year 2015-16. The reimbursement will be applicable tuition and fees, including book purchase or rental. To qualify, the courses must be provided by a qualified A+ postsecondary institution and accepted for credit at the institution where the student is using the A+ Program. The option applies only to postsecondary students at vocational technical centers and to those pursuing an associate of sciences or applied science degree;

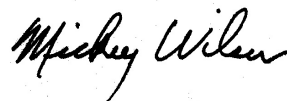
(3) Providing a priority schedule for fund reimbursement in case sufficient funds are not available for full reimbursement;

(4) Revising the current reporting requirement applicable to the Commissioner of Education to include the Commissioner of Higher Education and to specify effectiveness of improving high school outcomes and providing access to and completion of postsecondary programs.

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  
Colleges  
    Linn State Technical College



Mickey Wilson, CPA  
Director  
April 7, 2014

L.R. No. 5075-04  
Bill No. HCS for HB 1247  
Page 7 of 7  
April 7, 2014

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April 7, 2014

LMD:LR:OD