

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1201-01
Bill No.: Perfected HB 599
Subject: Education, Elementary and Secondary; Higher Education
Type: Original
Date: March 7, 2017

Bill Summary: This proposal modifies the A+ Schools Program by removing the requirement that the student's attendance of public high school occur in the three years immediately prior to graduation.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	(Unknown)	(Unknown)	(Unknown)
Total Estimated Net Effect on General Revenue	(Unknown)	(Unknown)	(Unknown)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on FTE	0	0	0

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Higher Education (DHE)** assume there is no way to determine what the fiscal impact of the A+ designated high school attendance change will be. Neither the Department of Higher Education nor the Department of Elementary and Secondary Education collect data concerning the number of students that forfeit their A+ eligibility because they do not attend an A+ designated high school for the three years immediately prior to graduation.

That being said, the average A+ award for the 2015-2016 academic year was \$2,565 per student, and the students affected are those who participate in an internship, a foreign exchange program, or who otherwise do not attend an A+ designated high school during either their sophomore, junior, or senior year.

Oversight notes this proposal specifies that students may receive A+ tuition reimbursement even when they did not immediately attend an A+ designated high school. The A+ program provides tuition reimbursement to eligible graduates of designated high schools to attend public community colleges, public vocational or technical schools, or private two-year vocational or technical schools. There are 534 designated high schools.

Table 1 - Students receiving A+

	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Actual	FY 2017 Projected	FY 2018 Projected
Number of Students Paid	12,090	12,853	13,142	12,633	12,750	13,130
Number of Schools Designated	520	533	533	534	534	560
Total Expenditures	\$28,840,018	\$32,248,624	\$33,564,300	\$32,538,940	\$39.5 m	N/A

Source: Department of Higher Education
N/A not available

Oversight last year contacted several of the larger school districts in the state and found that the schools do not offer any internships or foreign exchange programs that would allow students to

ASSUMPTION (continued)

sit out a year of high school. The schools responded they do not track how many students are rejected from the A+ program for failure to maintain the required attendance.

Oversight notes that if just 10 additional students were added to the program due to the attendance requirement changes, the impact could be \$25,650 (\$2,565 average award amount x 10 new students). Oversight will show the impact as Unknown.

Officials at the **Department of Elementary and Secondary Education** assume that since 2011, the Department of Higher Education has handled the payment portion of the A+ program. This proposal has no fiscal impact on the Department.

<u>FISCAL IMPACT - State Government</u>	FY 2018	FY 2019	FY 2020
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<u>Cost - DHE - additional students eligible for A+ program §160.545</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2018	FY 2019	FY 2020
	<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.

FISCAL DESCRIPTION

This bill modifies the A+ Schools Program by removing the requirement that the student's attendance of a public high school in the state be the three years immediately prior to graduation.

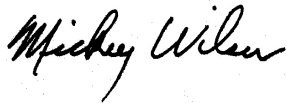
This bill contains an emergency clause.

FISCAL DESCRIPTION (continued)

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
Department of Higher Education

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

Mickey Wilson, CPA
Director
March 7, 2017

Ross Strobe
Assistant Director
March 7, 2017