

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0289-01  
Bill No.: SB 87  
Subject: Education, Elementary and Secondary; Education, Higher.  
Type: Original  
Date: January 13, 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>
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<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.

<b>ESTIMATED NET EFFECT ON FEDERAL 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>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 2006</b>	<b>FY 2007</b>	<b>FY 2008</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**FISCAL ANALYSIS**

**ASSUMPTIONS**

Officials from the **Department of Higher Education (DHE)** assume this legislation would have no direct fiscal impact on DHE. However, it could impact any four-year institution currently receiving A+ Program reimbursements. The total fiscal impact of this legislation is unknown as these funds are distributed to postsecondary institutions by DESE.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume this proposal would prohibit A+ reimbursements to any four-year institutions of higher education, regardless of whether such reimbursements are made indirectly by means of a public community college or vocational or technical school.

DESE stated that Southeast Missouri State University and Missouri Western State College have agreements with Three Rivers Community College and Hillyard Technical School respectively. During FY 04, payments totaling approximately \$700,000 were made to Three Rivers Community College and Hillyard Technical School for student attendance at the affiliated four-year institution, based on those aforementioned agreements.

ASSUMPTIONS (continued)

DESE assumes those payments would not be allowable under this proposal, and the A+ funds would have been available through the A+ program for students enrolled in allowable programs. Therefore, there appears to be no fiscal impact on the state; rather a redistribution of funds to other institutions depending upon student choice.

Officials from **Linn State Technical College** and **East Central College** assume the proposal would have no fiscal impact on their organizations.

Officials from the **University of Missouri** assume the proposal would have no direct impact on their organization; however, the proposal as written could prevent some students enrolled in community colleges from taking classes offered by the University.

Officials from **Missouri Western State College** assume this proposal could result in lost tuition revenues of approximately \$860,000 per year for 200 students each year. The College has a collaborative agreement with St. Joseph Public District's Hilliard Technical Center, under which the College provides instruction in ten specific technical associate degree programs. The College estimate was based on 100% of 200 students' full-time tuition.

Officials from **Missouri Southern State University** assume this proposal would result in lost tuition revenues for approximately 400 students attending their West Plains Campus. Estimated losses were \$551,964 in FY 2005, \$598,125 in FY 2006, and \$648,146 in FY 2007. The University estimate was based on actual receipts for FY 2004; A+ payments were based on tuition and fees due after the application of Pell grants and scholarship programs.

**Oversight** assumes the proposal would require the institutions involved in collaborative agreements between four-year institutions and community colleges and technical schools to restructure those agreements in compliance with the proposal's requirements. Oversight has not shown any gain or loss to state or local funds as a result of this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2006 (10 Mo.)	FY 2007	FY 2008
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<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

This proposal would prohibit A+ reimbursements from being issued to any four-year institution of higher learning.

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  
Linn State Technical College  
East Central College  
University of Missouri  
Missouri Western State College  
Missouri Southern State University



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