

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4752-02  
Bill No.: Truly Agreed To and Finally Passed HCS for SB 980  
Subject: Licenses - Professional; Health Care; Health Care Professionals; Nurses  
Type: Original  
Date: May 25, 2006

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue*	(\$696,000)	(\$1,433,760)	(\$2,215,159)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$696,000)</b>	<b>(\$1,433,760)</b>	<b>(\$2,215,159)</b>

\*Subject to appropriations

<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 6 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 the **Coordinating Board of Higher Education** assume this proposal would not fiscally impact their agency.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume this proposal would establish the "Urban Flight and Rural Needs Scholarship Program". DESE would make available to eligible students up to 100, four-year scholarships in an amount that encompasses the total cost of eligible students' tuition and fees at a four-year college or university located in Missouri.

DESE provided the following calculation of program costs, and stated that costs would grow significantly until year 4 when the costs should begin to level out. DESE calculations assume all 100 scholarships are appropriated each year and that each recipient continues through the program until the fourth year, meeting all requirements for eligibility. DESE has chosen the University of Missouri - Columbia to represent an average of tuition and fees for Missouri's four-year colleges and universities; although it should be noted that costs can greatly exceed or be somewhat below this level. DESE further assumes a 3% increase in tuition and fees in subsequent years.

ASSUMPTION (continued)

Program year	Number of Scholarships	Estimated Tuition and Fees	Total Scholarship Amounts
1	100	\$ 6,960	\$ 696,000
2	200	\$ 7,169	\$ 1,433,760
3	300	\$ 7,384	\$ 2,215,159
4	400	\$ 7,605	\$ 3,042,152

In response to a similar proposal, officials from **Lincoln University** stated that, while it is difficult to predict the number of students who might enroll who have the scholarship, there may be some fiscal impact for their organization.

Officials from **Missouri State University** and **Truman State University** assumed that a similar proposal would have no fiscal impact on their organizations.

Officials from the **University of Missouri** assumed that their organization would incur no additional costs as a result of a similar proposal.

In response to a similar proposal, officials from **St. Louis Community College** assumed that a similar proposal would have no negative fiscal impact on their organization.

In response to a similar proposal, officials from **Metropolitan Community College** assume that a similar proposal would likely have a positive fiscal impact on their organization although not a significant impact.

Officials from the **Office of the State Treasurer** assume the proposal would have no fiscal impact on their organization.

Officials from the **Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the proposal. SOS is provided with core funding to handle a certain amount of normal activity resulting from each years legislative session. The fiscal impact for Administrative Rules is less than \$1,500. The SOS recognizes that this is a small amount and

ASSUMPTION (continued)

does not expect that additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what our office can sustain with our core budget. Therefore, SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Officials from the **Department of Economic Development - Division of Professional Registration** state having reviewed the proposal and having sought the conclusion of the appropriate board(s), they are of the opinion the proposal, in its present form, has no fiscal impact on their organization.

Officials from the **Department of Health and Senior Services (DOH)** assume this proposal would not fiscally impact the operations of the DOH. DOH states if a fiscal impact were to result, funds to support the program would be sought through the appropriations process.

**Oversight** has included the estimated state cost in the General Revenue Fund. Oversight assumes that any repayments by recipients who fail to complete their required teaching obligation would be received after FY 2009. In addition, Oversight assumes any repayment by local school districts to the DESE would occur after FY 2009.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
<b>GENERAL REVENUE FUND</b>			
<u>Cost - Department of Elementary and Secondary Education</u>			
Scholarships*	<u>(\$696,000)</u>	<u>(\$1,433,760)</u>	<u>(\$2,215,159)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$696,000)</u></b>	<b><u>(\$1,433,760)</u></b>	<b><u>(\$2,215,159)</u></b>
*Subject to appropriations			
 <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

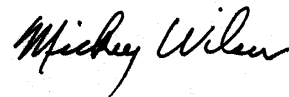
This proposal creates the urban flight and rural needs scholarship program to provide scholarships for students entering teacher education programs who commit to teaching at schools with a higher than average at-risk population. Teachers must teach two years for every year he or she receives the scholarship.

Under current law, student loans are available to students who have applied to be a full-time nursing student. This act redefines eligible student so that only students who have been accepted as full-time nursing students are eligible for the loans. Under current law, 25% of the loan is forgiven for each year of full-time employment as a licensed nurse. This proposal allows for forgiveness of all of the financial assistance in the event of full-time employment.

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

Office of the State Treasurer  
Department of Elementary and Secondary Education  
Lincoln University  
Missouri State University  
Truman State University  
University of Missouri  
St. Louis Community College  
Metropolitan Community College  
Secretary of State  
Department of Health and Senior Services  
Coordinating Board of Higher Education  
Department of Economic Development -  
Division of Professional Registration



Mickey Wilson, CPA  
Director  
May 25, 2006