

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0060-01
Bill No.: SB 78
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Department
Type: Original
Date: February 10, 2009

Bill Summary: Creates the Missouri Senior Cadet Program for mentoring of kindergarten through eighth grade students

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	\$0	(\$43,650)	(\$5,836,464)
Total Estimated Net Effect on General Revenue Fund	\$0	(\$43,650)	(\$5,836,464)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Missouri Senior Cadets Fund*	\$0	\$0	\$0
Total Estimated Net Effect on Other State Funds*	\$0	\$0	\$0

*Offsetting Transfers In and Out for FY 12 total \$5,791,503

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
General Revenue	0	1 FTE	1 FTE
Total Estimated Net Effect on FTE	0	1 FTE	1 FTE

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).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2010	FY 2011	FY 2012
Local Government	\$0	(Expected to exceed \$100,000)	(Expected to exceed \$100,000)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Higher Education** state this proposal should have no direct, foreseeable fiscal impact on their agency.

Officials from the **Office of State Treasurer** state there will be fiscal impact on their agency.

Officials from the **Department of Elementary and Secondary Education (DESE)** state that this proposal would establish the "Missouri Senior Cadets Program" for high school seniors who plan to attend college. Participants who mentor K-8 students for a minimum of ten hours per week during a school year shall receive one hour of class credit which may satisfy graduation requirements, and should the mentor attend college with the stated intention of becoming a teacher, the mentor shall be reimbursed for the costs of three credit hours per semester for a total of no more than eight semesters.

	FY 2010	FY 2011	FY 2012
Seniors*	65,775	65,881	63,814
Level of participation**	5%	5%	5%
Estimated Total students eligible	3289	3,294	3,191
Average cost per credit hour***	\$201.68	\$201.68	\$201.68
Possible credit hours per semester	3	3	3
One semester total cost	\$1,989,825	\$1,993,032	\$1,930,501
Current year total cost (possibility of three semesters)	\$5,969,476	\$5,979,096	\$5,791,503
Current year and prior year(s) eligible		\$11,948,582	\$15,750,250

* Per State Profile XV--Fall Enrollment, Average Daily Attendance, Eligible Pupils Projections from the web

** DESE assumed a 5% participation level for calculation purposes; however, the actual level of participation is unknown and may be significantly more or less than 5%.

***Based on information on Coordinating Board for Higher Education's website regarding the FY09 Comprehensive Fee Schedule Report, DESE calculated the average credit hour charge for

ASSUMPTION (continued)

Missouri four-year institutions to be \$201.68 per credit hour.

Oversight assumes that school year 2009-10 programs will already be set up by the time this proposal would be effective (August 28, 2009), so this program would not be implemented until school year 2010-11 (FY 11) and reimbursements will not begin until FY 12 for the first year of eligible students.

DESE assumes their agency will provide oversight of this program and would need 1.0 FTE Administrative Assistant II 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.

Oversight has, for fiscal note purposes only, adjusted the salary and benefits of the Administrative Assistant II to correspond with the starting salary posted by DESE for a similar position and has excluded travel costs of \$4,500 annually, assuming the program could be administered with minimal travel. Based on Executive Order 09-09 dated February 4, 2009 in which the A+ Schools Program, Missouri Teacher Education Scholarship Program, Missouri Minority Teaching Scholarship Program, and the Urban Flight and Rural Needs Scholarship Program were transferred to the Department of Higher Education, **Oversight** assumes existing furniture (including systems furniture) and equipment will be available for the 1 FTE required to implement this proposed legislation.

DESE assumes that from a school district's perspective, there would be costs and issues related to this program, including tracking student assistance hours, ensuring compliance with eligibility requirements, completing reports and submitting them to DESE for payment. Adult supervision will be necessary. Schools may experience overhead costs for electricity, heat, AC, paper, etc. before and after hours, depending on when the assistance occurs.

Officials from the **University of Missouri, Metropolitan Community College, Missouri State University, University of Central Missouri, Missouri Southern State University, Lincoln University, Linn State Technical College,** and the **Moberly Area Community College** state there will be no fiscal impact on their respective institutions.

Officials from **Missouri Western State University** report the cost for three credit hours for one semester is \$586.50. If 20 students qualified for the program, the cost of reimbursement for six

ASSUMPTION (continued)

semester hours for fall and spring in an academic year would be \$23,460.

Officials from the **Francis Howell School District** state their district would need to create an Extra Duty position for the teacher assigned to the Cadets program. The cost would be approximately \$5,000 per high school and their district has three high schools, resulting in a total cost of at least \$15,000.

Officials from the **St Charles School District** assume the proposal should have little fiscal impact at the district level. If students participate in this program rather than in another elective course, schools will simply need to allocate existing staff accordingly. There could be a small fiscal impact initially with the textbooks, materials, supplies and resources for the course and consumable items would need to be replaced annually.

Officials from the **Melville School District** report the fiscal impact to their district would include the cost for a part-time coordinator to manage the program. They estimate the cost to be one-half of a teacher's salary plus benefits (a minimum of \$23,000 for the school year).

<u>FISCAL IMPACT - State Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
GENERAL REVENUE			
<u>Cost - Department of Elementary and Secondary Education (DESE) - Senior Cadets Program</u>			
Personal Costs (1 FTE)	\$0	(\$28,507)	(\$29,363)
Fringe Benefits	\$0	(\$13,863)	(\$14,279)
Expense and Equipment	<u>\$0</u>	<u>(\$1,280)</u>	<u>(\$1,319)</u>
Total administrative costs	\$0	(\$43,650)	(\$44,961)
 <u>Cost - DESE - Reimbursements to the Cadet Program</u>			
	<u>\$0</u>	<u>\$0</u>	<u>(\$5,791,503)</u>
 ESTIMATED NET EFFECT ON GENERAL REVENUE			
	<u>\$0</u>	<u>(\$43,650)</u>	<u>(\$5,836,464)</u>
 Estimated NET FTE Change for General Revenue			
	0 FTE	1 FTE	1 FTE
 <u>FISCAL IMPACT - State Government</u>			
	FY 2010 (10 Mo.)	FY 2011	FY 2012

MISSOURI SENIOR CADETS FUND

<u>Transfer In - General Revenue</u>	\$0	\$0	\$5,791,503
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<u>Transfer Out - Tuition Reimbursement</u>	\$0	\$0	<u>(\$5,791,503)</u>
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ESTIMATED NET EFFECT ON MISSOURI SENIOR CADETS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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Estimated Net FTE Change for General Revenue

<u>FISCAL IMPACT - Local Government</u>	FY 2010 (10 Mo.)	FY 2011	FY 2012
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LOCAL POLITICAL SUBDIVISIONS

<u>Cost - School Districts - Administrative costs for Senior Cadet Program</u>		(Expected to exceed \$100,000)	(Expected to exceed \$100,000)
	<u>\$0</u>	<u>\$100,000</u>	<u>\$100,000</u>

ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS		<u>(Expected to exceed \$100,000)</u>	<u>(Expected to exceed \$100,000)</u>
	<u>\$0</u>	<u>\$100,000</u>	<u>\$100,000</u>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This proposed legislation creates the Missouri Senior Cadet Program, which will provide opportunities for twelfth graders in public school to mentor kindergarten through eighth grade students as described in the proposal. Participating students must be Missouri residents attending a Missouri high school, maintain a 3.0 GPA and plan to attend college. Twelfth graders who donate ten hours per week during the academic year will receive one elective credit that may be used to fulfill graduation requirements. If a student attends a public college or university located in Missouri after participating in the program, the state will provide a reimbursement in the DESCRIPTION (continued)

amount of three credit hours per semester for a total of no more than eight semesters. The provisions of this proposed legislation will expire in six years unless reauthorized.

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

Office of State Treasurer

School Districts

St Charles

Mehlville

Francis Howell

Colleges and Universities

Moberly Area Community College

Linn State Technical College

Metropolitan Community College

University of Central Missouri

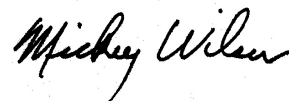
Lincoln University

Missouri Southern State University

Missouri State University

University of Missouri

Missouri Western State University



Mickey Wilson, CPA

Director

February 10, 2009