

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4342-02
Bill No.: SB 650
Subject: Education, Higher
Type: Original
Date: January 7, 2016

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 2017	FY 2018	FY 2019
General Revenue	(Could Exceed \$100,000)	(Could Exceed \$100,000)	(Could Exceed \$100,000)
Total Estimated Net Effect on General Revenue	(Could Exceed \$100,000)	(Could Exceed \$100,000)	(Could Exceed \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
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 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
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 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

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 533 designated high schools.

Table 1 - Students receiving A+

	FY 2013 Actual	FY 2014 Actual	FY 2015 Actual	FY 2016 Projected	FY 2017 Projected	FY 2018 Projected
Number of Students Paid	12,090	12,853	13,142	14,000	14,500	15,000
Number of Schools Designated	520	533	533	533	533	533
Total Expenditures	\$28,840,018	\$32,248,624	\$33,564,300	\$37,000,000	N/A	N/A

Source: Department of Higher Education
 N/A not available

Officials at the **Department of Higher Education (DHE)** assume unfortunately, there is no way to determine what the fiscal impact of this legislation will be. Section 160.545.7(1) changes who is eligible to receive an A+ award by removing the word "immediately" from the requirement that students attend "a public high school in the state for at least three years immediately prior to graduation". DHE's interpretation is that students could attend any combination of three years (such as 9, 10, 11; 9, 10, 12; 9, 11, 12; or 10, 11, 12) at an A+ designated high school and be eligible for A+ scholarships, as long as they meet all other eligibility requirements.

The average A+ award for the 2014-2015 academic year was \$2,533 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.

ASSUMPTION (continued)

Neither DHE or 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.

Neither **Oversight** nor the departments are able to calculate how many additional students will be added to this program due to the change in the requirements. If just 40 additional students are added this would increase expenditures by \$101,320 (\$2,533 average award amount x 40 new students). Oversight will show an increase of could exceed \$100,000.

<u>FISCAL IMPACT - State Government</u>	FY 2017	FY 2018	FY 2019
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GENERAL REVENUE

<u>Cost</u> - Dept of Higher Education - additional students eligible for A+ program	(Could Exceed <u>\$100,000</u>)	(Could Exceed <u>\$100,000</u>)	(Could Exceed <u>\$100,000</u>)
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ESTIMATED NET EFFECT ON GENERAL REVENUE	(Could Exceed <u>\$100,000</u>)	(Could Exceed <u>\$100,000</u>)	(Could Exceed <u>\$100,000</u>)
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<u>FISCAL IMPACT - Local Government</u>	FY 2017	FY 2018	FY 2019
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

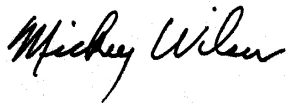
This act modifies the A+ Schools Program by removing the requirement that the student's attendance of a public high school in the state be the three years immediately prior to graduation.

This act contains an emergency clause.

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



Mickey Wilson, CPA
Director
January 7, 2016

Ross Strobe
Assistant Director
January 7, 2016