

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0999-01  
Bill No.: HB 231  
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Department  
Type: Original  
Date: February 14, 2011

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Bill Summary: This proposal establishes an “Advanced Placement Incentive Grant” for certain students.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>       |                   |                   |                   |
|---|-------------------|-------------------|-------------------|
| FUND AFFECTED   | FY 2012           | FY 2013           | FY 2014           |
| General Revenue   | (\$81,000)        | (\$82,620)        | (\$84,272)        |
|   |                   |                   |                   |
| <b>Total Estimated Net Effect on General Revenue Fund</b> | <b>(\$81,000)</b> | <b>(\$82,620)</b> | <b>(\$84,272)</b> |

| <b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>              |            |            |            |
|---|------------|------------|------------|
| FUND AFFECTED   | FY 2012    | FY 2013    | FY 2014    |
|   |            |            |            |
|   |            |            |            |
| <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 2012</b> | <b>FY 2013</b> | <b>FY 2014</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 FULL TIME EQUIVALENT (FTE)</b> |                |                |                |
|---|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                      | <b>FY 2012</b> | <b>FY 2013</b> | <b>FY 2014</b> |
|   |                |                |                |
|   |                |                |                |
| <b>Total Estimated Net Effect on FTE</b>                  | <b>0</b>       | <b>0</b>       | <b>0</b>       |

- 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).

| <b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b> |                |                |                |
|--|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                       | <b>FY 2012</b> | <b>FY 2013</b> | <b>FY 2014</b> |
| <b>Local Government</b>                    | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

## FISCAL ANALYSIS

### ASSUMPTION

According to officials from the **Department of Elementary and Secondary Education (DESE)**, a total of 4,152 students scored 3, 4, or 5 on advanced placement examinations in the fields of mathematics or science last year. It is not known how many of these students participate in the A+ Schools Program or the Access Missouri Financial Assistance Program.

DESE assumes no fiscal impact on their agency as a result of this proposal.

Officials from the **Department of Higher Education** assume that, although there is data available regarding how many students take particular exams in a given year and their scores, there is no data available on the number of students who have taken and passed two of the relevant Advanced Placement (AP) exams. There is anecdotal evidence that the number of students who take and pass more than one exam is a small percentage of total test-takers.

It is known that for the 2010 academic year, 3,337 Missouri public high school seniors passed an AP test in a math or science subject area with a score of at least 3. It is assumed that 1/5, or 667 of these had previously taken and passed an exam in a different math or science subject area. As a proxy for estimating how many of these student will attend a Missouri post-secondary institution, the percentage of Bright Flight-eligible students that attend such institutions, about 58%, was applied to arrive at 387 students. Again, looking at Bright Flight as a proxy, less than 1% of Bright Flight eligible students attend a Missouri community college and would thus be potentially eligible for A+. No adjustment is made for this factor. To estimate how many students would be eligible for the AP grant because they also receive an Access Missouri award, it was assumed that otherwise qualified AP students are distributed according to income in the same manner as the overall Access Missouri recipient population. As eligibility for Access Missouri is predicated on having an expected family contribution (EFC) of \$14,000 or less, the assumption is made that 42% of otherwise eligible students would not receive an Access Missouri award because their EFC exceeds \$14,000 and therefore they would not be eligible for the AP grant.

As these grants are non-renewable, the costs will not compound in the second and third years. It is assumed that the number of eligible students will increase by 2% annually as students react to the incentive being available.

ASSUMPTION (continued)

Summary

3,337 Public high school seniors passing an AP math/science exam  
x 0.20 = 667 Students who have taken and passed two relevant exams  
x 0.58 = 387 Students who have passed two relevant exams and attend college in Missouri  
x 0.42 = 162 Students who have passed two exams, attended in Missouri and received A+ or  
Access  
x \$500 =

\$81,000 - estimated cost (FY 13)

x 1.02

\$82,620 - estimated cost (FY 14)

x 1.02

\$84,272 - estimated cost (FY 15)

Officials from **Linn State Technical College** state the fiscal impact is unknown.

Officials from the **Metropolitan Community College of Kansas City** assume this proposed legislation would have a positive fiscal impact, although the amount cannot be determined.

Officials from the **University of Missouri System** anticipated the proposal would have a small positive impact on the University. The scholarships would provide incentives for students to attend an institution of higher education and would result in increased access to the University. It is not possible to estimate how many students would take advantage of the scholarship and attend the University of Missouri, so it is not possible to quantify the impact.

The following colleges and universities assumed there would be no fiscal impact to their respective institutions: **Missouri Southern State University, Lincoln University, St Louis Community College, University of Central Missouri, Northwest Missouri State University, Missouri Western State University, Missouri State University, Truman State University.**

**Oversight** assumes any increased enrollment would due to this proposal would be indirect and assigns no fiscal impact to colleges and universities.

Officials from the **Parkway School District** assumed there would be no fiscal impact to their district.

| <u>FISCAL IMPACT - State Government</u>                           | FY 2012<br>(10 Mo.)      | FY 2013                  | FY 2014              |
|---|--------------------------|--------------------------|----------------------|
| <b>GENERAL REVENUE</b>  |                          |                          |                      |
| <u>Cost - Department of Higher Education -<br/>Student grants</u> | <u>(\$81,000)</u>        | <u>(\$82,620)</u>        | (\$84,272)           |
| <b>ESTIMATED NET EFFECT ON<br/>GENERAL REVENUE</b>                | <b><u>(\$81,000)</u></b> | <b><u>(\$82,620)</u></b> | <b><u>(\$84)</u></b> |
|   |                          |                          |                      |
| <u>FISCAL IMPACT - Local Government</u>                           | FY 2012<br>(10 Mo.)      | FY 2013                  | FY 2014              |
|   | <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.

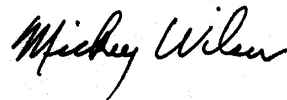
FISCAL DESCRIPTION

This proposal requires the Department of Higher Education to make available a nonrenewable advanced placement incentive grant of \$500 to any recipient of financial aid under the A+ Schools or Access Missouri programs if the recipient received a score of three or higher on two advanced placement examinations in mathematics or science while attending a Missouri public high school.

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  
School Districts  
    Parkway  
Colleges and Universities  
    Truman State University  
    Missouri State University  
    Linn State Technical College  
    Missouri Western State University  
    Metropolitan Community College of Kansas City  
    Northwest Missouri State University  
    University of Missouri System  
    University of Central Missouri  
    St Louis Community College  
    Lincoln University  
    Missouri Southern State University



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