

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 5483H.011  
 Bill No.: HB 2670  
 Subject: Department of Higher Education and Workforce Development; Education, Higher  
 Type: Original  
 Date: March 11, 2022

Bill Summary: This proposal allows students in certain vocational certificate programs of study to be eligible for tuition reimbursements under the A+ schools program.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue	(Could exceed \$1,262,500)	(Could exceed \$1,325,625)	(Could exceed \$1,391,906)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Could exceed \$1,262,500)</b>	<b>(Could exceed \$1,325,625)</b>	<b>(Could exceed \$1,391,906)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
<b>Total Estimated Net Effect on <u>Other State Funds</u></b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</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 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §160.545 – Students in certain vocational certificate programs eligible for A+ tuition reimbursement program

Officials from the **Department of Higher Education and Workforce Development (DHEWD)** state currently, postsecondary A+ students must be enrolled in instructional programs that are eligible for participation in federal Title IV of the Higher Education Act (Pell grant eligible). The only exception is programs at area vocational technical schools (career centers) that do not participate in those programs but those programs must still meet the minimum Title IV requirements to be eligible for A+ reimbursement. This legislation would add a subsection 13 to the A+ statute (§160.545) that would prohibit the DHEWD from promulgating rules making programs at “a certified facility approved by the Department of Elementary and Secondary Education” (DESE) ineligible for A+ reimbursement solely because the program does not meet the Title IV length of program requirements. The impact of this change would be the expansion of the A+ program by providing tuition and fee reimbursement to students enrolled in certain short-term instructional programs (generally, those less than 600 clock hours).

According to DESE, it is unclear what entities are included in the phrase “certified facility approved by the Department of Elementary and Secondary Education.” Based on feedback from DESE, it is assumed this reference is to postsecondary instructional programs delivered by a public area vocational technical school (career center). Based on the federal definition of an eligible program for these providers, this legislation would add programs that are less than 15 weeks in length and contain less than 600 instructional (contact) hours.

The only readily available data relating to these programs is collected by DESE. However, that data only reflects programs containing at least 500 hours of instruction. Based on the most recent data available from DESE, it is estimated that 5,051 individuals were enrolled in courses/programs comprised of between 500 and 600 contact hours. However, those enrollments are not limited to students eligible for A+ and the DESE data does not provide a breakdown by age. If DHEWD assumes 10 percent of those enrollments were for individuals that would be eligible for A+ reimbursement (less than 48 months from high school graduation), this would project an eligible annual enrollment of 505 individuals. The DESE data does not collect cost information so this estimate is based on the current maximum contact hour cost for the A+ program, which is five dollars (\$5) per contact hour. Assuming the five dollars per hour cost and an average number of instructional hours of 500, those individuals would be eligible for \$2,500 (\$5 X 500) in A+ reimbursement. Based on these assumptions, the cost to implement this expansion would be \$1,262,500 (505 X \$2,500). Since these courses are by definition short-term, there would be no carry over costs for these recipients to receive payments for a second academic year. As a tuition and fee based award, it is assumed the cost would increase by five percent to reflect increases in the tuition and fees. The resulting costs are as follows.

FY 2023 - \$1,262,500

FY 2024 - \$1,325,625

FY 2025 - \$1,391,906

It is important to note that the data from DESE from which this estimate is derived is generally limited to instructional programs that contain at least 500 instructional hours. Consequently, some of the short-term programs that would be included in this expansion are not represented in that data and, therefore, it is assumed this cost estimate is at the lower end of the actual cost to implement. Unfortunately, no usable data on programs/courses of less than 500 hours is available making a more complete estimate impossible.

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect DHEWD's projected fiscal impact as "Could exceed..." for fiscal note purposes since the DHEWD indicated the provided costs represent the minimum costs this program expansion would require.

Officials from the **Department of Elementary and Secondary Education**, the **University of Missouri System**, the **University of Central Missouri** and **St. Charles Community College** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

#### Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State (SOS)** note many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the 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 the office can sustain with its core budget. Therefore, the 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.

**Oversight** only reflects the responses received from state agencies and political subdivisions; however, other colleges and universities were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
<b>GENERAL REVENUE FUND</b>			
<u>Costs – DHEWD (\$160.545) Increase in A+ program distributions</u>	Could exceed (\$1,262,500)	Could exceed (\$1,325,625)	Could exceed (\$1,391,906)
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(Could exceed \$1,262,500)</u></b>	<b><u>(Could exceed \$1,325,625)</u></b>	<b><u>(Could exceed \$1,391,906)</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
	<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.

FISCAL DESCRIPTION

This bill defines a "training program" as a program of study that leads to a certificate degree and is certified by the Department of Elementary and Secondary Education but is not eligible for A+ tuition reimbursement due to the length of the program. These programs include, but are not limited to, certified nurse assistant (CNA) programs, certified medication technician (CMT) programs, level 1 medication aide (LIMA) and commercial driver's license (CDL) programs.

The bill prevents the Department of Higher Education and Workforce Development from creating specific rules that would prevent students in these training programs from qualifying for the reimbursement due to a length-of-program requirement.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

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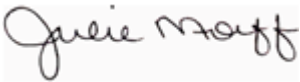
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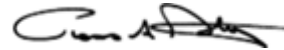
March 11, 2022

SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
Department of Higher Education and Workforce Development  
Office of the Secretary of State  
University of Missouri System  
University of Central Missouri  
St. Charles Community College  
Joint Committee on Administrative Rules



Julie Morff  
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March 11, 2022



Ross Strobe  
Assistant Director  
March 11, 2022