

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5520-01
Bill No.: HB 2518
Subject: Higher Education; Elementary and Secondary Education
Type: Original
Date: February 28, 2020

Bill Summary: This proposal requires in-state public educational institutions to grant undergraduate course credit for students who score 3 or higher on advance placement examinations.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
College & University Funds	(Unknown, Could exceed \$100,000)	(Unknown, Could exceed \$100,000)	(Unknown, Could exceed \$100,000)
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown, Could exceed \$100,000)	(Unknown, Could exceed \$100,000)	(Unknown, Could exceed \$100,000)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
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 2021	FY 2022	FY 2023
Local Government	(Unknown, Could exceed \$100,000)	(Unknown, Could exceed \$100,000)	(Unknown, Could exceed \$100,000)

FISCAL ANALYSIS

ASSUMPTION

Section 173.1352 Advanced Placement Course Credit

Officials from the **Department of Higher Education and Workforce Development** and **Department of Elementary and Secondary Education** each assume the proposal will have no fiscal impact on their organization.

In response to a similar proposal, HB 1508 (2020), officials from **University of Central Missouri** estimated a negative fiscal impact due to a loss in revenue.

In response to a similar proposal, HB 1508 (2020), officials from the **University of Missouri System** stated, in working with the four University of Missouri System Registrars, the University is unable to determine the precise fiscal impact of this legislation. The precise impact of this legislation on students' academic progress and completion is difficult to determine. However, we anticipate that there would be a significant negative fiscal impact in excess of \$100,000.

Officials from **State Technical College of Missouri** assumed this proposal would have a negative fiscal impact on the College. The amount is unknown.

Oversight assumes this proposal would require community colleges, colleges and universities to grant course credit to students scoring a 3 or higher on advanced placement (AP) exams. Based on information from the [College Board](#), Missouri students took 47,277 AP exams in 2019 and 63% of those exams received a score of 3 or higher.

The University of Missouri currently offers [course credit](#) for several AP exams; however, for some of the courses, MU requires a minimum score higher than 3 to receive the equivalent course credit.

Oversight assumes colleges and universities would lose revenue for those courses that currently require a minimum score higher than 3 to receive equivalent course credit. Oversight will show an unknown loss of revenue to College and University funds that could exceed \$100,000.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
COLLEGE & UNIVERSITY FUNDS			
<u>Loss</u> - revenue loss from students receiving credit for Advanced Placement exams §173.1352	(Unknown, Could exceed <u>\$100,000</u>)	(Unknown, Could exceed <u>\$100,000</u>)	(Unknown, Could exceed <u>\$100,000</u>)
ESTIMATED NET EFFECT ON COLLEGE & UNIVERSITY FUNDS	(Unknown, Could exceed <u>\$100,000</u>)	(Unknown, Could exceed <u>\$100,000</u>)	(Unknown, Could exceed <u>\$100,000</u>)

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
COMMUNITY COLLEGES			
<u>Loss</u> - revenue loss from students receiving credit for Advanced Placement exams §173.1352	(Unknown, Could exceed <u>\$100,000</u>)	(Unknown, Could exceed <u>\$100,000</u>)	(Unknown, Could exceed <u>\$100,000</u>)
ESTIMATED NET EFFECT ON COMMUNITY COLLEGE FUNDS	(Unknown, Could exceed <u>\$100,000</u>)	(Unknown, Could exceed <u>\$100,000</u>)	(Unknown, Could exceed <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 bill requires public institutions of higher learning to adopt and implement policies, as outlined in the bill, that will give undergraduate course credit to entering freshman students for each advanced placement (AP) examination upon which such student achieves a score of three or higher. The Coordinating Board for Higher Education will consult with the Department of Elementary and Secondary Education to identify correlations between subject matter and content in courses and examinations in the AP program, and shall make that information public on the board's website.

FISCAL DESCRIPTION (continued)

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 and Workforce Development
Department of Elementary and Secondary Education
University of Central Missouri
University of Missouri System
State Technical College of Missouri



Julie Morff
Director
February 28, 2020



Ross Strobe
Assistant Director
February 28, 2020