

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4938-02
Bill No.: HB 1599
Subject: Education, Elementary and Secondary; Elementary and Secondary Education
Department
Type: Original
Date: February 11, 2014

Bill Summary: This proposal requires the Department of Elementary and Secondary Education to establish a grant program of unaccredited and provisionally accredited districts that commit to extended school time.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	\$0 or (Unknown - May exceed \$100,000)	\$0 or (Unknown - May exceed \$100,000)	\$0 or (Unknown - May exceed \$100,000)
Total Estimated Net Effect on General Revenue Fund	\$0 or (Unknown - May exceed \$100,000)	\$0 or (Unknown - May exceed \$100,000)	\$0 or (Unknown - May exceed \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Extended Instructional Time Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

***Offsetting Transfers In and Transfers Out are \$0 or Unknown - May exceed \$100,000**

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

☐ 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 2015	FY 2016	FY 2017
Local Government*	\$0	\$0	\$0

***Offsetting Transfers In and Costs are \$0 or Unknown - May to exceed \$100,000**

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Treasurer** stated there would be no fiscal impact to their agency.

Officials from the **Joint Committee on Administrative Rules (JCAR)** stated this proposed legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS's office 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 Secretary of State's office for Administrative Rules is less than \$2,500. SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, 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 their office can sustain with their core budget. Therefore, 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 assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal with core funding. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume this proposal has an unknown impact on the state, as well as local school districts. At the beginning of school year 2013, there were three unaccredited and eleven provisionally accredited districts. To what extent these districts will commit to extended instructional time cannot be estimated. DESE will incur costs to develop and implement the grant program; however, the extent of the grant program cannot be estimated. The unknown impact will likely be significant.

No officials from the following unaccredited or provisionally accredited school districts responded to **Oversight's** request for fiscal impact: Caruthersville, Kansas City, Malta Bend, Riverview Gardens, St. Louis, Calhoun, Hayti, Hickman Mills, Normandy, Jennings, Gilliam, Swedeberg, and Spickard.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE			
<u>Transfer Out</u> - Department of Elementary and Secondary Education (DESE) - Grant funding	\$0 or (Unknown - May exceed \$100,000)	\$0 or (Unknown - May exceed \$100,000)	\$0 or (Unknown - May exceed \$100,000)
<u>Costs</u> - DESE - Program administration	\$0 or (Unknown - Not expected to exceed \$100,000)	\$0 or (Unknown - Not expected to exceed \$100,000)	\$0 or (Unknown - Not expected to exceed \$100,000)
ESTIMATED NET EFFECT ON GENERAL REVENUE	\$0 or (Unknown - May exceed \$100,000)	\$0 or (Unknown - May exceed \$100,000)	\$0 or (Unknown - May exceed \$100,000)
EXTENDED INSTRUCTIONAL TIME FUND			
<u>Income</u> - DESE - Fund may receive gifts, contributions, grants, or bequests	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Transfer In</u> - General Revenue - Grant funding	\$0 or Unknown - May exceed \$100,000	\$0 or Unknown - May exceed \$100,000	\$0 or Unknown - May exceed \$100,000
<u>Transfer Out</u> - School Districts - Grant funding	\$0 or (Unknown - May exceed \$100,000)	\$0 or (Unknown - May exceed \$100,000)	\$0 or (Unknown - May exceed \$100,000)
ESTIMATED NET EFFECT ON EXTENDED INSTRUCTIONAL TIME FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
LOCAL POLITICAL SUBDIVISIONS			
<u>Transfer In</u> - School districts - Grant funding	\$0 or Unknown - May exceed \$100,000	\$0 or Unknown - May exceed \$100,000	\$0 or Unknown - May exceed \$100,000
<u>Costs</u> - School districts - Expenses associated with extended school time	\$0 or (Unknown - May exceed \$100,000)	\$0 or (Unknown - May exceed \$100,000)	\$0 or (Unknown - May exceed \$100,000)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<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 bill requires the Department of Elementary and Secondary Education (DESE) to develop and implement a grant program for unaccredited and provisionally accredited school districts that commit to extended school time to improve academic achievement.

The grants will be for a two-year term and will be renewable for two additional terms. An applicant must demonstrate that it has analyzed its current use of instructional time, including the effects on student achievement and personnel assignments, and provide a rationale for the method of adding time.

Grant awards will be proportional to the amount of additional time over the minimum instruction time required by law and the average daily attendance rate of the affected students with priority given to unaccredited districts. The Extended Instructional Time Fund is created to be administered by DESE for the deposit of moneys appropriated to it by the General Assembly and any gifts, contributions, or bequests.

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
Office of State Treasurer
Office of Secretary of State
Administrative Rules Division
Joint Committee on Administrative Rules



Mickey Wilson, CPA
Director
February 11, 2014

Ross Strobe
Assistant Director
February 11, 2014