

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0538-01
Bill No.: HB 56
Subject: Boards, Commissions, Committees, Councils; Elementary and Secondary Education Department; Education, Elementary and Secondary; Education, Higher
Type: Original
Date: February 18, 2013

Bill Summary: This proposal establishes the Career and Technical Education Board to oversee and coordinate career and technical education.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	(Expected to be Less than \$100,000)	(Expected to be Less than \$100,000)	(Expected to be Less than \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Expected to be Less than \$100,000)	(Expected to be Less than \$100,000)	(Expected to be Less than \$100,000)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Career and Technical Education Board Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds*	\$0	\$0	\$0

*Offsetting Transfers In and Disbursements are expected to be less than \$100,000 per year.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
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 2014	FY 2015	FY 2016
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education** state that it is not possible to calculate a fiscal impact for this legislation due to uncertainty as to whether or not the Missouri Department of Elementary and Secondary Education would continue to be regarded by the U.S. Office of Education as the “eligible agency” responsible for the administration of career and technical education under the “Carl D. Perkins Career and Technical Education Improvement Act of 2006,” as is currently the case. The loss of the determination of “eligible agency” would result in the reduction of \$26 million in federal funding now provided through this act. To maintain career technical funding at the current level would require an additional \$26 million of state revenue.

Oversight notes that the Carl D Perkins Vocation and Technical Education Act (Perkins Act) was first authorized by the federal government in 1984 and reauthorized in 1998. In 2006, the act was reauthorized through 2012, after passing almost unanimously in Congress. The Perkins Act provided \$1.14 billion in federal support for career and technical education programs in all 50 states in 2012. According to the Arne Duncan, U.S. Secretary of Education, the Perkins Act will be reformed and updated prior to reauthorization. Mr. Duncan states that strong collaborations between secondary and post-secondary education institutions, employers, industry, and other partners are essential to creating high-quality career and technical education programs.

Oversight assumes the board to be created by this proposed legislation would be an avenue to align with current recommendations for reform of the Perkins Act. Even if the Perkins Act is not reauthorized, the board would be in place to oversee and coordinate career and technical education. Administrative costs of the board are not expected to exceed \$100,000 per year.

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.

ASSUMPTION (continued)

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 Higher Education, Office of the Governor, Department of Economic Development - Division of Workplace Development and Division of Business and Community Services, Joint Committee on Administrative Rules, Office of State Treasurer, and Linn State Technical College** each assume the proposal would not fiscally impact their respective agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
GENERAL REVENUE			
<u>Transfer Out - To the Career and Technical Education Board Fund</u>	(Expected to be less than <u>\$100,000</u>)	(Expected to be less than <u>\$100,000</u>)	(Expected to be less than <u>\$100,000</u>)
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Expected to be less than <u>\$100,000</u>)	(Expected to be less than <u>\$100,000</u>)	(Expected to be less than <u>\$100,000</u>)

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2014 (10 Mo.)	FY 2015	FY 2016
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**CAREER AND TECHNICAL
 EDUCATION BOARD FUND**

<u>Transfer In</u> - From General Revenue	Expected to be less than <u>\$100,000</u>	Expected to be less than <u>\$100,000</u>	Expected to be less than <u>\$100,000</u>
<u>Disbursements</u> - Administrative costs of new board	(Expected to be less than <u>\$100,000</u>)	(Expected to be less than <u>\$100,000</u>)	(Expected to be less than <u>\$100,000</u>)

ESTIMATED NET EFFECT ON CAREER AND TECHNICAL EDUCATION BOARD FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
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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 bill establishes the Career and Technical Education Student Protection Act and the Career and Technical Education Board to oversee and coordinate career and technical education and student organizations' activities in Missouri, replacing the State Advisory Committee for Vocational Education.

The board will consist of nine members appointed by the Governor, with the advice and consent of the Senate, for five-year terms. A State Board of Education member selected by the state board will serve as an ex-officio member and the Assistant Commissioner for the Office of College and Career Readiness within the Department of Elementary and Secondary Education

DESCRIPTION (continued)

(DESE) will serve as the executive director.

The board must meet at least four times annually. All business, decisions, votes, exhibits, outcomes, and materials prepared for the board members must be made available on the board's website within specified time periods.

The board will have powers and duties that include: developing, implementing, and administering the budget for career and technical education for the State Board of Education and DESE; developing a statewide long-range plan for career and technical education; making legislative recommendations to improve career and technical education; promoting coordination of career and technical education programs; and, directing disbursements and administering the Career and Technical Education Board Fund created by the bill.

Certain other specified duties currently required of the Commissioner of Education are transferred to the Career and Technical Education Board.

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
Department of Economic Development
 Division of Workplace Development
 Division of Business and Community Services
Office of the Governor
Joint Committee on Administrative Rules
Office of Secretary of State
 Administrative Rules Division
Office of State Treasurer
Linn State Technical College



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