

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5441-01
Bill No.: HB 1732
Subject: Education, Elementary and Secondary; Teachers
Type: Original
Date: April 15, 2014

Bill Summary: This proposal requires school districts to develop a system for identifying students who are at the risk of not being ready for college-level work or entry-level career positions.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	\$0	(\$900,000)	(\$900,000)
Total Estimated Net Effect on General Revenue Fund	\$0	(\$900,000)	(\$900,000)

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

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

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Joint Committee on Education** state this proposal would add no additional costs for 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 Higher Education (DHE)** state this proposal would require their agency to publish an additional report on the effectiveness of standardized testing by July 1, 2017 in conjunction with the Department of Elementary and Secondary Education. This would have no fiscal impact on DHE.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume this proposal would require the reinstatement of the English I End-of-Course assessment at a cost of approximately \$900,000 per year.

Oversight notes that information on the DESE website states "Students in Missouri, including Missouri Option Program students, are required to take the Algebra I, Biology, English II and Government assessments. Beginning with the class of 2016, American History and English I are

ASSUMPTION (continued)

also required." DESE responded that the assessment plan adopted January, 2014, makes English I, Geometry, and American History available at district cost. The wording on the DESE website speaks to Missouri School Improvement Program (MSIP) requirements. In order to meet these MSIP requirements, legislation must be passed. The legislation as provided in this proposal would bring current practice into alignment with MSIP requirements, thus the \$900,000 cost as provided in their fiscal note response.

DESE defers to local school districts regarding the extent of any costs related to them.

Officials from the **Special School District of St. Louis County (SSD)** assume this proposal would create work for the SSD staff (but not material costs) as most of the high school students they serve have severe disabilities and are not college bound.

Officials from the **Fulton School District** state the proposal would not have a significant impact on their district as they currently identify at risk students for traditional assistance.

Officials from the **Francis Howell School District** assume no fiscal impact.

Officials from the following school districts: Blue Springs, Branson, Caruthersville, Charleston R-I, Cole R-I, Columbia, Fair Grove, Harrison R-IX, Independence, Jefferson City, Johnson County R-7, Kansas City, Kirksville, Kirbyville R-V, Lee's Summit, Malden R-I, Malta Bend, Mexico, Monroe City R-I, Nixa, Parkway, Pattonville, Raymore-Peculiar R-III, Raytown, Riverview Gardens, Sedalia, Sikeston, Silex, Spickard R-II, Springfield, St Joseph, St Louis, St. Charles, Sullivan, Warren County R-III, and Waynesville did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE			
Costs - Department of Elementary and Secondary Education - End-of-Course assessments	<u>\$0</u>	<u>(\$900,000)</u>	<u>(\$900,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>(\$900,000)</u>	<u>(\$900,000)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<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 proposed legislation requires each school district to develop a policy and implement a system by July 1, 2016, for identifying students in their ninth grade year and students who transfer into the school after ninth grade who are at risk of not being ready for college-level work or for entry-level career positions. Indicators include, but are not limited to, performance on the English I and Algebra I statewide assessments; the district's reported remediation rate; and the student attendance rate.

The district policy must require academic and career counseling to take place sufficiently prior to graduation for any at-risk student to ensure the ability of the school to provide sufficient opportunities to the student to graduate college or career ready and on time.

The bill repeals the provision that prohibits the use of the reported remediation rate for other purposes and requires:

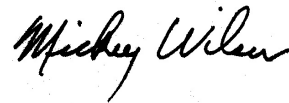
- (1) Beginning with school year 2015-16, each district with a remediation rate higher than 10% percent to schedule a school board discussion of the rate in the July school board meeting following the reporting of the rate;
- (2) By October 31, 2015, the Department of Elementary and Secondary Education (DESE) to conduct a review of its policies and procedures relating to best practices in remediation as identified by the Department of Higher Education (DHE) to ensure that districts are informed about and held accountable for implementing the best practices. DESE must present its results to the Joint Committee on Education by October 31, 2015; and
- (3) By July 1, 2017, DHE in consultation with DESE to develop a report that analyzes the results of the remediation rate report relative to student performance on the statewide assessments for English I and Algebra I.

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 Elementary and Secondary Education
Department of Higher Education
Joint Committee on Administrative Rules
Office of Secretary of State
 Administrative Rules Division
Joint Committee on Education
School Districts
 Special School District of St. Louis County
 Fulton
 Francis Howell



Mickey Wilson, CPA
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April 15, 2014

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April 15, 2014