

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6135-01  
Bill No.: HB 2037  
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Department  
Type: Original  
Date: April 8, 2014

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Bill Summary: This proposal implements intervention procedures for schools with annual performance report scores consistent with provisionally accredited or unaccredited status.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(\$169,175)	(\$181,922)	(\$182,859)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$169,175)</b>	<b>(\$181,922)</b>	<b>(\$182,859)</b>

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

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 8 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</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 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
General Revenue	1 FTE	1 FTE	1 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>

- 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Local Government</b>	<b>(Unknown - Expected to be less than \$100,000)</b>	<b>(Unknown - Expected to be less than \$100,000)</b>	<b>(Unknown - Expected to be less than \$100,000)</b>

## FISCAL ANALYSIS

### ASSUMPTION

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.

### §160.721

Officials from the **Department of Elementary and Secondary Education (DESE)** assume they will require the following FTE and related costs to implement the performance analysis/audit team:

1 FTE Coordinator  
1 FTE Director  
1 FTE Assistant Director  
1 FTE Data Specialist  
2 FTE Area Supervisors  
5 FTE Regionally-based school improvement specialists

\$600,000 for contracted service center specialists

ASSUMPTION (continued)

DESE defers to local school districts regarding the extent of any impact to them from the bill as a whole.

**Oversight** assumes DESE duties related to this proposal can be performed with 1 FTE Director position and additional contract expenses of \$100,000. Oversight assumes a limited number of school districts would be affected by this proposal and the audit team appears to be comprised of non-DESE members. Oversight assumes the primary duties of DESE are to review and identify areas of concern of comprehensive school improvement plans submitted by district boards of education. In the event additional personal services or contract services are needed, DESE may request additional resources through the appropriation process.

**Oversight** has, for fiscal note purposes only, adjusted the salary and benefits of the director position to correspond with the salary as posted by DESE for a similar position on the DESE web site.

Officials from the **Kansas City Public School District (KCPS)** assume this proposal may require additional functions from personnel assigned in teaching, assessment, and other administrative functions. KCPS believes there will be a fiscal impact in the area of personnel costs if the proposed legislation is passed. It is difficult to estimate the impact at this time.

Officials from the following unaccredited or provisionally accredited school districts: Caruthersville, Malta Bend, Riverview Gardens, St. Louis, Calhoun, Hayti, Hickman Mills, Normandy, Jennings, Gilliam, Swedeborg, and Spickard did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>GENERAL REVENUE</b>			
<u>Costs - Department of Elementary and Secondary Education (DESE)</u>			
Personal Services (1 FTE)	(\$40,460)	(\$49,038)	(\$49,528)
Fringe Benefits	(\$20,637)	(\$25,012)	(\$25,262)
Equipment and Expense	(\$8,078)	(\$7,872)	(\$8,069)
Contract Expense	<u>(\$100,000)</u>	<u>(\$100,000)</u>	<u>(\$100,000)</u>
Total Expenses - DESE	<u>(\$169,175)</u>	<u>(\$181,922)</u>	<u>(\$182,859)</u>
FTE Change - DESE	1 FTE	1 FTE	1 FTE
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$169,175)</u></b>	<b><u>(\$181,922)</u></b>	<b><u>(\$182,859)</u></b>
Estimated Net FTE Change for General Revenue	1 FTE	1 FTE	1 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Costs - School Districts - Administrative expenses</u>	(Unknown - Expected to be less than <u>\$100,000</u> )	(Unknown - Expected to be less than <u>\$100,000</u> )	(Unknown - Expected to be less than <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>(Unknown - Expected to be less than \$100,000)</u></b>	<b><u>(Unknown - Expected to be less than \$100,000)</u></b>	<b><u>(Unknown - Expected to be less than \$100,000)</u></b>

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

## FISCAL DESCRIPTION

The bill makes the following changes to the laws regarding school accreditation:

### **§160.721**

(1) Requires, when annual performance reports become available and before the State Board of Education makes any changes in accreditation, the state board to appoint a team to conduct a complete performance analysis of any district whose annual performance report score is consistent with provisionally accredited or unaccredited status. The analysis will look at the effectiveness of programs within the district, including but not limited to curriculum, data management, community involvement, professional development, district contracts, and financial management. The team must include an experienced teacher and an experienced administrator from successful school districts of comparable size and per-pupil funding. The size of the audit team will be based upon the size of the school to be audited. The audit team must report its findings to the state board and the local board of education. The state board may require all or part of those findings to be addressed in the comprehensive school improvement plan;

(2) Requires the board of education of any district whose annual performance report score is consistent with provisionally accredited or unaccredited status to submit a comprehensive school improvement plan that provides for the following:

- (a) Identification of the areas of academic deficiency in student performance on the statewide assessment;
- (b) Implementation of research-based strategies to assist the district in addressing the areas of deficiency;
- (c) Alignment of the district's curriculum to address deficiencies in student achievement;
- (d) Reallocation of district resources to address the causes of the academic deficiency;

(3) Requires comprehensive school improvement plans to be evaluated based upon standards established under the bill and upon the following time lines:

- (a) The comprehensive school improvement plan must be submitted to the Department of Elementary and Secondary Education on or before August 15 following any school year in which a school district building achieves an annual performance report score that is consistent with provisionally accredited or unaccredited status;

FISCAL DESCRIPTION (continued)

(b) DESE must review and identify areas of concern in the plan within 60 days of receipt;

(c) The district must forward any changes to DESE within 60 days of notice to the district of the areas of concern;

(4) Requires DESE to withhold funding formula moneys from any school district that fails to submit a comprehensive school improvement plan and released upon submission of a comprehensive school improvement plan that meets the established requirements.

**§162.082**

(1) Requires school boards in school districts whose annual performance report score is consistent with provisionally accredited or unaccredited status to immediately enter into a contract with the state board to commit to certain interventions for each school building whose annual performance report score is consistent with provisionally accredited or unaccredited status.

Upon mutual agreement of the local school board and the state board, a school whose grade configuration, curriculum, or student assignments are deemed to make the annual performance report score an inaccurate indicator of the need for a contract will be exempt;

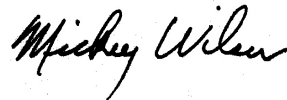
(2) Prohibits, when a contract is executed, the state board of education from accrediting a district at a level below provisionally accredited for the term of the contract. The contract must require intensive professional development for all board members, administrators, and teachers. When the state board deems it necessary, the contract will include provisions requiring the school district to engage community partners to support school improvement projects within 30 days of the contract execution, or the contract must be null and void.

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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SOURCES OF INFORMATION

Department of Elementary and Secondary Education Department  
Joint Committee on Administrative Rules  
Office of Secretary of State  
Administrative Rules Division  
School Districts  
Kansas City



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Director  
April 8, 2014

Ross Strobe  
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April 8, 2014