

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0641-03  
Bill No.: Perfected HCS for HB 377  
Subject: Education, Elementary and Secondary; Telecommunications  
Type: Original  
Date: April 14, 2015

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

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(\$454,312)	(\$545,322)	(\$648,455)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$454,312)</b>	<b>(\$545,322)</b>	<b>(\$648,455)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
<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 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</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 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
General Revenue	1 FTE	1 FTE	0 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>	<b>0 FTE</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Local Government</b>	<b>(Unknown over \$100,000)</b>	<b>(Unknown over \$100,000)</b>	<b>(Unknown over \$100,000)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Department of Elementary and Secondary Education (DESE)** assume this proposal would require the reinstatement of the English I EOC assessment at a cost of \$398,455 for the first year. An increase of approximately \$125,000 per year would occur in subsequent years for form development as there is currently only one operational form. The English I EOC is currently offered to students but this proposal would require all students to take it. If it is required then DESE must pay for it. DESE defers to local school districts regarding the extent of any costs related to schools.

**DESE** assumes the need for one FTE Supervisor to review all policies and procedures related to remediation across all offices and to prepare the report for the joint committee on education. This FTE would be needed in FY 2016 and for four months of FY 2017.

Officials at the **Department of Higher Education** assume §173.750.5 requires the department, in consultation with DESE, to develop a report analyzing performance of graduates from public high schools relative to their scores on the statewide assessment for English I and Algebra I. This report will need to be completed by July 1, 2018 and could be accomplished with existing personnel.

Officials at the **Kansas City Public Schools** assume this could have an impact. The impact is unknown but expected to be between \$100,000 and \$150,000 annually in personnel and testing costs.

Officials at the **Riverview Gardens School District** and **Malta Bend School District** each assume there is no fiscal impact to their respective school districts from this proposal.

Officials at the **Special School District of St. Louis** assume this would have a negative impact as they would need to hire two additional counselors.

**Oversight** notes this proposal requires school districts to develop a policy and implement a measurable system for identifying students who are at risk of not being ready for college-level work or for entry-level career positions. Oversight assumes this proposal requires school districts to take into account the score of the student on the English I statewide assessment. Oversight will show in the fiscal note, the implementation by DESE of the English I assessment.

ASSUMPTION (continued)

**Oversight** notes that school districts will have costs associated with the implementation of the policies required under this proposal. Oversight will show the impact to all school districts as Unknown over \$100,000.

Officials at the following schools: Blue Springs Public Schools, Branson Public Schools, Caruthersville School District, Cole R-I Schools, Columbia Public Schools, Fair Grove Schools, Fulton Public School, Harrisonville School District, Independence Public Schools, Jefferson City Public Schools, Kirksville Public Schools, Kirbyville R-VI Schools, Lee Summit Public Schools, Macon School, Mexico Public Schools, Monroe City R-I Schools, Nixa Public Schools, Parkway Public Schools, Raymore-Peculiar R-III Schools, Raytown School District, Riverview Gardens School District, Sedalia School District, Sikeston Public Schools, Silex Public Schools, Spickard School District, Springfield School District, St Joseph School District, St Louis Public Schools, St. Charles Public Schools, Sullivan Public Schools, Warren County R-III School District and Waynesville Public School did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>GENERAL REVENUE</b>			
<u>Cost - DESE - administering the English I EOC to all students</u>	(\$398,455)	(\$523,455)	(\$648,455)
<u>Cost - DESE</u>			
Personal Service	(\$31,640)	(\$12,783)	\$0
Fringe Benefits	(\$16,454)	(\$6,648)	\$0
Equipment and Expenses	<u>(\$7,763)</u>	<u>(\$2,436)</u>	<u>\$0</u>
<u>Total Costs - DESE</u>	(\$55,857)	(\$21,867)	\$0
Total FTE Change - DESE	1 FTE	1 FTE	0 FTE
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>			
	<b><u>(\$454,312)</u></b>	<b><u>(\$545,322)</u></b>	<b><u>(\$648,455)</u></b>
Estimated Net FTE Change on General Revenue	1 FTE	1 FTE	0 FTE

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
<b>LOCAL SCHOOL DISTRICTS</b>			
<u>Costs</u> - School Districts - implementation of the new policy on college readiness	(Unknown over <u>\$100,000</u> )	(Unknown over <u>\$100,000</u> )	(Unknown over <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICTS</b>	<b>(Unknown over <u>\$100,000</u>)</b>	<b>(Unknown over <u>\$100,000</u>)</b>	<b>(Unknown over <u>\$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

This bill requires each school district to develop a policy and implement a system by July 1, 2017, 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 any other purpose and requires:

(1) The DESE to conduct a review of its policies and procedures relating to best practices in remediation as identified by the Department of Higher Education 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, 2016; and

(2) The Department of Higher Education in consultation with the DESE to develop a report that analyzes the results of the remediation rate report relative to student performance on the statewide assessment for English I and Algebra I by July 1, 2018.

Allows each student during his or her seventh grade year at a public school or charter school to develop a personal plan of study with help from the school's guidance counselors that must be reviewed at least annually by school personnel and the student's parent or guardian and updated

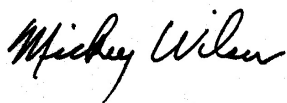
FISCAL DESCRIPTION (continued)

based on the needs of the student; requires, beginning with the 2016-17 school year, DESE to include a credit component in the scoring guide under the Missouri School Improvement Program for school districts that implement this plan; and requires, no later than January 1, 2016, the department to revise its scoring guide under the program to include a component of credit for identifying ninth grade students who are at risk of dropping out or not being ready for college-level work or for entry-level career positions and to provide significant weight to that component for the purposes of determining a district's accreditation

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  
Kansas City Public Schools  
Malta Bend Schools  
Riverview Garden School District  
Special School District of St. Louis



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