

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1111-01
Bill No.: HB 755
Subject: Education, Elementary and Secondary; Education, Proprietary
Type: Original
Date: February 23, 2015

Bill Summary: This proposal establishes the Parent and Community School Information Act that requires a simplified report card for each attendance center and charter school in the state.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(Unknown greater than \$250,690)	(Unknown greater than \$259,244)	(Unknown greater than \$259,850)
Total Estimated Net Effect on General Revenue	(Unknown greater than \$250,690)	(Unknown greater than \$259,244)	(Unknown greater than \$259,850)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Elementary and Secondary Education (DESE)** assume the following sections have impact:

§171.415.2 & .4 DESE will incur programming and modification costs, as well as, report generation costs. However, DESE does not anticipate those costs will be significant.

§171.415.5 DESE defers to the local school districts and charter schools regarding the extent of any costs related to notifying parents about the contents of the report and providing directions for accessing the information.

§171.415.6 DESE does not collect the remediation rate for current students and the college remediation rate of the preceding year's high school graduates. The department will incur significant programming and modification costs to carry out these requirements.

§171.415.7 DESE does not currently test third graders in science. If required, this would result in significant unknown costs.

§171.415.8 DESE will require 1 FTE supervisor to review and approve action plans.

Oversight notes this proposal requires the attendance centers to notify parents of the report card. Oversight will show an unknown impact to school districts for this notification.

Oversight notes that this proposal would require DESE to include remediation rates for students in the report card. Oversight notes that DESE does not currently collect remediation rates for students. Oversight assumes the impact to be greater than \$100,000.

Oversight notes this proposal would require DESE to consider the score of third graders on an assessment test in science. Since DESE does not currently assumes third graders in science, DESE would be required to create and administer such a test. Oversight assumes the impact to be greater than \$100,000

Oversight has, for fiscal note purposes only, adjusted the salary and benefits of the Supervisor position to correspond with the salaries posted by DESE for a current job vacancies for a similar positions. Oversight assumes DESE has a core budget for travel expenses, so those costs have also not been included in the estimate of expenses.

ASSUMPTION (continued)

Officials at the **Kansas City Public Schools** assume they can not determine the impact until such times as DESE promulgates rules detailing how they would implement the proposal.

Officials at the **Joint Committee on Administrative Rules** assume there is no fiscal impact from this proposal.

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

Officials at the following schools: Blue Springs Public Schools, Branson Public Schools, Caruthersville School District, Cole R-I Schools, Columbia Public Schools, Everton R-III School District, 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, Pattonville Schools, Raymore-Peculiar R-III Schools, Raytown School District, Sedalia School District, Sikeston Public Schools, Silex Public Schools, Special School District of St. Louis County, 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.

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

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
GENERAL REVENUE			
<u>Cost - DESE - collection of remediation rates §171.415.6</u>	(Unknown over \$100,000)	(Unknown over \$100,000)	(Unknown over \$100,000)
<u>Cost - DESE - testing third graders in science §171.415.7</u>	(Unknown over \$100,000)	(Unknown over \$100,000)	(Unknown over \$100,000)
<u>Cost - DESE</u>			
Personal Service	(\$31,640)	(\$38,348)	(\$38,731)
Fringe Benefits	(\$16,454)	(\$19,943)	(\$20,142)
Equipment and Expenses	<u>(\$2,596)</u>	<u>(\$953)</u>	<u>(\$977)</u>
<u>Total Cost - DESE</u>	<u>(\$50,690)</u>	<u>(\$59,244)</u>	<u>(\$59,850)</u>
FTE Change - DESE §171.415.8	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Unknown greater than <u>\$250,690</u>)	(Unknown greater than <u>\$259,244</u>)	(Unknown greater than <u>\$259,850</u>)
Estimated Net FTE Change on General Revenue	1 FTE	1 FTE	1 FTE
<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
LOCAL SCHOOL DISTRICTS			
<u>Cost - School Districts - distribution of report card to parents §171.415.5</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICTS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
<u>FISCAL IMPACT - Small Business</u>			

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

FISCAL DESCRIPTION

This bill establishes the Parent and Community School Information Act and must apply to each public school attendance center in a school district and to each charter school in the state except for any attendance center or charter school that includes only grades lower than third grade. The Department of Elementary and Secondary Education must produce annually a simplified school attendance center report card that must not be construed to be part of the school improvement program. The report card is to be for informational rather than evaluative purposes.

The department must provide a link between the report card referred to in Section 160.522, RSMo, and the simplified school attendance center report card. The department must make an annual report to the Joint Committee on Education of its progress in establishing the report card and in simplifying access to the information in the department's data portal.

The first simplified school attendance center report card must be distributed before December 1, 2016, and the attendance center must notify parents and the community about the contents of the report and provide directions for accessing the information. The department must include a direct link from its home page to the instructions for accessing the simplified attendance center report card.

The department is required to establish a report card that is easy for the general public to understand, in a format that does not exceed an 8 inch by 11 1/2 inch one-sided sheet of paper and that contains information from the school improvement program that accurately reflects the performance level of individual attendance centers or charter schools by indicating the standards applicable to each attendance center or charter school, overall score for the standard and, where applicable, the scores on the components for each applicable component that comprise the standard. The report must also include the remediation rate for current students and the college remediation rate of the preceding year's high school graduates.

The principal of each attendance center or charter school is authorized to include a statement not to exceed 250 words that provides context or background information that he or she deems necessary to a full understanding of the school's scores and which contains, when applicable to the grade range of the attendance center or charter school, the percentage of third grade students scoring at proficient or above on the statewide assessment of reading, math, and science, and a clickable link to or universal resource locator (URL) for information relating to an attendance center or charter school's dual credit or advanced placement program, entrepreneurship program, alternative program, virtual courses, and remedial or credit recovery programs.

Any attendance center or charter school that scores less than 70% overall on its annual performance report is required to submit an action plan to the department for its approval

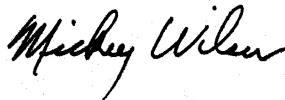
FISCAL DESCRIPTION (continued)

describing the steps the attendance center or charter school will take to improve its grade during the next academic year after the grade is assigned

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
Joint Committee on Administrative Rules
Kansas City Public Schools
Malta Bend Schools
Riverview Garden School District



Mickey Wilson, CPA
Director
February 23, 2015

Ross Strobe
Assistant Director
February 23, 2015