

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4804-02
Bill No.: Perfected HCS for HB 1612
Subject: Education, Elementary and Secondary; Boards, Commissions, Committees, Councils
Type: Original
Date: February 23, 2016

Bill Summary: This proposal requires the State Board of Education to establish minimum requirements for a career and technical education certificate.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
Total Estimated Net Effect on General Revenue	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
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 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on FTE	0	0	0

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 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Elementary and Secondary Education (DESE)** assume this will result in additional costs due to data collection; however, it is not anticipated to be greater than \$100,000. DESE defers to the local school districts for their costs.

Oversight notes this proposal requires DESE to establish minimum requirements for a career and technical education (CTE) high school certificate that can be earned in addition to a high school diploma. DESE and school districts shall work together to determine the minimum number of hours of CTE offerings. Oversight assumes that DESE will be able to establish the career and technical education certificate with existing staff and resources. Oversight assumes that DESE will need less than \$100,000 for computer upgrades and data collection annually.

Oversight notes the current career education areas of study approved by DESE are:

- Agriculture Education
- Business Education
- Marketing and Cooperative Education
- Health Sciences
- Family Consumer Sciences and Human Services
- Occupational Family Consumer Sciences and Human Services
- Skilled Technical Sciences
- Technology and Engineering

Oversight notes that most schools already provide courses in career and technical education. Oversight assumes the school districts would be able to administer the CTE certificate with their existing resources.

Officials at the **Concordia R-II School District** assume they pay \$3,000 to send a student to the local career center. If this encourages other students the cost to the school would increase. The impact is unknown at this time.

In response to the previous version, officials at the **Kansas City Public Schools** assumed no immediate impact. Future impact cannot be determined until such time as DESE promulgates rules as outlined.

ASSUMPTION (continued)

In response to the previous version, officials at the **Smithville R-II School District** assumed the only expense would be associated with the time needed to create the parameters of earning the certificate. This would vary depending on the salary of the person doing the work. Estimated cost \$500- \$1,000.

In response to the previous version, officials at the **St. Elizabeth R-IV School District** assumed the impact is unknown. It could cost as much as \$40,000 if new staffing is needed or tuition to other schools.

In response to the previous version, officials at the **St. Charles School District** assumed this would cost about \$50,000.

In response to the previous version, officials at the **Kennett School District** assumed a fiscal impact which is unknown at this time.

Officials at the **Chillicothe R-II, Kingston 42, Macon County R-IV, New Haven, West Plains**, and the **Wright City R-II** school districts assume there is no fiscal impact from this proposal.

In response to the previous version, officials at the **Brentwood, Everton R-III, Kearney, Macon County R-IV, Middle Grove C-1, Parkway, Pettis County R-XII, Sarcoxie R-II, Shelby County R-IV, Warren County R-III** and the **Webster Groves** school districts each assumed there was no fiscal impact from this proposal to their respective districts.

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

In response to the previous version, officials from the **Office of the Secretary of State (SOS)** stated 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.

ASSUMPTION (continued)

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.

Officials at the following school districts: Arcadia Valley R-2, Aurora R-8, Bakersfield, Belton, Benton County R-2, Bismark R-5, Bloomfield R-14, Blue Springs, Bolivar R-I, Bowling Green R-1, Branson, Bronaugh R-7, Campbell R-2, Carrollton R-7, Caruthersville, Cassville R-4, Central R-III, Chilhowee R-4, Clarkton C-4, Cole R-I, Columbia, Crawford County R-1, Crocker R-II, Delta C-7, East Carter R-2, East Newton R-6, Eldon R-I, Fair Grove, Fair Play, Fayette R-3, Forsyth R-3, Fox C-6, Fredericktown R-I, Fulton, Grain Valley, Hancock Place, Hannibal, Harrisonburg R-8, Harrisonville, Hillsboro R-3, Hollister R-5, Humansville R-4, Hurley R-1, Independence, Jefferson City, King City R-1, Kirbyville R-VI, Kirksville, Laclede County R-1, Laredo R-7, Lee Summit, Leeton R-10, Lewis County C-1, Lindbergh, Lonedell R-14, Macon County R-1, Malta Bend, Mehville, Meramec Valley R-3, Mexico, Midway R-1, Milan C-2, Moberly, Monroe City R-I, Morgan County R-2, Nixa, North St. Francois Co. R-1, Northeast Nodaway R-5, Odessa R-VII, Oregon-Howell R-III, Osage County R-II, Osborn R-O, Pattonville, Pierce City, Plato R-5, Princeton R-5, Raymore-Peculiar R-III, Raytown, Reeds Springs R-IV, Renick R-5, Richland R-1, Riverview Gardens, Salisbury R-4, Scotland County R-I, Sedalia, Seymour R-2, Shell Knob #78, Sikeston, Silex, Slater, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, Sullivan, Valley R-6, Verona R-7, Warrensburg R-6 and the Westview C-6 School District did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE			
<u>Cost - Department of Elementary and Secondary Education - data collection</u>	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)	(Less than <u>\$100,000</u>)
<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<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 bill requires the State Board of Education within the Department of Elementary and Secondary Education to establish minimum requirements for a career and technical education (CTE) certificate that a student can earn in addition to his or her high school diploma. Students entering high school in the 2017-18 school year and thereafter must be eligible to earn a CTE certificate.

The bill requires the state board to establish CTE requirements intended to provide students with the necessary technical employability skills to be prepared for an entry-level career in a technical field or additional training in a technical field. These provisions must not be considered a means for tracking students, meaning separating pupils by academic ability into groups for all subjects or certain classes and curriculum, in order to impel students to particular vocational, career, or college paths. Each local school district must strive to offer programs of study that are economically feasible for students in the district. In establishing CTE offerings, the district may rely on standards for industry-recognized certificates or credentials.

No later than January 1, 2017, the department must develop a process for recognition of a school district's career and technical education program that offers a career and technical education certificate.

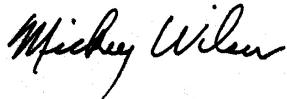
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Brentwood School District
Chillicothe School District
Concordia R-II School District
Department of Elementary and Secondary Education
Everton R-III School District
Joint Committee on Administrative Rules
Kansas City Public Schools
Kearney School District
Kennett School District

SOURCES OF INFORMATION (continued)

Kingston 42 School District
Macon County R-IV School District
Middle Grove C-1 School District
New Haven School District
Office of the Secretary of State
Parkway School District
Pettis County R-XII School District
Sarcoxie R-II School District
Shelby County R-IV School District
Smithville R-II School District
St. Charles School District
St. Elizabeth R-IV School District
Warren County R-III School District
Webster Groves School District
West Plains School District
Wright City R-II School District



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