

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 6528-02
Bill No.: Perfected HCS for HB 2566
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Department
Type: Original
Date: April 26, 2016

Bill Summary: This proposal establishes the early learning quality assurance report pilot program.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(\$104,600)	(\$59,713)	(\$34,713)
Total Estimated Net Effect on General Revenue	(\$104,600)	(\$59,713)	(\$34,713)

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 6 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

Oversight notes this proposal requires the Department of Elementary and Secondary Education, Department of Mental Health, Department of Health and Senior Services and the Department of Social Services to collaborate to develop a voluntary early learning quality assurance report. This program is to be a three year pilot program.

Officials at the **Department of Elementary and Secondary Education (DESE)** assume that year 1 would require the convening of stakeholders in a two-day work session to provide feedback and recommendations to the draft voluntary early learning quality assurance report. Additionally, convening stakeholders in a two-day work session to take public comment information and incorporate changes to the draft voluntary early learning quality assurance report. DESE assumes this would be 100 people meeting 4 times. Per person costs of \$261.50 per person for hotel, meals, and mileage. This would result in a cost of \$104,600 in the first year for the meetings.

DESE assumes in year 2 they would need to train early learning professionals to administer classroom observational measurements with fidelity. They assume \$4,000 per early learning professional and estimate 5 early learning professionals would be required at a cost of \$20,000.

DESE assumes in year 2 they would begin onsite classroom observational measurements to be included in the information for the voluntary early learning quality assurance report. DESE assumes in year 2 they would need software licenses for classroom observational measurement documentation and hardware at a cost of \$7,480. With 5 early learning professionals required this would cost \$37,400.

Travel to conduct observations is estimated to be \$92.50 (250 mile trip @.37 per mile) per observation. DESE estimates 25 programs at a cost of \$2,312.50 ($\92.50×25).

This would result in a total cost of \$59,712.50 in year 2.

DESE assumes in year 3 they would continue onsite classroom observational measurements to be included in the information for the voluntary early learning quality assurance report. The software license for classroom observational measurement documentation would cost \$6,480 for each of the 5 early learning professionals required for a total of \$32,400.

Travel to conduct observations would continue to be \$92.50 (250 mile trip @.37 per mile). With 25 programs the cost would be \$2,312.50.

ASSUMPTION (continued)

DESE assumes the year 3 total costs would be \$34,712.50.

Officials at the **Department of Higher Education**, the **Department of Health and Senior Services**, the **Department of Mental Health** and the **Department of Social Services** each assume there is no fiscal impact from this proposal.

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

Officials at the **University of Central Missouri (UCM)** assume that the University does not foresee an immediate fiscal impact. However, if UCM's College of Education faculty were pulled into a role of oversight for the pilot, or for later efforts, that could cause UCM to incur significant increased costs to expand its education program from a teacher-education focus to child program oversight due to increased faculty hours and program development.

In response to the previous version, officials at the **State Fair Community College** assumed there was no fiscal impact from this proposal.

Officials at the **Metropolitan Community College**, **Missouri Western State University**, **Northwest Missouri State University**, **Missouri State University**, **State Technical College of Missouri** and the **University of Missouri** each assume there is no fiscal impact from this proposal to their respective institutions.

Oversight notes this proposal grants authority to the Department of Elementary and Secondary Education to promulgate rules. In response to similar legislation granting rule-making authority the Office of the Secretary of State responded:

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

ASSUMPTION (continued)

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.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE			
<u>Cost - DESE - creation and monitoring of this program</u>	<u>(\$104,600)</u>	<u>(\$59,713)</u>	<u>(\$34,713)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$104,600)</u>	<u>(\$59,713)</u>	<u>(\$34,713)</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

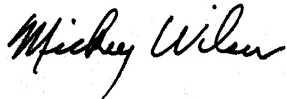
This bill establishes an early learning quality assurance report three year pilot program in collaboration with the Missouri Head Start Collaboration Office, the Departments of Health and Senior Services, Mental Health, and Social Services. The program is voluntary for any licensed, license-exempt, or certified early learning providers that are center-based or home based and providing services for children from any age up to kindergarten.

This bill also repeals the quality rating system for early childhood education.

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 Health and Senior Services
Department of Higher Education
Department of Mental Health
Department of Social Services
Joint Committee on Administrative Rules
Metropolitan Community College
Missouri State University
Missouri Western State University
Northwest Missouri State University
Office of the Secretary of State
State Fair Community College
State Technical College
University of Central Missouri
University of Missouri



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April 26, 2016

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