

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1541-03
Bill No.: HCS for HB 953
Subject: Education, Elementary and Secondary; Higher Education; Employees - Employers
Type: Original
Date: April 3, 2017

Bill Summary: This proposal requires high schools and public institutions of higher education to provide information related to careers and salaries to students.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	(\$548,796)	(\$161,538)	(\$162,024)
Total Estimated Net Effect on General Revenue	(\$548,796)	(\$161,538)	(\$162,024)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
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 2018	FY 2019	FY 2020
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Elementary and Secondary Education (DESE)** assume that most of the information being suggested by this proposal is already available through Missouri Connections, which is currently offered to all school districts at no charge. Some enhancements to the existing system will likely be necessary to include additional information and links to other resources; however, costs to accomplish these enhancements will likely be insignificant.

Officials at the **Department of Higher Education (DHE)** assume to satisfy the requirements of §173.1004.2(2)-(4), we would need 1 additional FTE at the Research Associate II level in order to compile that information for the institutions, verify its accuracy, and send it to the appropriate institutions each year. We have access to much of that information through an agreement with the Department of Labor and Industrial Relations. This would be extremely time-consuming, as there are roughly 3,000 degree programs in the state.

Officials at the **Department of Economic Development (DED)** assume this proposal creates §167.902 which requires DED to annually identify occupations in which a critical need or shortage of trained personnel exists in the labor markets and provide that information to the state board of education. The board of education then gives that information to local school districts.

It amends §173.1004 to require that the coordinating board for higher education and DED shall, for each "credential" offered by a public institution of higher education, provide: common areas of employment for people who have that credential, percentages of graduates with that credential employed within one year of graduation, average income and salary range for people with that credential, number of years required to earn the credential, and the estimated tuition and fees required to earn the credential.

Compiling and analyzing the data to fulfill these requirements will require the purchase of software or the creation of software and annual software maintenance. This software is estimated to cost \$500,000 in FY 2018 and \$102,500 in FY 2019 and following years. DED assumes they will also need a ½ FTE to gather and analyze the data.

Oversight assumes the DED can absorb the duties of this proposal with existing FTE resources. Should the duties increase to justify additional FTE, DED could seek the FTE through the appropriation process. Oversight will show the software costs in this fiscal note.

Officials at the **University of Missouri** assume a negative impact less than \$100,000 on the University System.

ASSUMPTION (continued)

Officials at the **State Technology College of Missouri** assume an unknown impact from additional staff that may be necessary to organize data, maintain it and report it.

Officials at the **Missouri State University** assume a negative unknown amount.

Officials at the **Missouri Western State University** and the **University of Central Missouri** each assume there is no fiscal impact from this proposal.

In response to the previous version, officials at the **Northwest Missouri State University** assumed there was no fiscal impact from this proposal.

Officials at the **West Plains School District** assume that since it states that schools shall provide instead of have access to; therefore the school district will need additional FTE. The costs are estimated to be \$100,000.

In response to the previous version, officials at the **Everton School District** assumed \$15,000 in personnel and materials.

In response to the previous version, officials at the **East Carter County R-II School District** assumed this has unknown labor hours for assembling the information and distribution.

In response to the previous version, officials at the **Milan C-2 School District** assumed this would require a huge time commitment, which in turns leads to monetary commitment to gather the information. The exact impact is unknown.

Officials at the **Kirksville R-III School District** assume no fiscal impact as the information is already provided in the personal finance course.

In response to the previous version, officials at the **Kearney School District** assumed no impact as they already provide the information.

Oversight notes this proposal in §167.902, requires school districts to provide students information on career and college opportunities. Oversight will show an (Unknown) cost to school districts for the gathering and distribution of this information to all students.

Oversight notes this proposal in §173.1004, requires all the public higher education institutions to place degree and career information on their website. Oversight for fiscal note purposes, will assume that the Department of Higher Education will gather and supply the information to the

ASSUMPTION (continued)

institutions. Oversight assumes the institutions will be able to post the information using existing resources.

Officials at the following colleges: Crowder, East Central Community College, Harris-Stowe, Jefferson College, Lincoln University, Metropolitan Community College, Moberly Area Community College, Missouri Southern State University, Missouri Western State University, Southeast Missouri State University, State Fair Community College, St. Charles Community College, St. Louis Community College, Three Rivers Community College and the Truman State University did not respond to **Oversight's** request for fiscal impact.

Officials at the following school districts: Arcadia Valley R-2, Avilla R-13, Bakersfield, Belton, Benton County R-2, Bismark R-5, Bloomfield R-14, Blue Springs, Bolivar R-I, Bowling Green R-1, Branson, Brentwood, Bronaugh R-7, Campbell R-2, Carrollton R-7, Caruthersville, Central R-III, Chilhowee R-4, Chillicothe R-II, Clarkton C-4, Cole R-I, Columbia, Concordia R-2, Crawford County R-1, Crocker R-II, Delta C-7, Eldon R-I, 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, Kansas City, Kennett #39, King City R-1, Kingston 42, Kirbyville R-VI, Lee Summit, Leeton R-10, Lewis County C-1, Lincoln R-II, Lindbergh, Lonedell R-14, Macon County R-1, Malta Bend, Mehville, Meramec Valley R-3, Mexico, Middle Grove C-1, Midway R-1, Moberly, Monroe City R-I, Morgan County R-2, New Haven, Nixa, North Kansas City, North St. Francois Co. R-1, Northeast Nodaway R-5, Odessa R-VII, Oregon-Howell R-III, Orrick R-11, Osborn R-0, Parkway, Pattonville, Pettis County R-12, Pierce City, Plato R-5, Princeton R-5, Raymore-Peculiar R-III, Raytown, Reeds Springs R-IV, Renick R-5, Republic R-III, Richards R-V, Richland R-1, Richmond R-XVI, Riverview Gardens, Salisbury R-4, Sarcoux R-2, Scotland County R-I, Sedalia, Seymour R-2, Shell Knob #78, Sikeston, Silex, Smithville R-2, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, St. Charles, St. Elizabeth R-4, Sullivan, Valley R-6, Verona R-7, Warren County R-3, Warrensburg R-6, Waynesville, Webster Groves, Wentzville, Westview C-6 and the Wright City R-2 school districts did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
GENERAL REVENUE FUND			
<u>Cost - DHE</u>			
Personal Service	(\$30,980)	(\$37,548)	(\$37,923)
Fringe Benefits	(\$17,816)	(\$21,490)	(\$21,601)
<u>Total Cost - DHE</u>	(\$48,796)	(\$59,038)	(\$59,524)
FTE Change - DHE	1 FTE	1 FTE	1 FTE
<u>Cost - DED computer software</u>	(\$500,000)	(\$102,500)	(\$102,500)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$548,796)</u>	<u>(\$161,538)</u>	<u>(\$162,024)</u>
Estimated Net FTE Change on General Revenue Fund	1 FTE	1 FTE	1 FTE
<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
LOCAL SCHOOL DISTRICT FUNDS			
<u>Cost - gathering and distribution of career and college information to all students</u>			
	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICTS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</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 each high school to annually provide its students with certain specified information including career trends, salary information, and the skills and traits necessary to succeed in various careers.

FISCAL DESCRIPTION (continued)

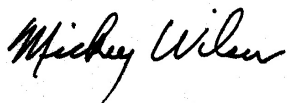
The Department of Economic Development shall annually identify fields of study in which a critical need or shortage of trained personnel exists and provide that information to the State Board of Education. The State Board of Education shall annually provide such information to local school districts to support high school students in their career pathway decisions.

Each public institution of higher education shall publish for each degree offering certain specified information in its public website or course catalog. The information includes employment opportunities for people who have earned the degree, the number of people who earned the degree who were employed within one year of graduation, the average income and salary ranges for people employed in a field closely related to the degree, and the estimated cost of the degree including housing and course material costs.

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 Economic Development
Department of Elementary and Secondary Education
Department of Higher Education
East Carter County R-II School District
Everton School District
Kearney School District
Kirksville R-III School District
Milan C-2 School District
Missouri State University
Missouri Western State University
Northwest Missouri State University
State Technical College of Missouri
University of Central Missouri
University of Missouri
West Plains School District



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