

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2329-01  
Bill No.: HB 1186  
Subject: Education, Elementary and Secondary; Boards, Commissions, Committees, Councils  
Type: Original  
Date: April 10, 2017

---

Bill Summary: This proposal requires the state board of education to perform certain duties.

**FISCAL SUMMARY**

| <b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>          |                                     |                                     |                                     |
|--------------------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| FUND AFFECTED                                                | FY 2018                             | FY 2019                             | FY 2020                             |
| General Revenue                                              | (Could exceed<br>\$100,000)         | (Could exceed<br>\$100,000)         | (Could exceed<br>\$100,000)         |
| <b>Total Estimated<br/>Net Effect on<br/>General Revenue</b> | <b>(Could exceed<br/>\$100,000)</b> | <b>(Could exceed<br/>\$100,000)</b> | <b>(Could exceed<br/>\$100,000)</b> |

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

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

| <b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>                  |                |                |                |
|---------------------------------------------------------------|----------------|----------------|----------------|
| <b>FUND AFFECTED</b>                                          | <b>FY 2018</b> | <b>FY 2019</b> | <b>FY 2020</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 2018</b> | <b>FY 2019</b> | <b>FY 2020</b> |
|                                                           |                |                |                |
|                                                           |                |                |                |
| <b>Total Estimated Net Effect on FTE</b>                  | <b>0</b>       | <b>0</b>       | <b>0</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 2018</b> | <b>FY 2019</b> | <b>FY 2020</b> |
| <b>Local Government</b>                    | <b>\$0</b>     | <b>\$0</b>     | <b>\$0</b>     |

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials at the **Department of Elementary and Secondary Education (DESE)** assume §161.092.1(9)a requires a "breakdown of categorical groups required by public funding sources...." If this requirement goes beyond current procedure, significant costs could be incurred to provide the breakdown.

Section 161.092.1(13) requirement to document testimony would generate a substantial amount of documentation and the expense of considerable amounts of time; however, it is not estimated to exceed \$100,000.

Officials at the **Missouri House of Representatives** and the **Missouri Senate** each assume there is no fiscal impact from this proposal.

**Oversight** notes it is difficult to determine how much more compiling, reporting and documenting would be necessary on DESE's part. Oversight assumes DESE has the potential to incur costs over \$100,000 to adhere to the requirements of the proposal.

| <u>FISCAL IMPACT - State Government</u>                 | FY 2018<br>(10 Mo.)                        | FY 2019                                    | FY 2020                                    |
|---------------------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|
| <b>GENERAL REVENUE FUND</b>                             |                                            |                                            |                                            |
| <u>Cost - DESE- documentation expenses</u>              | (Could exceed<br><u>\$100,000</u> )        | (Could exceed<br><u>\$100,000</u> )        | (Could exceed<br><u>\$100,000</u> )        |
| <b>ESTIMATED NET EFFECT ON<br/>GENERAL REVENUE FUND</b> | <b>(Could exceed<br/><u>\$100,000</u>)</b> | <b>(Could exceed<br/><u>\$100,000</u>)</b> | <b>(Could exceed<br/><u>\$100,000</u>)</b> |
| <br><u>FISCAL IMPACT - Local Government</u>             | <br>FY 2018<br>(10 Mo.)                    | <br>FY 2019                                | <br>FY 2020                                |
|                                                         | <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 changes the duties of the State Board of Education and adds a definition of “supervise instruction,” a term currently existing in statute, so as to create more detailed responsibilities of the board. Such duties include approving and reviewing certain information as well as reporting to the Joint Committee on Education. The definition also includes provisions requiring certain rules, information, and actions to be reviewed by The Joint Committee on Education. The details of the above provisions are described within the bill.

This bill requires the board to report to the House Appropriations Committee the investment of certain moneys. Further changes, again, require certain information to be reported to the General Assembly. The board must also provide a comprehensive budget that is published for public review on the Department of Elementary and Secondary Education (DESE) website along with a table of changes in federal education laws and regulations and state and federal judicial rulings that directly affect the management of public schools.

This bill requires the board to receive a report from the chief officer of each division of DESE. Such report must contain an organizational chart labeling all job positions within the department, description of responsibilities of each position, and the funding source for the positions. Other information must be published on the website as described within the bill.

This bill requires the board to provide accurate and documented testimony during all communications with members of the legislature and legislative committees. The State Board must also record and make available on the DESE website their meetings, as described within the bill.

This bill establishes penalties for any member of The State Board of Education who willfully neglects or refuses to perform duties imposed upon him, as described within the bill. Such penalties include: Being guilty of a misdemeanor, being prosecuted by the Attorney General, removal from office, a fine of not more than \$5000, and imprisonment.

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

L.R. No. 2329-01  
Bill No. HB 1186  
Page 5 of 5  
April 10, 2017

SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
Missouri House of Representatives  
Missouri Senate

Mickey Wilson, CPA

Director  
April 10, 2017



Ross Strope  
Assistant Director  
April 10, 2017