

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4043-03
Bill No.: HCS for HB 1455
Subject: Elementary and Secondary Education; Higher Education; Employees - Employers
Type: Original
Date: January 25, 2018

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 2019	FY 2020	FY 2021
General Revenue	(\$75,441)	(\$77,686)	(\$78,627)
Total Estimated Net Effect on General Revenue	(\$75,441)	(\$77,686)	(\$78,627)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
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 2019	FY 2020	FY 2021
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** state much 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.

Oversight notes Missouri Connections is an online career development and planning program that is provided free of charge to all Missouri citizens, funded by DESE. The services offered include assessments, career and college planning and financial aid resources.

Officials from the **Department of Higher Education (DHE)** assume section 173.1004.2 requires the Coordinating Board for Higher Education and the Department of Economic Development to provide certain information about each credential offered by a public institution of higher education. This information would need to be collected on an annual basis.

To satisfy the requirements of 173.1004.2(2)-(4), DHE would need 1 additional FTE at the Research Associate II level (at \$37,176 annually) in order to compile the information for the institutions, verify its accuracy, and send it to the appropriate institutions each year. DHE has access to much of that information through an agreement with DOLIR, but it would be extremely time-consuming, as there are roughly 3,000 degree programs in the state.

In response to a previous version of this proposal (HB 1455, LR 4043-02), officials from the **Department of Economic Development (DED)** assumed this proposal creates §167.902 requiring 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

ASSUMPTION (continued)

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 is estimated at \$25,000 per year per ITSD. DED will also need a ½ FTE to gather and analyze the data.

Officials from **Office of Administration - Information Technology (ITSD)** estimate the software costs for DED at \$26,270 in FY 2019, \$18,198 in FY 2020 and \$18,653 in FY 2021.

Oversight assumes 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 from **Missouri Western State University** assume this proposal will have an undetermined fiscal impact on the university. The university will have some administrative costs associated with the information and statistics requested in this proposal.

Officials from **Missouri State University** assume there is a negative fiscal impact of an undetermined amount to the university.

Officials from the **University of Central Missouri** assume, if the data is already collected and maintained, other items that have to be considered include the following:

- Validation that Human Resources collects the requested information regarding faculty credentials.
- Defining the requirements and writing the reports to produce the desired outcomes.
- Define and populate the web page layout of the recommended information.
- Since the information is supposed to be public, how to display the information will have to be determined since the external web presence is "geared" towards marketing.

In response to a previous version of this proposal (HB 1455, LR 4043-02), officials from the **State Technical College of Missouri** assume an unknown fiscal impact. Additional staff may be required to organize data, maintain it, and report it.

In response to a previous version of this proposal (HB 1455, LR 4043-02), officials from the **University of Missouri System** assume the fiscal impact on the university is not expected to exceed \$100,000.

Officials from the **Summersville R2 School District** assume this proposal will have little to no impact on their organization.

ASSUMPTION (continued)

Officials from the **Wellsville-Middletown R-1 School District** assume this proposal will have a minimal fiscal impact on the district.

Officials from the **Kirkville R-III School District** assume the proposal will have no fiscal impact on their organization.

In response to a previous version of this proposal (HB 1455, LR 4043-02)), officials from the **West Plains School District** stated the district already provides the services listed, the requirement of providing by November would likely require one or two additional FTE. Estimated annual cost is \$60,000 - \$120,000.

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 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, Northwest Missouri State University, Southeast Missouri State University, State Fair Community College, St. Charles Community College, St. Louis Community College, Three Rivers Community College and Truman State University did not respond to **Oversight's** request for fiscal impact.

ASSUMPTION (continued)

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, East Carter R-2, Eldon R-I, Everton R-III, 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 Public Schools, Kearney R-1, 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, Milan C-2, 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 2019 (10 Mo.)	FY 2020	FY 2021
GENERAL REVENUE			
<u>Cost - DHE</u>			
Personal Service	(\$30,980)	(\$37,548)	(\$37,923)
Fringe Benefits	(\$18,191)	(\$21,940)	(\$22,051)
<u>Total Costs - DHE</u>	(\$49,171)	(\$59,488)	(\$59,974)
FTE Change - DHE	1 FTE	1 FTE	1 FTE
<u>Cost - DED computer software</u>	(\$26,270)	(\$18,198)	(\$18,653)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>(\$75,441)</u>	<u>(\$77,686)</u>	<u>(\$78,627)</u>
Estimated Net FTE Change on General Revenue Fund	1 FTE	1 FTE	1 FTE
<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
LOCAL SCHOOL DISTRICT			
<u>Cost - gathering and distribution of career and college information to all students</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>

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 Elementary and Secondary Education
Department of Higher Education
Department of Economic Development
Office of Administration - Information Technology (ITSD)
Kirksville R-III School District
Missouri State University
Missouri Western State University
State Technical College of Missouri
Summersville R2 School District

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SOURCES OF INFORMATION (continued)

University of Central Missouri
University of Missouri System
Wellsville-Middletown R-1
West Plains School District

Ross Strope

A handwritten signature in black ink, appearing to read "Ross Strope".

Acting Director
January 25, 2018