

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1166-01  
Bill No.: HB 626  
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Department  
Type: Original  
Date: March 29, 2013

Bill Summary: This proposal requires the Department of Elementary and Secondary Education to establish a grant program for unaccredited and provisionally accredited districts that commit to extended school time.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
General Revenue	\$0 or (Unknown - may exceed \$100,000)	\$0 or (Unknown - may exceed \$100,000)	\$0 or (Unknown - may exceed \$100,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0 or (Unknown - may exceed \$100,000)</b>	<b>\$0 or (Unknown - may exceed \$100,000)</b>	<b>\$0 or (Unknown - may exceed \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2014	FY 2015	FY 2016
Extended Instructional Time Fund*	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**\*Offsetting Transfers In and Transfers Out are \$0 or Unknown - Expected to exceed \$100,000**

Numbers within parentheses: ( ) indicate costs or losses. This fiscal note contains 6 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</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 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2014</b>	<b>FY 2015</b>	<b>FY 2016</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

**\*Offsetting Transfers In and Costs are \$0 or Unknown - Expected to exceed \$100,000**

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the proposal has an unknown impact on the state, as well as local school districts. At the end of school year 2012, there were 3 unaccredited and 9 provisionally accredited districts. To what extent these districts will commit to extended instructional time cannot be estimated. DESE will incur costs to develop and implement the grant program; however, the extent of the grant program cannot be estimated. The unknown impact will likely be significant.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS's office 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 Secretary of State's office for Administrative Rules is less than \$2,500. SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, 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 their office can sustain with their core budget. Therefore, 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.

**Oversight** assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal with core funding. 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 from the **Joint Committee on Administrative Rules** and the **Office of State Treasurer** each assume the proposal would not fiscally impact their respective agencies.

This proposal was sent to the following unaccredited and provisionally accredited school districts, none of which responded to a request for fiscal impact: Riverview Gardens, Normandy, Kansas City, Calhoun, Caruthersville, Gilliam, Gorin, Hayti, Hickman Mills, Jennings, Malta Bend, Spickard, Swedeborg, and St. Louis.

<u>FISCAL IMPACT - State Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
<b>GENERAL REVENUE</b>			
<u>Transfer Out</u> - Department of Elementary and Secondary Education (DESE) - Grant funding	\$0 or (Unknown - May exceed \$100,000)	\$0 or (Unknown - May exceed \$100,000)	\$0 or (Unknown - May exceed \$100,000)
<u>Costs</u> - DESE - Program administration	\$0 or (Unknown - Not expected to exceed \$100,000)	\$0 or (Unknown - Not expected to exceed \$100,000)	\$0 or (Unknown - Not expected to exceed \$100,000)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>\$0 or (Unknown - May exceed \$100,000)</b>	<b>\$0 or (Unknown - May exceed \$100,000)</b>	<b>\$0 or (Unknown - May exceed \$100,000)</b>
<b>EXTENDED INSTRUCTIONAL TIME FUND</b>			
<u>Income</u> - DESE Fund may receive gifts, contributions, grants, or bequests	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Transfer In</u> - General Revenue - Grant funding	\$0 or Unknown - May exceed \$100,000	\$0 or Unknown - May exceed \$100,000	\$0 or Unknown - May exceed \$100,000
<u>Transfer Out</u> - School Districts - Grant funding	\$0 or (Unknown - May exceed \$100,000)	\$0 or (Unknown - May exceed \$100,000)	\$0 or (Unknown - May exceed \$100,000)
<b>ESTIMATED NET EFFECT ON EXTENDED INSTRUCTIONAL TIME FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2014 (10 Mo.)	FY 2015	FY 2016
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Transfer In</u> - School districts - Grant funding	\$0 or Unknown - May exceed \$100,000	\$0 or Unknown - May exceed \$100,000	\$0 or Unknown - May exceed \$100,000
<u>Costs</u> - School districts - Expenses associated with extended school time	\$0 or (Unknown - May exceed \$100,000)	\$0 or (Unknown - May exceed \$100,000)	\$0 or (Unknown - May exceed \$100,000)
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

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 Department of Elementary and Secondary Education (DESE) to develop and implement a grant program for unaccredited and provisionally accredited school districts that commit to extended school time to improve academic achievement.

The grants will be for a two-year term and will be renewable for two additional terms. An applicant must demonstrate that it has analyzed its current use of instructional time, including the effects on student achievement and personnel assignments, and provide a rationale for the method of adding time.

Grant awards will be proportional to the amount of additional time over the minimum instruction time required by law and the average daily attendance rate of the affected students with priority given to unaccredited districts. The Extended Instructional Time Fund is created to be administered by DESE for the deposit of moneys appropriated to it by the General Assembly and any gifts, contributions, or bequests.

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  
Joint Committee on Administrative Rules  
Office of Secretary of State  
Administrative Rules Division  
Office of State Treasurer

**Not Responding:**

School Districts



Ross Strope  
Acting Director  
March 29, 2013