

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0952-02
Bill No.: HCS for HB Nos. 405 and 381
Subject: Elementary and Secondary Education Department; Education, Elementary and Secondary; Education, Higher
Type: Original
Date: March 24, 2015

Bill Summary: This proposal modifies provisions relating to high school equivalency examinations.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(\$937,500 to \$1,650,000)	(\$712,500 to \$1,425,000)	(\$712,500 to \$1,425,000)
Total Estimated Net Effect on General Revenue	(\$937,500 to \$1,650,000)	(\$712,500 to \$1,425,000)	(\$712,500 to \$1,425,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
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 2016	FY 2017	FY 2018
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Elementary and Secondary Education (DESE)** assume subject to appropriation, DESE may fund 100% of first-time test taker fees: Estimated 15,000 test takers x \$95 = \$1.425 million. Subject to appropriation, DESE shall fund 50% of first-time test taker fees: Estimated 15,000 test takers x \$47.5 = \$712,500.

In addition, \$225,000 would be needed in one-time money to create a verification system to verify the person receiving the voucher is a Missouri citizen and is getting a one-time use. DESE will require one FTE data specialist (at \$34,704 annually) to maintain the data in the system.

Oversight assumes this proposal states subject to appropriation the amount of exam fee shall be paid at 50%, but may be paid up to 100%. Oversight will show the exam fee amount as the range provided by DESE.

Oversight assumes that DESE would be able to absorb the duties of the FTE with existing resources. Once it is determined the amount of the appropriation and what type of computer tracking software is necessary to handle this proposal then if DESE determines that additional FTE are necessary they could seek that FTE through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
GENERAL REVENUE			
<u>Costs</u> - DESE - payment of exam fee	(\$712,500 to \$1,425,000)	(\$712,500 to \$1,425,000)	(\$712,500 to \$1,425,000)
<u>Costs</u> - DESE - one time computer upgrades	<u>(\$225,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$937,500 to \$1,650,000)</u>	<u>(\$712,500 to \$1,425,000)</u>	<u>(\$712,500 to \$1,425,000)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
	<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.

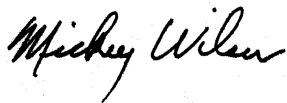
FISCAL DESCRIPTION

This bill requires, subject to appropriations, the Department of Elementary and Secondary Education to subsidize at least 50% of the examination fee for first-time high school equivalency test takers and allows the department to subsidize up to 100% of the fee for first-time test takers.

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



Mickey Wilson, CPA
Director
March 24, 2015

Ross Strobe
Assistant Director
March 24, 2015