

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2168-03
Bill No.: Perfected HCS for HB 1023
Subject: Education, Elementary and Secondary
Type: Original
Date: April 22, 2015

Bill Summary: This proposal specifies that the state board of education may consider school district plans to address certain school quality indicators when assigning classification designations to school districts.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	(\$5,932)	(\$5,932)	(Could exceed \$100,000)
Total Estimated Net Effect on General Revenue	(\$5,932)	(\$5,932)	(Could exceed \$100,000)

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 6 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	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)

FISCAL ANALYSIS

ASSUMPTION

Due to time constraints, **Oversight** prepared a fiscal note for the original version of this bill without all of the agency responses. Oversight has since obtained the agency responses and upon review of those responses, believes the original fiscal note should be updated. Therefore, this fiscal note updates the original by providing agency responses and including the current language of the proposal.

Officials at the **Department of Elementary and Secondary Education (DESE)** assume this proposal appears very similar to the previous cycles of MSIP where the state would conduct an onsite and include the resource and process findings as part of the district's classification level. The difference is that it appears that the district itself would conduct this program evaluation.

DESE assumes §161.089.2 looks very much like what DESE would expect in a Comprehensive School Improvement Plan (CSIP) and a plan to evaluate programs. It is unclear how this will ensure rigor and post-secondary readiness.

DESE assumes §161.089.4 would require generating a statewide report. When districts choose their own reporting mechanisms, accountability measures, and assessments, this may provide a report that is not useful for DESE to complete the statewide comparison.

Using the data submitted by districts will result in significant unknown data costs. DESE estimates costs exceeding \$100,000. DESE cannot predict what districts will choose to provide. DESE assumes the data collection to begin in FY 2018.

§161.089.5 - School Quality Task Force would require meetings that are estimated at:
Lodging: assuming 1 day meetings, 4 times per year @ 22 members @ \$83 per night (Jefferson City rate) = \$7,304.
Meals: 1 day, 4 times per year @ 22 members @ \$30 per day (Jefferson City rate) = \$2,640.
Substitutes: 4 teachers, 1 day, 4 times per year @ \$60 to \$120 per day = \$960 to \$1,920.

Oversight notes this proposal would require members of the School Quality Task Force to be appointed by January 1, 2016 (FY 2016) and have their completed report filed by December 31, 2016 (FY 2017). Oversight will show for fiscal note purposes half the expenses of the Task Force in FY 2016 and half in FY 2017.

Officials at the **Department of Economic Development** and the **Department of Higher Education** each assume there is no fiscal impact to their respective organizations from this

proposal.

ASSUMPTION (continued)

In response to the previous version of this proposal, officials at the **Kansas City Public Schools** assumed they cannot determine the impact until such time as DESE promulgates rules to implement. The proposal may have an impact depending upon implementation.

In response to the previous version of this proposal, officials at the **Special School District of St. Louis** assumed the fiscal impact was expected to be minimal.

In response to the previous version of this proposal, officials at the **Everton R-III School District** assumed a cost of \$10,000.

Officials at the **Malta Bend School District** assume there is no fiscal impact from this proposal.

Oversight notes this proposal requires school districts to establish school quality indicators and a plan to achieve the school quality indicators. Oversight assumes the creation of the school quality indicators and plan for implementation of the achievement plans would have a fiscal impact on school districts.

Oversight notes that school districts would be required to file annual reports about their school quality indicator plans. Oversight assumes school districts would require additional resources for the creation of the annual reports.

Oversight assumes all schools must have in place by July 1, 2018 the school quality indicator plan. Oversight can not determine in which year the schools will complete their plans and begin filing their annual reports. **Oversight** will indicate an impact of Unknown greater than \$100,000 for all school districts beginning in FY 2016.

Oversight in response to the previous version of this proposal reflected data collection costs for DESE in each fiscal year of the fiscal note. Oversight notes that DESE is not required to present a comprehensive report on the data included in the school district's annual reports until FY 2019. Oversight will show the collection of data from the school districts beginning in FY 2018.

<u>FISCAL IMPACT - State Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
GENERAL REVENUE			
<u>Costs</u> - DESE - data collection costs	\$0	\$0	(Could exceed \$100,000)
<u>Costs</u> - DESE - School Quality Task Force expenses	<u>(\$5,932)</u>	<u>(\$5,932)</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$5,932)</u>	<u>(\$5,932)</u>	(Could exceed <u>\$100,000</u>)
<u>FISCAL IMPACT - Local Government</u>	FY 2016 (10 Mo.)	FY 2017	FY 2018
LOCAL SCHOOL DISTRICT FUNDS			
<u>Costs</u> - School District - implementation of this proposal	(Unknown greater than <u>\$100,000</u>)	(Unknown greater than <u>\$100,000</u>)	(Unknown greater than <u>\$100,000</u>)
ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICT FUNDS	(Unknown greater than <u>\$100,000</u>)	(Unknown greater than <u>\$100,000</u>)	(Unknown greater than <u>\$100,000</u>)

FISCAL IMPACT - Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

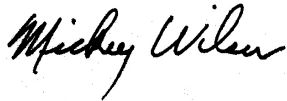
This legislation specifies school quality indicators that the state board of education shall consider when classifying public schools.

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

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SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Economic Development
Department of Higher Education
Everton R-III School District
Kansas City Public Schools
Malta Bend School District
Special School District of St. Louis



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April 22, 2015

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April 22, 2015