

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4202-01
Bill No.: HB 1367
Subject: Elementary and Secondary Education Department; General Assembly
Type: Original
Date: January 13, 2016

Bill Summary: This proposal requires review by the General Assembly or committees of the General Assembly of various proposed actions by the Department of Elementary and Secondary Education.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

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

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Federal Funds	\$0 or (Up to \$1,087,047,244)	\$0 or (Up to \$1,087,047,244)	\$0 or (Up to \$1,087,047,244)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0 or (Up to \$1,087,047,244)	\$0 or (Up to \$1,087,047,244)	\$0 or (Up to \$1,087,047,244)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
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 2017	FY 2018	FY 2019
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Oversight notes this proposal prohibits the Department of Elementary and Secondary Education (DESE) from accepting any funds from the federal government with conditions placed on the use of the funds, without approval of the conditions by the general assembly by concurrent resolution.

Oversight notes that DESE has numerous programs that receive federal funds and would be required to be approved by concurrent resolution if this proposal passes. DESE is estimated to receive \$1,087,047,244 in federal funding in FY 2016. The following programs are in DESE's current FY 2016 budget to receive the listed amount of federal funding:

School Nutrition Services	\$293,925,900
Vocational Rehabilitation	\$9,950,000
Division of Learning Services	\$10,235,410
School Age After school Program	\$21,908,383
Performance Based Assessment Program	\$8,800,000
Vocational Education	\$23,500,000
No Child Left Behind programs	\$250,000,000
Instructional Improvement Grants	\$52,000,000
Public Charter Schools	\$2,432,000
Grants to Rural and low income schools	\$3,500,000
Language Acquisition	\$5,200,000
Adult Basic Education	\$9,999,155
Special Education	\$274,873,391
First Steps	\$10,993,757

Oversight will show the impact as \$0 (all federal money is approved by concurrent resolution) up to the full loss of the current federal funding \$1,087,047,244 in all fiscal years.

Officials at the **DESE** assume that if it is determined that approval by the general assembly of our appropriation bills constitutes approval of the department's enforcement of rules and regulations which accompany the funds, then DESE would not have a fiscal impact from the proposal. However, if that is not the case, DESE may not be able to accept any federal funds.

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

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
FEDERAL FUNDS			
<u>Loss - DESE federal funding</u>	\$0 or (Up to <u>\$1,087,047,244</u>)	\$0 or (Up to <u>\$1,087,047,244</u>)	\$0 or (Up to <u>\$1,087,047,244</u>)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	\$0 or (Up to <u>\$1,087,047,244</u>)	\$0 or (Up to <u>\$1,087,047,244</u>)	\$0 or (Up to <u>\$1,087,047,244</u>)

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
	<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 prohibits DESE from accepting any funds from the federal government that include usage conditions without approval by a House or Senate Concurrent Resolution.

The bill prohibits DESE from submitting any plan to a federal agency or federal entity without gaining approval of the plan by the Senate and House Committees on Elementary and Secondary Education. To request approval, DESE must submit the plan to the specified committees one calendar month prior to the plan's submission to the federal agency or federal entity.

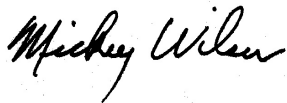
The bill also prohibits DESE from implementing any strategic plan or improvement effort without approval of the plan or effort by the Senate and House Committees on Elementary and Secondary Education.

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. 4202-01
Bill No. HB 1367
Page 5 of 5
January 13, 2016

SOURCES OF INFORMATION

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



Mickey Wilson, CPA
Director
January 13, 2016

Ross Strobe
Assistant Director
January 13, 2016