

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5842-04
Bill No.: HCS for SCS for SB 904
Subject: Education, Elementary and Secondary
Type: Original
Date: May 5, 2016

Bill Summary: This proposal modifies provisions related to elementary and secondary education.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue*	(\$30,000)	\$1,211,680	\$1,231,680
Total Estimated Net Effect on General Revenue	(\$30,000)	\$1,211,680	\$1,231,680

*Oversight notes that DESE and the Office of Administration's Division of Budget and Planning were not able to provide Oversight with a projection of when the foundation formula may be fully funded. This proposal has a provision that may not have a fiscal impact until such time as the formula is fully funded. Oversight, for fiscal note purposes, is showing the impact of that provision.

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 12 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

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	(\$1,241,680)	(\$1,241,680)

FISCAL ANALYSIS

ASSUMPTION

§162.720 and §163.031 Gifted Education

Officials at the **Department of Elementary and Secondary Education (DESE)** assume that based on the most recent complete data, school districts that have a gifted program would have a penalty of \$1,216,520 for not maintaining at least 80% of their gifted enrollment for the previous year. This would result in a loss to the local school districts that had the penalty levied against them. These penalties would be redistributed to all other school districts.

Oversight notes that DESE and the Office of Administration's Division of Budget and Planning were not able to provide Oversight with a projection of when the foundation formula may be fully funded. This proposal contains a provision that will require DESE to levy penalties against school districts that do not maintain their gifted programs. Since the foundation formula is not fully funded, the penalty money may be redistributed to other school districts. Oversight, for the purpose of the fiscal note only, is showing the impact to the State as if the foundation formula were fully funded.

In response to similar legislation filed this year, HB 1419, officials at the **St. Charles School District** assumed a potential significant impact if the number of qualified students drops.

In response to similar legislation filed this year, HB 1419, officials at the **Grain Valley School District** do not anticipate their number of gifted students dropping by 20% in any given year. However, if it would then the impact would be \$680 per student for a minimum of \$11,560.

In response to similar legislation filed this year, HB 1419, officials at the **Bloomfield R-14 School District** assumed that as a small district a fluctuation in one or two students would make a large percentage change and deduction in formula money.

In response to similar legislation filed this year, HB 1419, officials at the **Smithville School District** assumed this would not result in a loss of funds unless enrollment dropped.

In response to similar legislation filed this year, HB 1419, officials at the **Chilhowee School District** assumed the actual cost is unknown as it will require testing to determine if a student is gifted based on definition. The testing costs are unknown and would have to be contracted out as the district does not have a staff member who is certified to perform test.

ASSUMPTION (continued)

In response to similar legislation filed this year, HB 1419, officials at the **East Newton School District** assumed a potential loss of funding.

In response to similar legislation filed this year, HB 1419, officials at the **Kirbyville School District** assumed the impact cannot be determined at this time.

In response to similar legislation filed this year, HB 1419, officials at the **Campbell R-II and Salisbury R-IV School Districts** each assumed a minimal impact on their respective districts.

In response to similar legislation filed this year, HB 1419, officials at the **Cassville School District** assumed an impact of \$8,500.

In response to similar legislation filed this year, HB 1419, officials at the **Lonedell R-14 School District** assumed this could result in a loss of state funding for a teacher's salary and benefits.

In response to similar legislation filed this year, HB 1419, officials at the **Wright City School District** assumed no impact unless they are required to have gifted classes then it would cost \$55,000 for additional staff.

In response to similar legislation filed this year, HB 1419, officials at the **Chillicothe R-II** indicated they have a gifted program but did not indicate any potential impact.

In response to similar legislation filed this year, HB 1419, officials at the **Bronaugh School District** assumed this would have an unknown impact on the district.

Officials at the **Macon County R-IV School District** assume no impact as they are under 350 students.

Officials at the **Concordia R-II, Lee Summit, Malta Bend, Pettis County R-XII, Sarcoxie, St. Elizabeth, West Plains** and the **Webster Groves** school districts each assume there is no fiscal impact from this proposal to their respective district.

In response to similar legislation filed this year, HB 1419, officials at the **Bowling Green, Brentwood, Eldon, Everton R-III, Forsyth R-III, Kearney, Lewis County C-1, New Haven, Parkway, Shelby County R-IV, Shell Knob** and the **Warren County R-III School District** each assumed there was no fiscal impact from this proposal to their respective districts.

ASSUMPTION (continued)

In response to similar legislation filed this year, HB 1419, officials at the **Hawthorne Leadership School** assumed this could have a positive impact if this increases funding to support a gifted program.

In response to similar legislation filed this year, HB 1419, officials at the **Fair Play, Fredericktown** and **Tipton School Districts** each responded to Oversight's request for impact but did not indicate an impact on their district.

Officials at the following school districts: Arcadia Valley R-2, Aurora R-8, Avilla R-13, Bakersfield, Belton, Benton County R-2, Bismark R-5, Blue Springs, Bolivar R-I, Branson, Carrollton R-7, Caruthersville, Central R-III, Clarkton C-4, Cole R-I, Columbia, Crawford County R-1, Crocker R-II, Delta C-7, East Carter R-2, Fair Grove, Fayette R-3, Fox C-6, Fulton, Hancock Place, Hannibal, Harrisonburg R-8, Harrisonville, Hillsboro R-3, Hollister R-5, Humansville R-4, Hurley R-1, Independence, Jefferson City, Kansas City, Kennett #39, King City R-1, Kingston 42, Kirksville, Laclede County R-1, Laredo R-7, Leeton R-10, Lindbergh, Macon County R-1, Macon County R-4, Mehville, Mexico, Middle Grove C-1, Midway R-1, Milan C-2, Moberly, Monroe City R-I, Morgan County R-2, Nixa, North St. Francois Co. R-1, Northeast Nodaway R-5, Odessa R-VII, Oregon-Howell R-III, Orrick R-11, Osage County R-II, Osborn R-O, Pattonville, Pierce City, Plato R-5, Princeton R-5, Raymore-Peculiar R-III, Raytown, Reeds Springs R-IV, Renick R-5, Richland R-1, Riverview Gardens, Scotland County R-I, Sedalia, Seymour R-2, Sikeston, Silex, Slater, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, Sullivan, Valley R-6, Verona R-7, Warrensburg R-6, and the Westview C-6 School District did not respond to **Oversight's** request for fiscal impact.

§633.420 Dyslexia Task Force

Oversight notes this proposal creates the Legislative Task Force on Dyslexia. The task force shall make recommendations on matters concerning dyslexia and education. The task force shall terminate on August 31, 2018. Oversight will show partial costs in FY 2019 as the Task Force wraps up its work.

Officials at the **DESE** assume the cost estimate of the task force expenses is approximately \$5,000. Cost estimate for the task force contract is approximately \$25,000.

In response to similar legislation filed this year, SB 827, officials at the **Missouri House of Representatives** assumed the House can absorb the expense of two House members serving on the task force.

ASSUMPTION (continued)

In response to similar legislation filed this year, SB 827, officials at the **Missouri Senate** assumed no fiscal impact beyond existing appropriations.

§170.047 Training and Guidelines for Youth Suicide Awareness and Prevention Training
Oversight notes this proposal, in §170.047, would allow a licensed educator to complete up to two hours of training or professional development in youth suicide awareness and prevention. These hours would count toward the required professional development hours for certification. The DESE is to develop guidelines for the training.

Officials at the **DESE** assume that §170.047 requires DESE to develop guidelines for training in youth suicide awareness and prevention. To develop youth suicide awareness and prevention training materials that schools may use, the department will collaborate with organizations having expertise in this field. DESE estimates this would have insignificant costs.

Oversight assumes that DESE could create the guidelines and training materials using existing resources.

Oversight assumes that since this new training would be in place of other professional training required of licensed educators there would be no additional costs to school districts for the training.

§170.048 School District Policies on Youth Suicide Awareness and Prevention

Oversight notes this proposal, in §170.048, would require each school district to adopt a policy on youth suicide awareness and prevention. DESE shall develop a model policy that the school districts may adopt. Every three years DESE must seek input on district's experiences with the model policy and DESE is to make changes to the model policy as needed.

Officials at **DESE** assumed that to develop a model policy for youth suicide awareness and prevention, there would be insignificant costs.

Beginning in 2021, DESE will be required to collect feedback from districts on their experience with the policy for youth suicide awareness and prevention. This will require the department to develop an instrument, in consultation with experts in the field, to collect valid and reliable data to inform revision decisions in order to make positive changes to the department's model policy. DESE estimates insignificant costs.

Beginning in 2021, DESE will need to convene the policy committee to review findings from the feedback instrument to make revision decisions to the department's model policy. DESE

ASSUMPTION (continued)

estimates insignificant costs.

Oversight assumes that DESE could create the model policy and do the follow-up required using existing resources. Since school districts are allowed to adopt this model policy they would not have fiscal impact from the creation of their own policy.

In response to similar legislation filed this year, SB 646, officials at the **Lee's Summit R-7 School District** assume this would cost \$25,019 for 2 hours of professional development. This includes 1,380 certified staff at an hourly rate of \$18.13 per hour.

In response to similar legislation filed this year, SB 646, officials at the **Brentwood School District** assume the new training would add \$7,500 in costs to train staff (\$50 per staff person) and \$200 to develop procedures.

In response to similar legislation filed this year, SB 646, officials at the **Macon County R-IV School District** assumed this would cost for the training. It would cost mileage and the training. Additionally it would cost \$75 a day for substitute pay.

In response to similar legislation filed this year, SB 646, officials at the **Grain Valley School District** assumed the impact would be the cost of the training.

In response to similar legislation filed this year, SB 646, officials at the **Cassville School District** assumed this would cost \$8,500.

In response to similar legislation filed this year, SB 646, officials at the **Everton School District** assumed added costs of \$1,000 annually.

In response to similar legislation filed this year, SB 646, officials at the **Forsyth R-III School District** assumed this would add cost of \$2,000.

In response to similar legislation filed this year, SB 646, officials at the **Orrick School District** assume training of all staff would cost \$1,500 - \$2,500.

In response to similar legislation filed this year, SB 646, officials at the **East Newton and the Kirbyville R-VI School Districts** each assumed added costs for training each year. The cost of the training cannot be determined at this time.

ASSUMPTION (continued)

In response to similar legislation filed this year, SB 646, officials at the **Bloomfield School District** assumed added costs for training and policy development. The cost cannot be determined at this time.

In response to similar legislation filed this year, SB 646, officials at the **Tipton R-VI School District** responded to Oversight's request for fiscal impact but did not indicate an impact.

In response to similar legislation filed this year, SB 646, officials at the **West Plains School District** assumed this would add professional development training at a cost of \$10,000 -\$20,000 annually.

In response to similar legislation filed this year, SB 646, officials at the **Joint Committee on Administrative Rules** assumed there is no fiscal impact from this proposal.

In response to similar legislation filed this year, SB 646, officials at the **Kansas City, Kearney, Malta Bend, Middle Grove C-1, New Haven, Warren County R-II, Webster Groves** and the **Wright City R-II school districts** each assumed there is no fiscal impact from this proposal to their respective districts.

In response to similar legislation filed this year, SB 646, officials at the **Riverview Gardens, Sarcoxie R-II, Shelby County R-IV, Smithville, St. Charles** and the **St. Elizabeth R-4** school districts assumed there was no fiscal impact from this proposal.

In response to similar legislation filed this year, SB 646, officials from the **Office of the Secretary of State (SOS)** stated many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS 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 the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the 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 the office can sustain with the core budget. Therefore, the 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.

ASSUMPTION (continued)

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

§162.1115 Career and Technical Education

Oversight notes this proposal would allow the use of industry-recognized certificates and credentials when creating coursework for the career and technical education offerings. Oversight assumes this would not have a fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE			
<u>Savings</u> - DESE - penalties levied against schools not maintaining their gifted programs	\$0	\$1,241,680	\$1,241,680
<u>Cost</u> - DESE - task force expenses and contract	<u>(\$30,000)</u>	<u>(\$30,000)</u>	<u>(\$10,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$30,000)</u>	<u>\$1,211,680</u>	<u>\$1,231,680</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
LOCAL SCHOOL DISTRICT FUNDS			
<u>Loss</u> - School Districts - penalties from not maintaining a gifted program	<u>\$0</u>	<u>(\$1,241,680)</u>	<u>(\$1,241,680)</u>
ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICT FUNDS	<u>\$0</u>	<u>(\$1,241,680)</u>	<u>(\$1,241,680)</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This act prohibits school districts from determining whether a child is gifted based on the child's participation in an advanced placement course or international baccalaureate course. Whether a child is gifted must be determined using the statutory definition of "gifted children".

Beginning with the 2017-2018 school year, this act also reduces a district's funding as described in the act when it experiences a decrease in its gifted program enrollment of 20% or more from the previous school year.

This provision shall be effective July 1, 2017.

This act creates the Legislative Task Force on Dyslexia. The Task Force will advise and make recommendations to the Governor, General Assembly, and relevant state agencies. The Task Force will consist of seventeen members, as described in the act. Except for four legislative members and the Commissioner of Education, the members will be appointed by the President Pro Tempore of the Senate and the Speaker of the House of Representatives. The task force will make recommendations for a statewide system for identification, intervention, and delivery of supports for students with dyslexia, as described in the act.

The Task Force will hire or contract for hire specialist services to support the work of the Task Force as necessary with appropriations or from other available funding. The Task Force will terminate on August 31, 2018, unless reauthorized.

Beginning in the 2017-2018 school year, any licensed educator may annually complete up to two hours of training or professional development in youth suicide awareness and prevention as part of the professional development hours required for State Board of Education certification.

The Department of Elementary and Secondary Education shall develop guidelines for training or professional development in youth suicide awareness and prevention. The Department shall also develop materials that may be used for such training or professional development.

Each district shall adopt a policy for youth suicide awareness and prevention by July 1, 2018. The Department develop a model policy by July 1, 2017, that districts may adopt. The Department shall cooperate, consult with, and seek input from organizations that have expertise in youth suicide awareness and prevention. By July 1, 2021, and at least every three years

FISCAL DESCRIPTION (continued)

thereafter, the Department shall request information and seek feedback from districts on their experience with the policy for youth suicide awareness and prevention. The Department shall review this information and may use it to adapt the department's model policy. The Department shall post the information it receives from districts on its website. The Department shall not post any confidential information or any information that personally identifies a student or school employee.

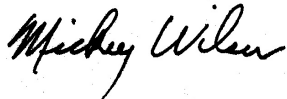
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Bloomfield School District
Bowling Green School District
Brentwood School District
Bronaugh School District
Campbell R-II School District
Cassville School District
Chilhowee R-IV School District
Chillicothe School District
Concordia R-II School District
Department of Elementary and Secondary Education
East Newton School District
Eldon School District
Everton R-III School District
Forsyth R-III School District
Fair Play School District
Fredericktown School District
Grain Valley R-V School District
Hawthorne Leadership School
Kearney School District
Kirbyville School District
Lee Summit School District
Lewis County C-1 School District
Lonedell R-14 School District
Malta Bend School District
Missouri House of Representatives
Missouri Senate

SOURCES OF INFORMATION (continued)

New Haven School District
Parkway School District
Pettis County R-XII School District
Salisbury R-VI School District
Sarcoxie R-II School District
Shelby County R-IV School District
Shell Knob School District
Smithville School District
St. Charles School District
St. Elizabeth R-IV School District
Tipton School District
Warren County R-III School District
Webster Groves School District
West Plains School District
Wright City R-II School District



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