

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5922-01
Bill No.: Perfected HB 2238
Subject: Education, Elementary and Secondary;
Type: Original
Date: March 15, 2016

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(\$1,465,257)	(\$1,433,253)	(\$1,433,459)
Total Estimated Net Effect on General Revenue	(\$1,465,257)	(\$1,433,253)	(\$1,433,459)

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 4 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	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Oversight notes this proposal assumes, subject to appropriations, the Department of Elementary and Secondary Education (DESE) shall subsidize the high school equivalency exam fees for first time students.

Officials at **DESE** estimate 15,000 test takers x \$95 (test fee) = \$1.425 million for first time test takers.

Officials at the **Office of Administration’s Information Technology Services Division (ITSD)** assume this would require two new screens and modification to two existing screens and a new report. Estimations include project management and development of the new application. ITSD assumes this would take 497 hours at the \$75 hourly rate for a cost of \$40,257 in FY 2017.

DESE assumes they would require one FTE data specialist (at \$34,704 annually) to maintain the data in the system.

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 2017 (10 Mo.)	FY 2018	FY 2019
GENERAL REVENUE			
<u>Cost</u> - DESE payment of exam fee	(\$1,425,000)	(\$1,425,000)	(\$1,425,000)
<u>Cost</u> - DESE computer upgrades	<u>(\$40,257)</u>	<u>(\$8,253)</u>	<u>(\$8,459)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$1,465,257)</u>	<u>(\$1,433,253)</u>	<u>(\$1,433,459)</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.

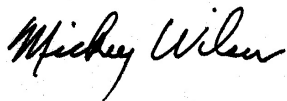
FISCAL DESCRIPTION

This bill requires, subject to appropriations, the Department of Elementary and Secondary Education to subsidize the examination fee for first-time high school equivalency 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
Office of Administration's Information Technology Services Division



Mickey Wilson, CPA
Director
March 15, 2016

Ross Strobe
Assistant Director
March 15, 2016