

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1932H.02C
 Bill No.: HCS for HB 942
 Subject: Education, Elementary and Secondary; Elementary and Secondary Education,
 Dept. of
 Type: Original
 Date: February 10, 2021

Bill Summary: This proposal changes requirements for school accreditation classifications.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue	Could exceed (\$335,310)	Could exceed (\$339,127)	Could exceed (\$340,259)
Total Estimated Net Effect on General Revenue	Could exceed (\$335,310)	Could exceed (\$339,127)	Could exceed (\$340,259)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue – Department of Elementary and Secondary Education	2 FTE	2 FTE	2 FTE
Total Estimated Net Effect on FTE	2 FTE	2 FTE	2 FTE

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** the legislation provides that attendance centers or school districts performing in the bottom ten percent of the state distribution of accreditation scores shall be classified as unaccredited. Such action would require the Department of Elementary and Secondary Education to conduct hearings for those districts that are unaccredited at least twice a year. The department assumes 52 districts would make up the ten percent of districts performing in the unaccredited range and would require 2 hearings per unaccredited school district for a total of 104 hearings per school year. The department estimates a total cost of \$214,656 per year for hearing costs, various travel and mileage and meals.

The department also will require 2 FTE to fulfill the requirements of the legislation. 1.0 FTE at the Supervisor level and 1.0 FTE for an Administrative Assistant.

Depending on the development/requirements of the new assessments, there could be a fiscal impact in regards to data collection, processing and reporting. Therefore, DESE will show a fiscal impact of a range to unknown.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the costs provided by DESE for fiscal note purposes.

Officials from the **Department of Higher Education and Workforce Development** assume the proposal would not fiscally impact their department

In response to a previous version, officials from the **Springfield School District** assumed a cost for the notification process, goals process – assuming 10% unaccredited and 25 provisionally accredited – costing \$50,000.

In response to a previous version, officials from the **High Point R-III School District** stated the proposal would fiscally impact their district, but did not elaborate.

Oversight received a limited number of responses from school districts related to the fiscal impact of this proposal. Oversight assumes this proposal would result in additional costs to school districts to administer. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

Oversight notes, according to the 2019-020 Statistics of Missouri Public Schools provided by DESE, the state has 70 Elementary School Districts and 448 Districts maintaining High School (for a total of 518....10% is 52 and 25% is 129). Also, the number of public school buildings is:

<u>Number of School Building</u>	<u>count</u>	<u>10%</u>	<u>25%</u>
High Schools	568	57	142
Jr. High Schools	49	5	12
Middle Schools	295	30	74
Elementary	1,221	122	305
Other	143	14	36
Charter High Schools	17	2	4
Charter Middle Schools	17	2	4
Charter Elementary Schools	42	4	11
State Board Operated Programs	40	4	10
Missouri Course Access & Virtual Schools	<u>2</u>	<u>0</u>	<u>1</u>
TOTAL	2,394	239	599

10% = 239
 25% = 599

According to DESE, the following school districts were Provisionally Accredited in 2019-2020:

- 041-004 Gilman City R-IV
- 078-002 Hayti R-II
- 048-072 Hickman Mills C-1
- 048-078 Kansas City 33
- 091-091 Naylor R-II
- 096-109 Normandy Schools Collaborative
- 096-111 Riverview Gardens

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Officials from the **Office of the Secretary of State** notes many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office 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 Secretary of State's office for Administrative Rules is less than \$5,000. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, they also recognize 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 our office can sustain with our core budget. Therefore, they

reserve 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.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE			
<u>Costs – DESE 2 FTE</u>			
Personal Service	(\$56,840)	(\$68,890)	(\$69,579)
Fringe Benefits	(\$39,084)	(\$47,130)	(\$47,363)
Expense & Equip.	(\$24,730)	(\$8,451)	(\$8,661)
Total Costs – DESE	(\$120,654)	(\$124,471)	(\$125,603)
FTE Change – DESE	2 FTE	2 FTE	2 FTE
<u>Costs – DESE – additional hearing costs due to increase in # of unaccredited attendance centers and school districts</u>	(\$214,656)	(\$214,656)	(\$214,656)
<u>Costs – DESE – data collection and other administrative functions</u>	(Unknown)	(Unknown)	(Unknown)
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	Could exceed <u>(\$335,310)</u>	Could exceed <u>(\$339,127)</u>	Could exceed <u>(\$340,259)</u>
Estimated Net FTE Change to the General Revenue Fund	2 FTE	2 FTE	2 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
SCHOOL DISTRICTS			
Costs – administrative duties added by the proposal	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT TO LOCAL SCHOOL DISTRICTS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</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 modifies the public school accreditation and statewide assessment system. The bill allows for the statewide assessment system to track student performance from different schools if a student has transferred from one school to another. The bill defines "attendance center" as an individual public elementary or secondary school or charter school, and directs the State Board of Education (SBE), to collect and disseminate information on the attendance center level rather than the current overall district level. The bill adds race and ethnicity to the annual reporting requirements currently established, and requires that the report include improvement suggestions to be research based with citations.

The bill expands on the SBE classification and accreditation rule making authority by providing new categories of classification with specific methodology for making accreditation determinations. Districts in the bottom 10% of the state distribution will be classified as unaccredited, the bottom 25% will be provisionally accredited or unaccredited, and districts in the top 10% will be classified as accredited with distinction.

This bill expands on the SBE's rule making authority for academic achievement and academic performances by requiring that academic growth account for no less than 40% of the total accreditation score, and providing further instruction for the calculation of performance. The bill provides the SBE guidance on new rule making authority for local education agencies (LEA) that have attendance centers that become unaccredited and provisionally accredited. LEAs must develop and submit to the school board or governing agency a school improvement plan. The plan must be submitted to the school district or governing board within 60 days of receiving the designation and must include three-year goals for math and reading proficiency as outlined in the bill. LEAs are encouraged to develop innovation zones and partner with nonprofit organizations with expertise in school redesign and improvement. Any attendance center, school district, or

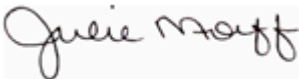
charter school that is classified as provisionally accredited or unaccredited shall inform all parents of students of the classification, along with details on student options and future school improvement plans.

Any attendance center that is a charter school and unaccredited for four consecutive years shall be reconstituted in partnership with an accredited charter organization or be closed and any LEA shall provide students attending any attendance center that has been provisionally accredited for five consecutive years the option to transfer to an accredited attendance center within the district. The Department of Elementary and Secondary Education shall recognize and publish attendance centers that are accredited with distinction and demonstrate significant academic growth..

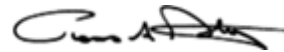
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Higher Education and Workforce Development
Joint Committee on Administrative Rules
Office of the Secretary of State
Springfield School District
High Point R-III



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Director
February 10, 2021



Ross Strobe
Assistant Director
February 10, 2021