

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4349-03
Bill No.: SB 516
Subject: Education, Elementary and Secondary; Teachers; Elementary and Secondary Education Department; Saint Louis; Jackson County; Kansas City; Boards, Commissions, Committees, Councils; Governor and Lieutenant Governor
Type: Original
Date: February 4, 2014

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(Unknown - Expected to exceed \$100,000)	(Unknown - Expected to exceed \$100,000)	(Unknown - Expected to exceed \$100,000)
Total Estimated Net Effect on General Revenue Fund	(Unknown - Expected to exceed \$100,000)	(Unknown - Expected to exceed \$100,000)	(Unknown - Expected to exceed \$100,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
University Funds	\$0 to (Unknown - Could exceed \$100,000)	\$0 to (Unknown - Could exceed \$100,000)	\$0 to (Unknown - Could exceed \$100,000)
Unaccredited School District Improvement*	\$0	\$0	\$0
St. Louis Area Student Transfer Coordination Authority Fund*	\$0	\$0	\$0
Jackson County Area Student Transfer Coordination Authority Fund*	\$0	\$0	\$0
Statewide Student Transfer Coordination Authority Fund*	\$0	\$0	\$0
Teacher Improvement Fund*			
Parent Portal Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 to (Unknown - Could exceed \$100,000)	\$0 to (Unknown - Could exceed \$100,000)	\$0 to (Unknown - Could exceed \$100,000)

* Offsetting Transfers In and Costs for *funds could exceed \$100,000 annually.

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 21 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Total Estimated Net Effect on FTE	0	0	0

- Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).
- Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
Local Government	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Treasurer**, the **Administrative Hearing Commission**, and the **Missouri Senate** assume no fiscal impact to their respective agencies from this proposal.

Officials from the **Joint Committee on Administrative Rules (JCAR)** stated this proposed legislation is not anticipated to cause a fiscal impact to JCAR beyond its current appropriation.

Officials from the **Office of the Governor** assume there should be no added cost to the Governor's Office as a result of this proposed legislation.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS'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 \$2,500. SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, 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 their office can sustain with their core budget. Therefore, 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.

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

The Department of **Elementary and Secondary Education (DESE)** provided the following assumptions regarding this proposed legislation:

§160.400.18 - Charter School Closure Expenses

In the past two school years, 5 charter Local Education Agencies (LEA) have closed (three in 2012 and two in 2013). The cost of these charter closures have ranged from \$20,000 to \$110,000. The annual cost will vary based on the size of the charter school closing as well as the number of closures. On average, over the past two years, two charter schools have closed. Based

ASSUMPTION (continued)

on the estimate of closing two charter schools, the annual cost incurred by charter sponsors would range between \$40,000 to \$220,000.

Charter school sponsors include universities and the St. Louis City Public School District. Sponsors obtain funding from state, federal, local, and private sources. The fiscal impact will likely consist of some mix between state, local, and private sources.

2013-2014 CHARTER SCHOOL SPONSORS	CHARTER SCHOOLS
University of Central Missouri - Warrensburg	9
University of Missouri - Columbia	6
University of Missouri - Kansas City	10
Lindenwood University - St. Charles	1
Missouri University of Science & Technology - Rolla	1
Saint Louis City Public Schools - Saint Louis	1
Saint Louis University - Saint Louis	2
Southeast Missouri State University - Cape Girardeau	1
Washington University - Saint Louis	1
University of Missouri - Saint Louis	4

In response to similar legislation from last year (SB 171 - FN 4327-01), officials from the **University of Missouri System** stated this proposal could have a financial impact of hundreds of thousands of dollars on the University System. No other Charter School Sponsors responded.

Oversight assumes the cost could range from \$0 (No charter schools being closed) to (Unknown - Could exceed \$100,000) if charter sponsors incur costs to close a charter school. Reports state that the cost to close six charter schools in St Louis in 2012 was \$250,000.

ASSUMPTION (continued)

§161.238.3 - School Building Accreditation

The current accreditation system in place, which is used by all public schools, would be adapted at no significant cost.

§162.1310 - Parent Notification of Unaccredited District Status and Home Visits

DESE assumes the requirements of this section will likely result in significant costs to local school districts. The costs of this state mandate could ultimately be borne by the state.

§163.036 - Calculation of Weighted Average Daily Attendance

This section would not pose an additional cost to the state. The formula is currently underfunded, so any changes will not cause an additional cost. If the formula was fully funded, this might actually pose a savings in state funds due to the fact that the first or second preceding year's Weighted Average Daily Attendance (WADA) could be greater and thus generate a higher formula call.

§167.685 - Unaccredited Districts and Schools - Free Tutoring and Supplemental Education Services

This section creates the "Unaccredited School District Improvement Fund" and offers free tutoring and supplemental education services to students who are performing below grade level or identified by the district as struggling.

DESE assumes costs to implement would be unknown, but significant.

Oversight assumes services outlined in this section would be paid from appropriation to the fund created in this portion of the proposal.

§167.830 - St. Louis Area Student Transfer Authority

This section creates the "St. Louis Area Student Transfer Authority" to coordinate student transfers from unaccredited districts and unaccredited schools to accredited districts and accredited schools.

DESE assumes costs to implement would be unknown, but significant.

ASSUMPTION (continued)

§167.850 - Jackson County Area Student Transfer Coordination Authority

This section creates the "Jackson County Area Student Transfer Coordination Authority" to coordinate student transfers from unaccredited districts and unaccredited schools to accredited districts and accredited schools.

DESE assumes costs to implement would be unknown but significant.

§167.870 - Statewide Student Transfer Coordination Authority

This section creates the "Statewide Student Transfer Coordination Authority" to coordinate student transfers from unaccredited districts and unaccredited schools to accredited districts and accredited schools.

DESE assumes costs to implement would be unknown, but significant.

§168.410 - School Administrator Model Evaluation Instrument

DESE assumes no additional costs are expected

§168.420 - Teacher Improvement Fund

This section creates the "Teacher Improvement Fund" to assist unaccredited schools and provisionally accredited schools in establishing and maintaining a teacher evaluation system.

DESE assumes costs to implement would be unknown, but significant.

§170.320 - Parent Portal

This section creates the "Parent Portal" to assist districts in establishing and maintaining a parent portal.

DESE assumes costs to implement would be unknown, but significant.

§171.031 - Length of School Day and Hours of Instruction

This section contains a provision which appears to be designed to increase Average Daily Attendance (ADA) for certain school districts in the state (in particular, unaccredited and

ASSUMPTION (continued)

provisionally accredited school districts with a free and reduced lunch count of 75% or greater). However, there is no change to §163.011 which defines ADA and provides the means for calculation. There is nothing in the bill that holds the total number of hours a district is in session to a static number while the actual hours in session are extended and thus creating a greater ADA for the district and resulting in more state aid. This could result in an additional call on the formula if it was done. Although currently the formula is underfunded and it would not increase the amount spent on the formula but would just redistribute the money that is appropriated.

DESE states that the sections listed above represent a summation of the fiscal costs of this proposal and do not necessarily include all costs. The omission of a section in the above listing does not mean that it has no cost or bearing on the fiscal note.

Officials from the **Francis Howell School District** assume the proposed legislation would have a negative fiscal impact of \$465,000 per year for their district due to the exclusion of debt service in the tuition calculation.

Officials from the **Kansas City Public School District (KCPS)** state this proposal has requirements that will have a fiscal impact to KCPS; however until such time as the state board promulgates rules on how they will implement change it is difficult to know actual impact. The following provisions will have a fiscal impact to either the district or state, depending on implementation policy which has not been developed by DESE:

- Mandatory home visits to each student enrolled in unaccredited and provisionally accredited schools will have a fiscal impact. Impact may exceed \$500,000 in administrative and personnel costs.
- Student transfers from an unaccredited district will have a substantial impact to KCPS. Based on data from the Mid-America Regional Council and the Cooperating School Districts of Greater KCMO the negative impact to KCPS may exceed \$150 million. Data compares actual occurrences from the Normandy and Riverview Gardens' districts experience.
- Transfer of district funds into the newly created "Unaccredited School District Improvement Fund" will have a negative fiscal impact to KCPS that may exceed several million dollars.

ASSUMPTION (continued)

- Establishment of the "Jackson County Area Student Transfer Coordination Authority" requires the entity to employ a staff and have offices. If existing education funding is utilized to promulgate this rule it will negatively impact KCPS by several million dollars.
- KCPS has implemented a teacher and administrator evaluation system. The bill requires DESE to implement a new system. If KCPS is required to implement something different than the current system, it will have a fiscal impact to KCPS of approximately \$400,000 for training, system design, and administration.

Officials from the following school districts: Calhoun, Gilliam, Hayti, Hickman Mills, Jennings, Normandy, Swedeborg, Center, Clayton, Ferguson-Florissant, Hazelwood, Blue Springs, Branson, Caruthersville, Charleston R-I, Cole R-I, Columbia, Fair Grove, Fulton, Harrison R-IX, Independence, Jefferson City, Johnson County R-7, Kirksville, Kirbyville R-V, Lee's Summit, Malden R-I, Malta Bend, Mexico, Monroe City R-I, Nixa, Parkway, Pattonville, Raymore-Peculiar R-III, Raytown, Riverview Gardens, Sedalia, Sikeston, Silex, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, St. Charles, Sullivan, Warren County R-III, and Waynesville did not respond to **Oversight's** request for fiscal impact.

Officials from the following Charter School Sponsors did not respond to **Oversight's** request for fiscal impact: University of Central Missouri, University of Missouri - St. Louis, University of Missouri - Kansas City, Washington University, St. Louis University, Missouri University of Science and Technology, University of Missouri, and Southeast Missouri State University.

Officials from the **Allen Villages School** (Charter School) state there would be no fiscal impact to their school.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
GENERAL REVENUE			
<u>Transfer Out</u> - Department of Elementary and Secondary Education (DESE)- Appropriation for Unaccredited District Improvement Fund (§167.685)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)
<u>Transfer Out</u> - DESE - St. Louis Area Student Transfer Coordination Authority Fund (§167.830)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)
<u>Transfer Out</u> - DESE - Jackson County Area Student Transfer Coordination Authority Fund (§167.850)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)
<u>Transfer Out</u> - DESE - Statewide Student Transfer Coordination Authority Fund (§167.870)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)
<u>Transfer Out</u> - DESE - Teacher Improvement Fund (§168.420)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)
<u>Transfer Out</u> - DESE - Parent Portal Fund (§170.320)	(Unknown - Could exceed <u>\$100,000</u>)	(Unknown - Could exceed <u>\$100,000</u>)	(Unknown - Could exceed <u>\$100,000</u>)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(Unknown - Expected to exceed \$100,000)</u>	<u>(Unknown - Expected to exceed \$100,000)</u>	<u>(Unknown - Expected to exceed \$100,000)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
UNIVERSITY FUNDS			
<u>Costs</u> - Universities (Charter Sponsors) - Costs to close charter schools (\$160.400.18)	\$0 to (Unknown - Could exceed <u>\$100,000</u>)	\$0 to (Unknown - Could exceed <u>\$100,000</u>)	\$0 to (Unknown - Could exceed <u>\$100,000</u>)
ESTIMATED NET EFFECT ON UNIVERSITY FUNDS	<u>\$0 to</u> <u>(Unknown -</u> <u>Could exceed</u> <u>\$100,000)</u>	<u>\$0 to</u> <u>(Unknown -</u> <u>Could exceed</u> <u>\$100,000)</u>	<u>\$0 to</u> <u>(Unknown -</u> <u>Could exceed</u> <u>\$100,000)</u>
UNACCREDITED SCHOOL DISTRICT IMPROVEMENT FUND			
<u>Transfer In</u> - General Revenue - Costs of tutoring and supplemental education services (\$167.685)	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000
<u>Transfer Out</u> - School Districts - Funding for tutoring and supplemental education services (\$167.685)	(Unknown - Could exceed <u>\$100,000</u>)	(Unknown - Could exceed <u>\$100,000</u>)	(Unknown - Could exceed <u>\$100,000</u>)
ESTIMATED NET EFFECT ON UNACCREDITED SCHOOL DISTRICT IMPROVEMENT FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
ST LOUIS AREA STUDENT TRANSFER COORDINATION BOARD			
<u>Transfer In</u> - General Revenue (\$167.830)	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000
<u>Costs</u> - Administration Expenses (\$167.830)	(Unknown - Could exceed <u>\$100,000</u>)	(Unknown - Could exceed <u>\$100,000</u>)	(Unknown - Could exceed <u>\$100,000</u>)
ESTIMATED NET EFFECT ON ST. LOUIS STUDENT TRANSFER COORDINATION BOARD	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
JACKSON COUNTY AREA STUDENT TRANSFER COORDINATION AUTHORITY BOARD FUND			
<u>Transfer In</u> - General Revenue (\$167.850)	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000
<u>Costs</u> - Administration Expenses (\$167.850)	(Unknown - Could exceed <u>\$100,000</u>)	(Unknown - Could exceed <u>\$100,000</u>)	(Unknown - Could exceed <u>\$100,000</u>)
ESTIMATED NET EFFECT ON JACKSON COUNTY AREA STUDENT TRANSFER COORDINATION AUTHORITY BOARD FUND	<u>\$0</u>	<u>\$0</u>	\$0

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
STATE WIDE STUDENT TRANSFER COORDINATION AUTHORITY FUND			
<u>Transfer In</u> - General Revenue (§167.870)	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000
<u>Costs</u> - Administrative Expenses (§167.870)	(Unknown - Could exceed <u>\$100,000</u>)	(Unknown - Could exceed <u>\$100,000</u>)	(Unknown - Could exceed <u>\$100,000</u>)
ESTIMATED NET EFFECT ON STATEWIDE STUDENT TRANSFER COORDINATION AUTHORITY FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
TEACHER IMPROVEMENT FUND			
<u>Transfer In</u> - General Revenue (§168.420)	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000
<u>Transfer Out</u> - To School Districts- Evaluation systems/improvement plans (§168.420)	(Unknown - Could exceed <u>\$100,000</u>)	(Unknown - Could exceed <u>\$100,000</u>)	(Unknown - Could exceed <u>\$100,000</u>)
ESTIMATED NET EFFECT ON TEACHER IMPROVEMENT FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
PARENT PORTAL FUND			
<u>Transfer In</u> - General Revenue (§170.320)	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000
<u>Costs</u> - Expenses related to maintaining parent portal (§170.320)	(Unknown - Could exceed <u>\$100,000</u>)	(Unknown - Could exceed <u>\$100,000</u>)	(Unknown - Could exceed <u>\$100,000</u>)
ESTIMATED NET EFFECT ON PARENT PORTAL FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
LOCAL POLITICAL SUBDIVISIONS			
<u>Transfer In</u> - School Districts - Funding for tutoring and supplemental education services (§167.685)	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000
<u>Transfer In</u> - School Districts - Teacher evaluation systems/improvement plans (§168.420)	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000
<u>Costs</u> - School Districts (Charter Sponsors) - Costs to close charter schools (§160.400.18)	\$0 to (Unknown - Could exceed \$100,000)	\$0 to (Unknown - Could exceed \$100,000)	\$0 to (Unknown - Could exceed \$100,000)
<u>Costs</u> - School Districts - Home Visits (§162.1310)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)
<u>Costs</u> - School Districts - Tutoring and supplemental education services (§167.685)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)

<u>FISCAL IMPACT - Local Government</u> (Continued)	FY 2015 (10 Mo.)	FY 2016	FY 2017
<u>Costs</u> - School Districts - Teacher evaluations systems/improvement plans (\$168.420)	(Unknown - Could exceed <u>\$100,000</u>)	(Unknown - Could exceed <u>\$100,000</u>)	(Unknown - Could exceed <u>\$100,000</u>)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>(Unknown - Could exceed \$100,000)</u>	<u>(Unknown - Could exceed \$100,000)</u>	<u>(Unknown - Could exceed \$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 proposal modifies provisions relating to elementary and secondary education.

§160.400 - CHARTER SCHOOL CLOSURE EXPENSES

This section provides that charter school sponsors are responsible for all expenditures associated with the closure of a charter school they sponsor.

§161.238 - SCHOOL BUILDING ACCREDITATION

The State Board of Education must adopt a system of classification that accredits individual school buildings within a district separately from the district as a whole. The State Board cannot classify a district as unaccredited unless it has previously classified at least sixty-five percent of the district's schools as unaccredited.

The State Board must also adopt a system of classification to accredit charter schools. However, charter school accreditation classifications will not be factored into any district's accreditation classification.

§§162.081 & 162.083 - SPECIAL ADMINISTRATIVE BOARDS: Any special administrative board appointed by the State Board of Education after January 1, 2014, to govern an unaccredited district may only govern for seven years. After seven years, governance will revert to the local school board. The State Board is then prohibited from appointing another special administrative

FISCAL DESCRIPTION (continued)

board for the district during the next seven years.

§162.1300 -STUDENT ASSESSMENT SCORES: The statewide assessment scores and all other performance data for any transient student or any student who has not attended a district-operated school for the previous three school years must not be used when calculating the district's performance under MSIP.

§162.1310 - PARENT NOTIFICATION OF UNACCREDITED DISTRICT STATUS & HOME VISITS

When a district or school building becomes unaccredited, the district must promptly notify the parents or guardians of students enrolled in the district or school. The notice must also include an explanation of the option to transfer to another accredited school in the district or to another accredited district and any services for which the student may be eligible.

Each unaccredited school, provisionally accredited school, or any school with a three year average annual performance report consistent with unaccredited or provisionally accredited must perform at least one home visit for each student.

§163.036 - CALCULATION OF WEIGHTED AVERAGE DAILY ATTENDANCE

This sections provides that when a local school board sponsors a charter school, it may only submit an estimate of the district's weighted average daily attendance for the current year. The school board will be prohibited from using a weighted average daily attendance count from any preceding year for purposes of determining state aid.

§167.642 - STUDENT PROMOTION: School districts are prohibited from promoting any student from the fifth grade to the sixth grade or from the eighth grade to the ninth grade who has not scored at the proficient level or above on the statewide assessments in the areas of English language arts, mathematics, and science.

§167.685 - UNACCREDITED DISTRICTS AND SCHOOLS - FREE TUTORING AND SUPPLEMENTAL EDUCATION SERVICES

Any unaccredited district or any district with sixty-five percent or more of its schools unaccredited must offer free tutoring and supplemental education services to underperforming and struggling students. Funds for such activities will be provided through the Unaccredited School District Improvement Fund.

FISCAL DESCRIPTION (continued)

§§167.685 & 167.687 - UNACCREDITED DISTRICTS AND SCHOOLS

In addition, such a district or school may: implement a new curriculum, as described in the act; retain an outside expert to advise the district or school on regaining accreditation; enter into a contract with an education management organization with a proven record of success; enter into a collaborative relationship with an accredited district in which teachers from both districts exchange positions for two school weeks; and terminate the employment of school personnel.

§§167.131, 167.825, 167.826, & 167.827 - STUDENT TRANSFERS

Currently, the school board of a school district that does not maintain an accredited school is required to pay the tuition and transportation of resident pupils who attend an accredited school in another district of the same or an adjoining county. This provision of law currently applies to both unaccredited school districts and K-8 school districts that do not offer high school grades. This act repeals the provisions applicable to unaccredited school districts so that the statute only applies to K-8 school districts.

Any student enrolled in and attending an unaccredited school may transfer to another accredited school in his or her district of residence that offers the student's grade level of enrollment. Each district must adopt a policy to grant priority to the lowest achieving students from low-income families if its capacity is insufficient to enroll all pupils who seek to attend.

If a student enrolled in and attending an unaccredited school is unable to transfer to an accredited school within his or her district of residence, he or she may transfer to an accredited school in an accredited district in the same or an adjoining county or to a nonsectarian private school located in the district, as described in the act. The district of residence must pay the student's tuition, as provided in the act. Any district that is participating in a voluntary interdistrict transfer program cannot charge tuition that exceeds the amount in effect for the voluntary interdistrict transfer program. The student must provide proof that he or she has resided in the unaccredited district and within the attendance boundaries of an unaccredited school for at least twelve months.

Provisionally accredited districts, provisionally accredited schools, unaccredited districts, unaccredited schools, or any districts or schools with a current year APR score of seventy-five or less under MSIP 5 are not eligible to accept transfer students. However, any student who received a transfer to a district or school with a current year APR score of seventy-five or less under MSIP 5 prior to August 28, 2014, may remain enrolled.

Each district has the right to establish a policy for desirable class size and student-teacher ratios

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FISCAL DESCRIPTION (continued)

and will not be required to accept any transfer students that would violate its policy. If a transfer student is denied admission based on a lack of space under a district policy, the student may appeal to the State Board of Education. The State Board must review the policy's appropriateness and may limit it. The State Board must give special consideration to a district with a greater than average population of students who qualify for free and reduced lunch. The State Board's decision is final.

By January 1 annually, each accredited school district in the same or an adjoining county as an unaccredited district or school must report the number of its available enrollment slots by grade level to the student transfer coordination authority for the affected district. The transfer coordination authority must make information and assistance available to parents who intend to transfer their child to an accredited school. Parents who intend to transfer their child must send initial notification to the transfer coordination authority between January 1 and August 1. The transfer coordination authority will assign transfer students to accredited schools, as space allows. The transfer coordination authority will give first priority to students who live in the same household with family members within the first or second degree of consanguinity who have already transferred to an accredited school. Next, the transfer coordination authority will assign transfers in the order in which they are received. Finally, if insufficient enrollment slots are available, any students who are not able to transfer will receive first priority the following year. If sufficient enrollment slots are available, the transfer coordination authority will provide each student a choice of three accredited schools. The transfer coordination authority may deny a transfer to a student with a history of school discipline policy violations.

§§163.021 & 167.828 - STUDENT TRANSFERS TO NONSECTARIAN PRIVATE SCHOOLS: The school board of any district that operates an unaccredited school must pay tuition for any student who resides within the attendance boundaries of an unaccredited school and is unable to transfer to an accredited school in the district of residence to attend a nonsectarian private school located in the district of residence. The tuition amount cannot exceed the lesser of the nonsectarian private school's tuition or the nonresident tuition rate that would be calculated for the student to attend another accredited district.

As a condition of receiving state aid, an unaccredited district must use funds from the operating levy for school purposes to pay tuition remission for students who attend a nonsectarian private school. In addition, such tuition shall be paid only using funds from the operating levy for school purposes. (Section 163.021 & Section 167.828)

FISCAL DESCRIPTION (continued)

§167.830 to 167.836; 167.850 to 167.856; 167.870 to 167.876 - STUDENT TRANSFER COORDINATION AUTHORITIES

This portion of the proposal creates three separate student transfer coordination authorities to coordinate student transfers from unaccredited districts and schools to accredited districts and schools. One authority will coordinate transfers in St. Louis County and adjoining counties, a second authority is for Jackson County and adjoining counties, and a third authority is for all other counties. Each authority will consist of seven members who must be residents of their covered area, appointed by the Governor with the advice and consent of the Senate, who will serve for a term of five years, as described in the bill. The Authority must coordinate and collaborate with local districts and local governments for the student transfers.

§168.410 - SCHOOL ADMINISTRATOR MODEL EVALUATION INSTRUMENT: The Department of Elementary and Secondary Education must develop a model evaluation instrument for school administrators by June 1, 2015. Districts may adopt and implement the model evaluation instrument.

§168.420 - TEACHER EVALUATIONS IN UNACCREDITED AND PROVISIONALLY ACCREDITED SCHOOLS

Each unaccredited school and provisionally accredited school must implement an evaluation system for all teachers. Evaluations must be based on multiple indicators with clear and actionable feedback. Evaluations must measure the following areas: subject matter knowledge; skill in planning and delivering instruction that engages students; ability to address issues of equity and diversity; and ability to monitor and assess student learning and adjust instruction. Indicators may include classroom observations, proof of practice, teacher interviews, and self-assessments.

Evaluations must be fair and conducted by highly trained and objective supervisors. A teacher must be rated by more than one evaluator in order for the evaluation to be used as a basis for a change in employment status. A teacher will have the right to contest the findings of an evaluation.

A district must provide a teacher who fails to meet the evaluation system's performance standards with notice of deficiencies and an improvement plan. The plan must include high quality professional development and a support program, as described in the act. If a teacher with an improvement plan fails to improve, the district may counsel the teacher to leave. In addition, the district may dismiss the teacher after serving him or her with written charges, a meeting to

FISCAL DESCRIPTION (continued)

resolve the situation, and a hearing before an impartial hearing officer if requested by the teacher. Each district must maintain a list of five impartial hearing officers who are accredited by a national arbitration organization. The teacher may have a representative from a teacher organization assist him or her.

A school's teacher evaluation system must be adequately funded, with assistance from the Teacher Improvement Fund.

§168.435 - TEACHER PROFESSIONAL DEVELOPMENT: Any teacher employed in an unaccredited or provisionally accredited school must annually complete eleven days of professional development in a district that does not have any unaccredited schools. Teachers in unaccredited or provisionally accredited schools must engage in structured collaboration to improve students outcomes, improve teacher leadership, and increase positive engagement.

§170.320 - PARENT PORTALS: This act creates the Parent Portal Fund to provide financial assistance to districts to establish and maintain a parent portal. A parent portal is accessible by mobile technology so parents may have access to educational information and access to student data.

§171.013 - LENGTH OF SCHOOL DAY AND HOURS OF INSTRUCTION

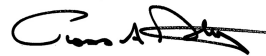
The school board of any district with a provisionally accredited school or unaccredited school may, by a majority vote, increase the length of the school day by ten percent and also increase the number of instruction hours above the statutory minimum requirement of 1044 hours. To be eligible to do this, the school must have a student population in which seventy-five percent of the students are eligible for free and reduced lunch, or have been eligible for free and reduced lunch in any of the previous three years. The Department of Elementary and Secondary Education must adjust the district's state aid so that it receives additional funding to reflect the increased instruction time.

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
Missouri Senate
Office of the Governor
Joint Committee on Administrative Rules
Administrative Hearing Commission
Office of Secretary of State
 Administrative Rules Division
Office of State Treasurer
School Districts
 Francis Howell
 Kansas City
Charter Schools
 Allen Villages School

Mickey Wilson, CPA
Director
February 4, 2014



Ross Strobe
Assistant Director
February 4, 2014