

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4476-16  
Bill No.: Truly Agreed To and Finally Passed CCS No. 2 for SS for SCS for HB 1490  
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Department; Boards, Commissions, Committees, Councils; Governor and Lieutenant Governor; General Assembly; Teachers  
Type: Original  
Date: June 11, 2014

Bill Summary: This proposal requires the State Board of Education to convene work groups composed of education professionals to develop and recommend new academic performance standards.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(Not expected to exceed \$100,000)	(Not expected to exceed \$100,000)	(Not expected to exceed \$100,000)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Not expected to exceed \$100,000)</b>	<b>(Not expected to exceed \$100,000)</b>	<b>(Not expected to exceed \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 7 pages.

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

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

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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

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

Officials from the **Office of Court Administrators** assume there is no fiscal impact on the Courts.

Officials from the **Office of the Governor**, the **Office of the Lieutenant Governor**, the **Joint Committee on Education**, and the **Missouri Senate** state the proposed legislation has no fiscal impact beyond existing appropriations.

In response to a previous version of this legislation, officials from the **Office of 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'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.

### §§160.514 & 161.855

Officials from the **Department of Elementary and Secondary Education (DESE)** assume this proposal will create unknown costs depending on the number of meetings and the number of participants. Should the group recommend significant changes that are adopted by the state board of education, then a potential exists for significant unknown costs to implement the new standards.

ASSUMPTION (continued)

**Oversight** assumes costs for the work group meetings and hearings as outlined in the proposal should not exceed \$100,000 per year.

DESE assumes that §160.514.7 allows school districts and charter schools to adopt their own education standards provided the additional standards are in the public domain. DESE is unaware of standards that are not copyrighted which could result in significant unknown costs to school districts.

Officials from the **Kansas City Public School District** state they are unable to determine impact; however, they estimate fiscal impact could exceed \$50,000 annually.

Officials from the **Special School District of St. Louis County** assumed no fiscal impact.

**Oversight** assumes this provision is permissive and up to the discretion of each individual district. For fiscal note purposes only, Oversight will assume no fiscal impact.

§161.096

Officials from the **Office of Attorney General** state that §161.096.6 of the proposal provides, "The attorney general shall have the authority to enforce compliance with this section by investigation and subsequent commencement of a civil action, to seek civil penalties for violations of this section, and to seek appropriate injunctive relief." As the number and nature of any violations of the new provisions is unknown, costs are likewise unknown.

**Oversight** assumes violations outlined in the legislation are speculative and, for fiscal note purposes only, will assign no fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>GENERAL REVENUE</b>			
<u>Costs</u> - Department of Elementary and Secondary Education - Work group meeting expenses (§§160.514 &161.855)	(Not expected to exceed <u>\$100,000</u> )	(Not expected to exceed <u>\$100,000</u> )	(Not expected to exceed <u>\$100,000</u> )
<b>EXPECTED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(Not expected to exceed \$100,000)</u></b>	<b><u>(Not expected to exceed \$100,000)</u></b>	<b><u>(Not expected to exceed \$100,000)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
	<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

§160.514

The State Board of Education (SBE) must convene work groups on English language arts, mathematics, science, and history and governments whenever it develops, evaluates, modifies, or revises either academic performance or learning standards.

The SBE must hold at least three public hearings whenever it develops, evaluates, modifies, or revises either academic performance standards or learning standards, as described in the act.

Local school districts and charter schools may adopt their own education standards, in addition to those already adopted by the state, provided any additional standards are in the public domain and do not conflict with state standards.

FISCAL DESCRIPTION (continued)

§161.855

By October 1, 2014, the SBE shall convene work groups composed of education professionals to develop and recommend new academic performance standards. The work groups must develop and recommend academic performance standards by October 1, 2015. The SBE must adopt and implement academic performance standards beginning in the 2016-2017 school year and align the statewide assessments system to the new standards as needed.

The Department of Elementary and Secondary Education (DESE) must pilot assessments from the Smarter Balanced Assessment Consortium during the 2014-2015 school year. The 2014-2015 school year, and any time when DESE develops a new statewide assessment system, academic performance standards, or makes changes to the Missouri school improvement program, will be a pilot year for calculating the district's annual performance report.

§161.096

The SBE must promulgate a rule relating to student data accessibility, transparency, and accountability that requires the DESE to create and make publicly available a data inventory and index of data elements with definitions of individual student data fields in the student data system. DESE must not, unless otherwise authorized, transfer personally identifiable student data. DESE must ensure that any contracts that govern databases, assessments, or instructional supports that include student or redacted data and are outsourced to private vendors include provisions that safeguard privacy and security and prohibit the sale of data or its use in furtherance of advertising and include penalties for noncompliance.

Local service providers whose access to data is limited to directory information are exempted from the prohibition.

DESE must report to the Governor, the President Pro Tem of the Senate, the Speaker of the House of Representatives, and the Joint Committee on Education any new student data proposed for inclusion in the state student data system and any changes to existing data collections required for any reason.

DESE is prohibited from collecting and school districts are prohibited from reporting the following individual student data: juvenile court delinquency records, criminal records, student biometric information, political affiliation, and religion. Civil penalties for violations of any rule regarding the use of education data are specified for first and subsequent violations. The

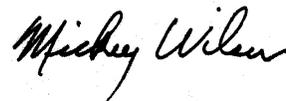
FISCAL DESCRIPTION (continued)

Attorney General is authorized to enforce compliance with the section (Section 161.096).

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 Attorney General  
Joint Committee on Administrative Rules  
Office of Secretary of State  
    Administrative Rules Division  
Office of State Courts Administrator  
Office of the Governor  
Office of the Lieutenant Governor  
Joint Committee on Education  
Schools  
    Kansas City Public School District  
    Special School District of St. Louis County



Mickey Wilson, CPA  
Director  
June 11, 2014

Ross Strobe  
Assistant Director  
June 11, 2014