

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0046-14
Bill No.: Truly Agreed To and Finally Passed for CCS for SCS for HCS for HB 42
Subject: Education, Elementary and Secondary
Type: Original
Date: May 28, 2015

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2024)**
General Revenue*	(Could exceed \$10,452,376)	Less than \$72,300,456	\$72,318,406	\$67,934,290
Total Estimated Net Effect on General Revenue	(Could exceed \$10,452,376)	Less than \$72,300,456	\$72,318,406	\$67,934,290

***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 two provisions that may not have a fiscal impact until such time as the formula is fully funded (§§160.405 and 162.1250). Oversight, for fiscal note purposes, is showing the impact of those provisions.**

**** Oversight notes §167.642 would cause a fiscal impact to school districts starting in FY 2021 from the first round of eighth graders being held back. It would add \$2,129,231 cost to General Revenue. The first round of fifth graders held back would happen in FY 2024 which would result in the full impact of \$4,347,008 annually.**

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 46 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2024)
State School Money*	\$0	\$0	\$0	\$0
MO Charter Public School Commission Revolving Fund *	\$0	\$0	\$0	\$0
Supplemental Tuition*	\$0	\$0	\$0	\$0
School District Improvement *	\$0	\$0	\$0	\$0
Student Transfer Transportation *	\$0	\$0	\$0	\$0
St. Louis Area Education Authority*	\$0	\$0	\$0	\$0
Kansas City Area Education Authority*	\$0	\$0	\$0	\$0
Statewide Education Authority *	\$0	\$0	\$0	\$0
Parent Portal *	\$0	\$0	\$0	\$0
Extended Learning Time *	\$0	\$0	\$0	\$0
Reclamation and Demolition *	\$0	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0	\$0

* Transfers in and revenue minus costs net to zero.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2024)
Total Estimated Net Effect on All Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2024)
General Revenue	16 FTE	16 FTE	16 FTE	16 FTE
Total Estimated Net Effect on FTE	16 FTE	16 FTE	16 FTE	16 FTE

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 2016	FY 2017	FY 2018	Fully Implemented (FY 2024)
Local Government	(Could exceed \$15,938,621)	(Could exceed \$15,353,621)	(Could exceed \$13,371,940)	(Could exceed \$13,371,940)

FISCAL ANALYSIS

ASSUMPTION

§160.011, §160.400 and §160.403 Charter Schools

Officials at the **Department of Elementary and Secondary Education (DESE)** assume §160.400.2(6) allows for the expansion of charter schools into Jackson County and St. Louis County and would require additional staff. Current charter field directors in both Kansas City and St. Louis City are .8 FTE. Making these individuals full-time would support the current proposed expansion for .4 FTE.

Officials at the **Kansas City Public Schools (KCPS)** assume this allows opportunities for additional charter schools to be opened in the KCPS student catchment area. This expansion creates a student transfer option for students to leave KCPS and attend another Local Education Agency (LEA). Cost is unpredictable; however it may have little to no impact or it may negatively impact KCPS by several million dollars, depending on parent choice.

Oversight notes that current statutes already allow for charter schools in the Kansas City Public School District.

Officials at the **Special School District of St. Louis (SSD)** assume the expansion of charter schools in St. Louis County will also add to expense by requiring more staff due to the increase in buildings to serve. If SSD assumes 5 new charter schools over a few years' time, the cost is estimated to be about \$800,000 to add 10 teachers and 5 para-professionals. If the charter schools contract with SSD for special education services, it will not result in additional cost to SSD but will add expense to the system due to staffing inefficiencies. If the charter schools choose to provide the special education in their schools, SSD will lose federal Individuals with Disabilities Education Act (IDEA) funding. Over a few years' time, the addition of virtual and "brick and mortar" charter schools will also dilute the foundation formula. If we assume a 3% dilution in a few years, the impact on SSD will be a reduction of \$1.1 million.

Oversight notes that §160.400 allows for the expansion of charter schools into St. Louis County and Jackson County but does not require it. Three school districts in Jackson County would not be allowed to have charter schools per an exemption in this proposal. Those districts are Center 58, Lone Jack C-6 and Oak Grove R-VI.

Oversight assumes that DESE could handle this expansion of charter schools with existing resources. Should the number of new charter school reach the number to justify additional FTE then DESE could seek those FTE through the appropriation process.

ASSUMPTION (continued)

§160.405 Charter Schools' Changes

Officials at **DESE** assume §160.405.4(5) expands the range of instruction to include early childhood for charter schools. Once the foundation formula is fully funded, charter schools would be eligible to seek reimbursement for their early childhood students.

If it is determined that §163.018.2(3) applies to charter schools, then in the 2016-17 school year, the potential exists for costs. Expanding early childhood education to the charter schools currently existing in Kansas City and St. Louis school districts has the potential of adding 4,308 students for average daily attendance (ADA).

Projected ADA for 3-4 year olds in charter schools		<u>4,308</u>
Limited to 4% of pupils eligible for free and reduced lunch (per section 163.018)		577
Difference between this group and state threshold	288.5	
Weighting at 25%	72.125	
Eligible students for weighting above threshold		<u>72</u>
Projected eligible students based on weighted ADA		649
State impact	649 x \$3,730 =	2,421,236
Local impact	649 x \$4,640 =	<u>3,011,940</u>
The cost will be unknown, but could be in excess of:		5,433,176

This potential \$5.4 million dollar cost could be a result, 1) if the formula is fully funded and 2) if section 163.018.2(3) is determined to apply to charter schools. It is unlikely that the formula will be funded during the scope of the fiscal note. Until the formula is fully funded, this amount would decrease the share of funds for all other districts.

Oversight notes this proposal in §160.400 expands the number of school districts that may be eligible to have a charter school. The projection provided by DESE for §160.405 only included the current charter schools located in Kansas City and St. Louis expanding to include early childhood education. Oversight assumes that since §160.400 would expand the number of school districts that may have charter schools the estimate provided by DESE may be too low in future fiscal years. Oversight will show the fiscal impact as Could exceed the estimate provided by DESE.

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

ASSUMPTION (continued)

the formula is fully funded. Oversight for fiscal note purposes is showing the impact of that provision.

§160.405.16 Facility Access and Affordability for Charter Schools Committee

Officials at the **DESE** assume this provision creates a committee to investigate facility access and affordability for charter schools. This committee would have to report its findings by December 31, 2015. Travel expenses as well as other costs associated with committee work is estimated to range between \$15,000 and \$20,000.

Oversight will show the Facility Access and Affordability for Charter Schools Committee expenses as the estimate provided by DESE. Oversight notes the Committee is required to report its findings by December 31, 2015 (FY 2016). Oversight will show the expenses incurring only in FY 2016.

§§160.410 and 160.415 Nonresident Pupils in Charter Schools

Oversight notes this proposal would require the state to pay for a nonresident student who is a resident of Missouri to attend a charter school if that student has a parent that works for the charter school. The average daily attendance of \$3,864 per pupil would be a gain to the charter school and be a cost to DESE. DESE is unaware if there are any nonresident students that meet the qualifications of this proposal. Oversight will not show an impact from this portion of the proposal.

§160.425 Missouri Charter Public School Commission

Officials at the **Missouri State Employees' Retirement System (MOSERS)** assume as it affects MOSERS, a provision exists that would allow the Missouri Charter Public School Commission to employ staff including, but not limited to, an executive director to carry out its duties. Under this provision, the Commission may establish personnel, payroll, benefit, and other such systems as needed and may provide death and disability benefits. Commission employees would be considered state employees for the purpose of membership in MOSERS as well as the Missouri Consolidated Health Care Plan. Compensation paid by the Commission would constitute pay from a state department for purposes of accruing benefits under MOSERS.

The contribution rate for retirement benefits provided by MOSERS is 16.97% of covered payroll for the fiscal year beginning July 1, 2015, as determined pursuant to the funding policy adopted by the Board of Trustees.

Officials at the **Missouri Consolidated Health Care Plan** assume there is no fiscal impact from this proposal.

ASSUMPTION (continued)

Oversight notes this proposal allows the Missouri Charter Public School Commission to employ staff and those staff members are to be considered state employees for the purpose of membership in the Missouri State Employees' Retirement System (MOSERS) and Missouri Consolidated Health Care Plan (MCHCP). Oversight assumes staff would pay the same insurance and retirement costs as state employees and therefore, MOSERS and MCHCP can absorb the impact of these employees with existing resources.

Oversight assumes this proposal creates the Missouri Charter Public School Commission Revolving Fund which can receive gifts, grants and donations of any kind from public or private entities. Moneys in the Fund are to be used to support the work of the Missouri Charter Public School Commission. Oversight assumes all money received by the Fund will be spent in the year in which it is received.

§161.084 State Board of Education Appointments

Officials at the **Office of the Governor** assume this portion of this proposal would require the Governor to appoint board of education members to reclassified districts within thirty days. There should be no added cost to the Governor's Office as a result of this requirement.

§161.087 and §161.238 Assistance Teams and Attendance Center Accreditation

Officials at **DESE** assume the department will need additional FTE to support the expanded accountability system and to provide assistance teams.

§161.087 would require the implementing and providing of assistance teams to borderline districts and to provisionally accredited districts which would create the need for additional FTE. The department estimates it will need an additional 11 FTE (5 Regionally based school improvement specialists, 2 Area Supervisors, 1 Data Specialist, 1 Assistant Director, 1 Director, 1 Coordinator), as well as, \$600,000 for 6 contracted service center specialists to meet the goals of this proposal. In addition, the department will require \$70,000 in data costs to review building level measures for accountability purposes, simulations, and analysis for use as an accreditation measure.

Assistance teams needed to review struggling school districts (currently estimate at 20 to 30 annual reviews).

\$300,000 Finance/operations/parental engagement/school and community compact audits
\$300,000 Instructional program and student performance audit teams
\$120,000 Department monitoring tools
\$720,000

ASSUMPTION (continued)

§161.238 would expand the accountability system from the current 519 public school districts to include 41 charter LEAs, 2,074 public schools and 64 charter schools. The new accountability system would go from accrediting 519 entities to 2,698 entities.

While the current system provides school-level reports, accreditation determinations are only made at the district level. The accountability system is designed around 5 district-level measures. Only a subset of these measures can be applied to some school buildings and will require a review of the standard's applications to each school (i.e. application for a K-2 school.) Formal classification of schools creates additional need for FTE.

Officials at the **Department of Social Services** and the **Office of the State Courts Administrator** each assume there is no fiscal impact to their respective organization from this proposal.

Officials at the **KCPS** assume this requires DESE to establish assistance teams to underperforming districts. Also mandates that suggestions made by these teams shall be mandatory for KCPS to implement. Depending on what is proposed there may be additional negative fiscal impact to KCPS as a by-product of implementing mandatory recommendation via DESE. The actual impact can not be determined at this time.

Oversight notes this proposal would require DESE to develop and implement a process by which assistance teams review borderline districts. The assistance team's suggestions for improvement would be mandatory to implement for underperforming districts (defined as provisionally accredited and unaccredited). These districts may have a fiscal impact to implement the mandatory suggested improvements. Borderline districts would not be mandated to make the improvements but may have fiscal impact if they chose to implement the suggested improvements. Oversight will show the fiscal impact as Could exceed \$100,000 for the current 11 provisionally accredited, 2 unaccredited districts and the borderline districts.

Oversight has, for fiscal note purposes only, adjusted the salary and benefits of the positions to correspond with the salaries posted by DESE for a current job vacancies for a similar positions or to the salaries currently paid to existing DESE staff.

§161.1000 Creation of the School Transfer and Improvement Task Force

Officials at **DESE** assume that depending upon the actions of the task force, this could result in significant costs to the department in terms of travel expenses for the eleven members.

Oversight notes the School Transfer and Improvement Task Force is to be made up of eleven members (three who are current Senators and three who are current Representatives) who are to

ASSUMPTION (continued)

study failing schools and school funding. The task force is to make recommendations including specific statutory changes to help fix failing schools.

Oversight notes that task Force members are to be reimbursed for expenses. Oversight notes the proposal requires the Task Force to complete its report to the General Assembly by February 1, 2016 (FY 2016), and the committee to expire by April 30, 2016. Oversight will show the impact as Could exceed \$100,000 in FY 2016 for committee member expenses.

§161.1005 DESE Hiring a Dyslexia Specialist

Officials at **DESE** assume this will require 1 FTE dyslexia specialist. Costs to develop dyslexia programs for schools will cost approximately \$25,000. Implementing professional development for schools will cost approximately \$5,000.

Oversight notes this proposal would require DESE to hire a Dyslexia Specialist. Oversight will show the hiring of the Dyslexia Specialist as the estimate provided by DESE.

§162.081 Special Administrative Board

Officials at **DESE** assume there is no fiscal impact from this proposal.

§162.1250 Virtual Schools

Officials at **DESE** assume §162.1250.3 has an unknown potential for increase to the state when the formula is fully funded because of the funding percent going from 94% (\$6,131) to 95% (\$6,192). Again this would occur only if the formula is fully funded.

Officials at the **KCPS** assume this creates and expands enrollment options for students participating in virtual school of choice programs. KCPS' designation as a provisional accredited school allows our students to transfer into virtual schools regardless of availability of seats within the district. We cannot estimate or forecast impact; however text within the proposed legislation may have a substantial negative impact on KCPS' Average Daily Attendance and basic formula revenue. The negative fiscal impact may be millions of dollars.

DESE is not able to provide **Oversight** with an estimate of the number of students that may choose virtual schools. Oversight was also unable to determine an estimate. If 5,000 students switched from public school to the public school's virtual school there would be an increase of \$306,550 in funding needed just from the 94% to 95 % rate change in §162.1250.3. (5,000 students x 1% (\$61.31) = \$306,550.

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

ASSUMPTION (continued)

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.

Oversight notes this proposal in §162.1250.8 allows a student who meets certain qualifications to attend a virtual school. One of the qualifications is that the student previously have attended a public school before enrolling in a virtual school. Therefore, since the state is already paying for these students to attend public school, there would be no fiscal impact for them switching to a virtual school.

§162.1303 and §162.1305 Transient Students

Officials at **DESE** assume the changes in language now applies to accountability. DESE will be required to track student-level data and calculate transient student ratios.

§162.1310 and 162.1313 Notification of Accreditation Status and Home Visits

Officials at **DESE** assume this proposal could result in minimal costs for school districts in terms of notifying taxpayers.

Officials at the **KCPS** assume §162.1310 requires schools to make notification of unaccredited status to several entities within the county. KCPS estimates this will cost less than \$25,000.

KCPS assumes §162.1313 requires home visits if requested by districts operating underperforming schools. KCPS estimates this could have a negative fiscal impact of greater than \$100,000 in personnel costs to implement

Oversight notes this proposal requires a school district that loses its accreditation to notify parents or guardians of students who attend the district of the loss of accreditation. Additionally, the school district must notify district taxpayers. Currently there are only two school districts (Normandy and Riverview Gardens) that must provide this notice.

Oversight notes this proposal requires underperforming districts (defined as provisionally accredited or unaccredited) to notify parents of the availability of home visits by school personnel. Currently there are 13 districts that would be required to notify parents and perform the home visits.

Oversight will show a fiscal impact to school districts for the required parent notifications, political subdivision and taxpayer notifications and home visits as Could Exceed \$100,000.

ASSUMPTION (continued)

§§163.011, 163.018 and 163.031 Foundation Formula

Officials at **DESE** assume it would not be possible to calculate immediate savings, but this provision brings into control the rate of growth of the State Adequacy Target, thereby reducing potential future increases to the formula call for full funding.

Officials at the **Special School District of St. Louis (SSD)** assume that the delay until July 1, 2016 of pro ration not applying to hold harmless districts under §163.031.8 will cost SSD about \$1.2 million next year. Additionally, the following school district are hold harmless and will lose the estimated amounts: Riverview Gardens (\$1 million), Normandy (\$800,000) and St. Louis City (\$3.2 million).

Oversight notes that the State Adequacy Target (SAT) is \$6,716 and has been for three years. This proposal would hold the SAT at that level. The statutes says the SAT can not be lowered. DESE calculated that if nothing is done going forward the SAT appears as if it will increase to about \$6,808 which will increase the formula call by about \$80 million. The state has yet been able to fund to the \$6,131, so the lack of funds would not necessarily mean DESE could/would actually pay out \$80 million more. If not for this change, it would place a statutorily higher demand on the formula. Oversight will show in the fiscal note the cost avoidance of \$80 million.

§163.036.6 Charter Schools

Officials at **DESE** assume this would prevent the future incurrence of additional state aid costs for districts that choose to become a sponsor of a charter school within its boundaries. The amount cannot be estimated.

§167.127 Data Collection

Officials at **DESE** assume this provision would require additional data collection. They estimate the cost at \$12,000.

Oversight assumes this proposal prohibits the DESE from creating any report or publication related to the Missouri School Improvement Program on children in certain group homes. Oversight assumes that DESE would need to make one-time computer programming changes to come into compliance with this proposal.

§167.132 Supplemental Tuition Fund

Officials at **DESE** assume ten percent of the receiving district's tuition rate shall be paid from the supplemental tuition fund. There is no way to calculate this cost; however, for informational purposes we can provide the tuition paid in 2014 by the two currently unaccredited districts.

ASSUMPTION (continued)

Riverview Gardens	\$11,055,822
Normandy	<u>\$10,644,609</u>
	\$21,700,431 x 10% = \$2,170,043

There could be costs to the local school district of a significant unknown amount.

Officials at the **KCPS** assume this establishes a tuition law. Lack of a cap allows outside districts or charters that accept KCPS transfer students to charge tuition rates higher than what is received for our costs. This provision could have a negative fiscal impact to KCPS that exceeds tens of millions of dollars if transfers are sought and allowed. The actual impact can not be determined at this time.

Oversight assumes this proposal creates the Supplemental Tuition Fund that can receive money from General Revenue as well as gifts, bequests, and public or private donations. Moneys in the Fund shall be used to pay 10% of the tuition costs of students transferring out of unaccredited school districts. Oversight assumes that all money received by the Fund will be used upon receipt. Oversight will show the impact as exceeding the estimate provided by DESE.

§167.642 Student Promotion

Officials at **DESE** assume this would impact underperforming (defined as provisionally accredited and unaccredited) school districts in St. Louis County. Currently Normandy and Riverview Gardens are unaccredited. Jennings is provisionally accredited.

For the past two years, Ferguson-Florissant and University City have had annual performance scores consistent with a classification of provisionally accredited or unaccredited. If performance scores remain the same for one more year, then these two districts will meet the three-year average as defined in Section 1 of this proposal.

	State Payment	5 th	8 th
Ferguson-Florissant	\$3,647.46002	892	900
Jennings	\$5,596.2957	180	211
Normandy	\$5,903.1106	295	251
Riverview Gardens	\$5,405.583	440	382
University City	\$2,242.8901	215	215

Depending upon the performance data designated by the district, it is possible these districts would have to retain 5th grade students. This will result in additional aid. This impact would not be realized until those 5th graders reach their senior year. We assume that will occur in eight years.

ASSUMPTION (continued)

Depending upon the performance data designated by the district, it is possible these districts would have to retain 8th grade students. This will result in additional aid. This impact would not be realized until those 8th graders reach their senior year. We assume that will occur in five years.

Officials at the **Special School District of St. Louis (SSD)** assume the lack of promotion of students would result in more evaluations for special education as students with Individualized Education Plans (IEPs) are exempt from this provision and districts will try to minimize the number of students held back. The estimated cost of increased evaluations is \$150,000 annually plus the potential expense increase for additional students identified as special education.

Oversight notes that normally a student completing their eighth grade year in the 2015-2016 school year would graduate high school in four years during the 2019-2020 school year. A fifth grade student during the 2015-2016 school year would normally complete high school during the 2022-2023 school year.

Oversight notes this proposal would require a fifth or eighth grade student to be held back if they are two years or more below grade level. Oversight is not able to determine exactly how many students may be 2 years or more behind in school. Should the school districts chose to not hold any students back then the fiscal impact for the proposal would be zero. However, if the school districts choose to hold students back the impact would be the number of students held back times the state amount paid to the school district. Oversight can not predict the number of students that may be held back in this scenario. Oversight for fiscal note purposes will show that twenty-five percent of the kids are held back.

	State Payment	5 th	Total	8 th	Total
Ferguson-Florissant	\$3,647.46002	223	\$813,384	225	\$820,679
Jennings	\$5,596.2957	45	\$251,833	53	\$296,604
Normandy	\$5,903.1106	74	\$436,830	63	\$371,896
Riverview Gardens	\$5,405.583	110	\$594,614	96	\$518,936
University City	\$2,242.8901	54	<u>\$121,116</u>	54	<u>\$121,116</u>
			\$2,217,777		\$2,129,231

Oversight for purposes of the fiscal note will assume that all students held back will pass at the end of the repeat year. Therefore, the 2015-2016 eighth graders would graduate school during the 2020-2021 (FY 2021). Since these students should have graduated a year earlier, the school will experience an additional expense for these students their final year. Oversight notes the first fifth grade students would impact the state during the 2023-2024 school year.

ASSUMPTION (continued)

Oversight assumes the current state aid rate of \$6,716 may have gone up by the time the first round of kids are held back, but Oversight is not able to predict what the new rate would be. Oversight has provided the state aid rate that each of the impacted school districts currently receives.

FY 2020-2021	FY 2021-2022	FY 2022-2023	FY 2023-2024	FY 2024-2025
\$2,129,231	\$2,129,231	\$2,129,231	\$4,347,008	\$4,347,008

Oversight notes that this proposal allows the school districts to establish their own quantifiable student performance data. If the school districts choose to use the current MAP test given by DESE, to determine those to be held back, then there would be no additional cost to the school district. However, if the school districts choose to implement their own exam then additional costs for those exams, administration and curriculum development could be expected to exceed \$100,000 each year per district.

§§167.685, 167.688 and 170.215 School District Improvement Measures and Free Tutoring
 Officials at **DESE** assume that offering free tutoring and supplemental education services will have a significant unknown cost.

Oversight notes this proposal requires unaccredited school districts (currently Normandy and Riverview Gardens) to offer free tutoring and supplemental education services to students performing below grade level. The unaccredited districts are to use funds from the School District Improvement Fund to pay for the tutoring and supplemental education services.

Oversight assumes this proposal creates the School District Improvement Fund that can receive gifts, bequests, and public or private donations. The Fund is to be used by public libraries to offer free tutoring and supplemental education services to students performing below grade level. Oversight assumes that all money received by the Fund will be used upon receipt.

§167.730 Reading and Personalized Learning Plans

Officials at **DESE** assume this proposal will require 1 FTE supervisor to provide consulting services regarding personalized learning plans. DESE will incur approximately \$10,000 in costs for data collection, business rule development, and reporting.

DESE estimates local school districts will require 1 FTE per school building at \$60,000 per FTE for reading recovery (161 buildings x \$60,000 = \$9,660,000).

ASSUMPTION (continued)

In addition, DESE estimates local school districts will spend \$15,000 per district for design and implementation of personalized learning plans (39 districts x \$15,000 = \$585,000).

Additionally, it takes at least 3-5 years to fully implement a Response to Intervention (RtI) system, especially one with the goal of implementing for grades K-10 across numerous buildings.

Officials at the **KCPS** assume this requires additional steps and requirements to facilitate and incorporate response to intervention plans, personalized learning plan for kindergarten or first grade students below grade level in reading, and additional reading instruction. KCPS estimates additional costs of greater than \$300,000 in personnel and curriculum costs.

Oversight notes this proposal would require the school districts located in St. Louis City and Jackson County to implement these response to intervention and personalized learning plans. There are 39 school districts that would be required to implement the personalized learning plans.

Oversight notes this proposal would require school districts beginning July 1, 2016 (FY 2017) to incorporate a response-to-intervention tiered approach to reading and to create personalized learning plan for kindergarten and first grade students. Oversight will show the cost of the programs as the estimates provided by DESE. Oversight notes that in order for school districts to have the response-to-intervention and personalize learning plans in place for the July 1, 2016 start date, the schools would need to do the design and implementation in FY 2016.

Oversight has, for fiscal note purposes only, adjusted the salary and benefits of the DESE position to correspond with the salaries posted by DESE for a current job vacancies for a similar position.

§§167.825, 167.826 and 167.827 Student Transfers

Officials at **DESE** assume §167.826 would create the "Student Transfer Transportation Fund". Transportation costs are unknown. Currently there are only two unaccredited school districts in the state. If we use those as a specific example, the cost of transporting students to accredited districts was approximately \$2.5 million for the 2013-14 school year.

Officials at the **KCPS** assume §167.825 allows students who have transferred during the 2014-15 school year to remain in the transfer program even if the sending district achieves accreditation. KCPS estimates this will cost us between \$200,000 to \$250,000 annually if prior year student elect to stay in their present school and not return to KCPS.

ASSUMPTION (continued)

KCPS assumes this allows students to transfer from their home district unaccredited school buildings and into another LEA if grade level seats are not available in an accredited school within the home district. This has the potential to have a negative fiscal impact on KCPS that may be several million dollars. The actual impact can not be determined at this time.

KCPS assumes this allows a student who is eligible to enter kindergarten or first grade at an unaccredited school to apply to enroll in another LEA out of district. As worded it takes away the required in-district options as a first benchmark. KCPS estimates this could have a negative impact that exceeds \$1,000,000.

KCPS assumes this allows students who have transferred during the 2014-15 school year to remain in the transfer program even if the sending district achieves accreditation. KCPS estimates this will cost us between \$200,000 to \$250,000 annually if prior year student elect to stay in their present school and not return to KCPS.

Oversight notes this proposal would require in the 2015-2016 school year, the Student Transfer Transportation Fund to pay the transportation costs for students in Normandy and Riverview Gardens School Districts to transfer to accredited school districts.

Oversight assumes this proposal creates the Student Transfer Transportation Fund that can receive money from General Revenue. The Fund is to be used to provide transportation costs for transfer students in the 2015-2016 school year (FY 2016). Oversight assumes that all money received by the Fund will be used upon receipt. Oversight will show the impact as the estimate provided by DESE.

§167.830 to §167.845 Regional Education Authorities

Officials at **DESE** assume §167.830 to §167.845 establish three regional education authorities that will work with local school districts and governments to coordinate student transfers. Costs to implement would be unknown, but potentially could be significant.

Officials at the **Office of the Governor** assume a portion of this proposal would require the Governor to appoint members to these new regional education authority boards. There should be no added cost to the Governor's Office as a result of this requirement.

Officials at the **Missouri Senate** assume there is no fiscal impact beyond existing appropriations.

Officials at the **KCPS** assume the establishment of the Kansas City Area Education Authority may impact them in the future. While §167.839 establishes a fund to support this authority it is unknown where revenues will come from to populate the fund. If basic formula funds or any

ASSUMPTION (continued)

local funds are used to fund the educational authority this will negatively impact the school district's existing funds. KCPS cannot estimate the impact.

Oversight assumes this proposal creates three new state funds: the St. Louis Area Education Authority Fund, the Kansas City Area Education Authority Fund and the Statewide Education Authority Fund. These Funds can receive appropriations, gifts, bequests, and public or private donations. The Funds are to be used to help with the coordination of student transfers and the payment of the executive director's salaries. Oversight assumes that all money received by these Funds will be used upon receipt.

Oversight notes these Authorities and Funds are created to help transfer students from unaccredited school districts to accredited ones. Oversight notes that currently there are only two unaccredited school districts (Normandy and Riverview Gardens) both would be located in the St. Louis Area Education Authority. Therefore, Oversight will show an impact to the St. Louis Area Education Authority Fund and will show a \$0 (no funding needed) to an impact for the Kansas City Area Education Authority and Statewide Education Authority Fund.

Oversight notes that board members of the Authorities are to be reimbursed their expenses while serving on the board. Those expenses are to be paid out of the moneys in the Fund. Oversight will show an unknown impact due to the expenses.

§167.890 Transfer Student Performance Data

Oversight notes this portion of the proposal requires DESE to compile student performance data on transfer students. Oversight assumes DESE would be able to collect and make available the data using existing resources.

§170.320 Parent Portal

Officials at **DESE** assume this proposal creates the "Parent Portal" to assist districts in establishing and maintaining a parent portal. Costs to implement would be unknown, but significant.

Oversight assumes this proposal creates the Parent Portal Fund that can receive gifts, bequests, and public or private donations. The Fund is to be used to help school districts establish and maintain a parent portal. Oversight assumes that all money received by the Fund will be used upon receipt.

ASSUMPTION (continued)

§171.031 Extended Learning Time Program

Officials at **DESE** assume this proposal creates the "Extended Learning Time Fund" and refers to money appropriated by the state. This is an unknown amount but could exceed \$100,000.

Officials at the **Special School District of St. Louis (SSD)** anticipate that some provisionally accredited and unaccredited districts will extend the school day or add days to the calendar which will increase the salary expense for SSD. SSD staff assigned to those districts will be expected to work the same calendar. This will cost \$1 million or more depending on the extent of such additional hours or days.

Oversight notes this proposal allows school districts that are provisionally accredited or unaccredited (currently 13) to extend their school day. Moneys from the Extended Learning Time Fund can be used to help pay expenses of the longer school day.

Oversight assumes this proposal creates the Extended Learning Time Fund that can have money appropriated to it and receive gifts, bequests, and public or private donations. The Fund is to be used to help pay the costs of a school district extending their school day. Oversight assumes that all money received by the Fund will be used upon receipt.

§177.015 Documentation of Empty Buildings

Officials at the **KCPS** assume this requires districts to obtain and publish information on each vacant and "not occupied" building, posting on the website and making available to district tax payers. KCPS estimates this will have a negative fiscal impact of approximately \$5,000 - \$7,000.

Oversight assumes this provision requires school districts to prepare a public document on the status of each district-owned building and whether it is occupied. Oversight assumes the school districts can prepare their lists using their existing resources.

§210.861 Community Children's Services Fund

Oversight notes that this proposal requires in FY 2016 and FY 2017 that up to 5% of the St. Louis Community Children's Services Fund's revenues be devoted to a grant program that delivers services directly to unaccredited schools. Currently this grant would need to be distributed to Normandy and Riverview Garden school districts. According to the St. Louis Community Children's Service Fund's 2013 Annual Report their revenues are \$39,633,629. Five percent of those revenues would be \$1,981,681. Oversight will show the transfer out of the St. Louis Community Children's Service Fund of Up to \$1,981,681.

ASSUMPTION (continued)

§633.420 Creation of the Legislative Task Force on Dyslexia

Officials at **DESE** assume that cost estimates for the task force expenses would total approximately \$5,000. Cost estimates for the task force contract would total approximately \$25,000.

Oversight notes the Legislative Task Force on Dyslexia committee will sunset August 31, 2017. Oversight will show the committee expenses in FY 2016 and FY 2017.

§1 - Selling of Empty Buildings

Officials at the **KCPS** assume this requires by March 1, 2016 all building not sold or held in franchise by the district to be bid or auctioned beginning at 50% of the assessed value. KCPS is presently negotiating the sales of some 11 unused and not occupied building. As proposed, text within this section may have a negative impact to KCPS that exceeds several millions dollars if the deals are stalled or still under negotiations and not finalized by March 1, 2016.

Oversight notes this proposal sets up a procedure for selling vacant school buildings. Oversight is not able to determine how many school buildings are currently vacant or which of those buildings would be sold. Oversight assumes this provision would have a positive fiscal impact on school districts that sell their buildings. Oversight will not show an impact from this proposal.

Oversight assumes this proposal creates the Reclamation and Demolition Fund that can have money appropriated to it. The Fund is to be used to help pay the costs of demolition of buildings that can not be sold. Oversight assumes that all money received by the Fund will be used upon receipt.

Bill as a Whole

Officials at the **Office of State Treasurer (STO)** assume the proposal as written would result in a fiscal impact due to provisions found in §167.685.3, §167.833.1, §167.839.1, §167.845.1 and §170.320.2. The language resulting in an impact is as follows:

"The state treasurer shall be custodian of the fund. In accordance with sections 30.170 and 30.180, the state treasurer may approve disbursements of public money in accordance with distribution requirements and procedures developed by the department of elementary and secondary education and shall make disbursement of private funds according to the directions of the donor. If the donor did not specify how the private funds were to be disbursed, the state treasurer shall contact the donor to determine the manner of disbursement."

ASSUMPTION (continued)

Concerning this language, STO does not currently undertake this type of responsibility so STO would require the hiring of additional personnel. STO estimates that they would require an additional three FTE (one Accountant I and two Account Clerks II).

Oversight has, for fiscal note purposes only, changed the starting salary for the STO's FTE to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees and policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

Officials at the **Malta Bend Schools** assume there is no fiscal impact from this proposal.

Officials at the **Everton R-III School District** assume a cost of \$25,000 annually from the provisions of this proposal.

Officials at the **Joint Committee on Administrative Rules** assume there is no fiscal impact from this proposal.

Officials from the **Office of the Secretary of State (SOS)** state 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.

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.

Officials at the following schools: Blue Springs Public Schools, Branson Public Schools, Caruthersville School District, Cole R-I Schools, Columbia Public Schools, Fair Grove Schools, Ferguson-Florissant School District, Fulton Public School, Hazelwood School District, Independence Public Schools, Jefferson City Public Schools, Jennings School District, Kirksville Public Schools, Kirbyville R-VI Schools, Lee Summit Public Schools, Macon School, Mexico Public Schools, Monroe City R-I Schools, Nixa Public Schools, Normandy School District,

ASSUMPTION (continued)

Parkway Public Schools, Pattonville Schools, Raymore-Peculiar R-III Schools, Raytown School District, Riverview Gardens School District, Sedalia School District, Sikeston Public Schools, Silex Public Schools, Spickard School District, Springfield School District, St Joseph School District, St Louis Public Schools, St. Charles Public Schools, Sullivan Public Schools, University City School District, Warren County R-III School District and Waynesville Public School did not respond to **Oversight's** request for fiscal impact.

Officials at the following schools: Ferguson-Florissant, Hazelwood, Jennings, Normandy and University City did not respond to **Oversight's** request for fiscal impact.

Officials at the following charter schools: Carondelet Leadership Academy and the KIPP Endeavor Academy of Kansas City did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2024)
GENERAL REVENUE				
<u>Cost Avoidance - formula change §163.031</u>	\$0	\$80,000,000	Could exceed \$80,000,000	Could exceed \$80,000,000
<u>Transfer Out - to State School Money for charter school early education §160.405.4(5)</u>	(Could exceed \$2,421,236)	(Could exceed \$2,421,236)	(Could exceed \$2,421,236)	(Could exceed \$2,421,236)
<u>Transfer Out - to State School Money - for 94% to 95% rate change on virtual schools §162.1250</u>	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
<u>Transfer Out - to Supplemental Tuition Fund §167.132</u>	(Could exceed \$2,170,043)	(Could exceed \$2,170,043)	(Could exceed \$2,170,043)	(Could exceed \$2,170,043)
<u>Transfer Out - to State School Money for student promotion §167.642</u>	\$0	\$0	\$0	(\$4,347,008)
<u>Transfer Out - Student Transfer Transportation Fund §167.827</u>	(\$2,500,000)	\$0	\$0	\$0
<u>Transfer Out- St. Louis Area Education Authority Fund §167.833</u>	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
<u>Transfer Out - Kansas City Area Education Authority Fund §167.839</u>	\$0 or (Could exceed \$100,000)	\$0 or (Could exceed \$100,000)	\$0 or (Could exceed \$100,000)	\$0 or (Could exceed \$100,000)
<u>Transfer Out - Statewide Education Authority Fund §167.845</u>	\$0 or (Could exceed \$100,000)	\$0 or (Could exceed \$100,000)	\$0 or (Could exceed \$100,000)	\$0 or (Could exceed \$100,000)

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2024)
GENERAL REVENUE (continued)				
<u>Transfer Out - to Extended Learning Time Fund</u> §171.031				
	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
<u>Transfer Out - to Reclamation and Demolition Fund</u> § 1				
	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
<u>Costs - DESE - expenses of committee on charter schools</u> §160.405.16				
	(\$20,000)	\$0	\$0	\$0
<u>Costs - DESE §§161.087 & 161.238</u>				
Personal Service	(\$457,771)	(\$462,349)	(\$466,972)	(\$481,122)
Fringe Benefits	(\$238,064)	(\$240,445)	(\$242,849)	(\$250,207)
Equipment and Expenses	(\$85,389)	(\$80,391)	(\$82,401)	(\$88,737)
One -time data costs	(\$70,000)	\$0	\$0	\$0
Contracted service center specialists	(\$600,000)	(\$600,000)	(\$600,000)	(\$600,000)
Assistance Teams expenses	(\$720,000)	(\$720,000)	(\$720,000)	(\$720,000)
<u>Total Costs - Asst Teams</u>	(\$2,171,224)	(\$2,103,185)	(\$2,112,222)	(\$2,140,066)
FTE Change - DESE	11 FTE	11 FTE	11 FTE	11 FTE
<u>Costs - DESE reimbursement of committee members</u> expenses §161.1000				
	(Could exceed \$100,000)	\$0	\$0	\$0
<u>Costs - DESE §161.1005</u>				
Personal Service	(\$40,460)	(\$49,038)	(\$49,528)	(\$51,028)
Fringe Benefits	(\$21,041)	(\$25,502)	(\$25,757)	(\$26,537)
Equipment and Expenses	(\$12,363)	(\$7,309)	(\$7,491)	(\$8,067)
Program expenses	(\$30,000)	\$0	\$0	\$0
<u>Total Costs - Dyslexia Spec</u>	(\$103,864)	(\$81,849)	(\$82,776)	(\$85,632)
FTE Change - DESE	1 FTE	1 FTE	1 FTE	1 FTE

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2024)
GENERAL REVENUE (continued)				
<u>Costs - DESE - one time computer programming changes</u> §167.127	(\$12,000)	\$0	\$0	\$0
<u>Costs - DESE</u> §167.730				
Personal Service	(\$37,968)	(\$38,348)	(\$38,731)	(\$39,904)
Fringe Benefits	(\$19,745)	(\$19,943)	(\$20,142)	(\$20,752)
Equipment and Expenses	(\$7,763)	(\$7,308)	(\$7,491)	(\$8,067)
Data Collection Expenses	<u>(\$10,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Costs - Reading Spec</u>	(\$75,476)	(\$65,599)	(\$66,364)	(\$68,723)
FTE Change - DESE	1 FTE	1 FTE	1 FTE	1 FTE
<u>Costs - DESE - Dyslexia task force expenses and contracts</u> §633.420	(\$30,000)	(\$30,000)	\$0	\$0
<u>Costs - STO- administration of new funds</u>				
Personal Service	(\$81,228)	(\$82,040)	(\$82,861)	(\$85,372)
Fringe Benefits	(\$42,243)	(\$42,665)	(\$43,092)	(\$44,398)
Equipment and Expenses	<u>(\$25,062)</u>	<u>(\$2,927)</u>	<u>(\$3,000)</u>	<u>(\$3,232)</u>
<u>Total Costs - STO</u>	(\$148,533)	(\$127,632)	(\$128,953)	(\$133,002)
FTE Change - STO				
§§167.830-167.845, 170.320	3 FTE	3 FTE	3 FTE	3 FTE
<u>Costs - DESE - administration of the regional education authorities</u> §§167.830- 167.845	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Could exceed <u>\$10,452,376</u>)	Less than <u>\$72,300,456</u>	<u>\$72,318,406</u>	<u>\$67,934,290</u>

FISCAL IMPACT - State Government (continued) FY 2016 FY 2017 FY 2018 Fully Implemented (FY 2024)

Estimated Net FTE Change on General Revenue 16 FTE 16 FTE 16 FTE 16 FTE

STATE SCHOOL MONEY FUND

Transfer In - General Revenue - charter school early education §160.405.4(5) Could exceed \$2,421,236 Could exceed \$2,421,236 Could exceed \$2,421,236 Could exceed \$2,421,236

Transfer In - General Revenue - 94% to 95% rate change on virtual schools §162.1250 Could exceed \$100,000 Could exceed \$100,000 Could exceed \$100,000 Could exceed \$100,000

Transfer In - General Revenue - increased state aid for student promotion expenses §167.642 \$0 \$0 \$0 \$4,347,008

Transfer Out - Charter Schools - early education §160.405.4(5) (Could exceed \$2,421,236) (Could exceed \$2,421,236) (Could exceed \$2,421,236) (Could exceed \$2,421,236)

Transfer Out - Charter Schools - 94% to 95% rate change on virtual schools §162.1250 (Could exceed \$100,000) (Could exceed \$100,000) (Could exceed \$100,000) (Could exceed \$100,000)

Transfer Out - School Districts - increased aid for student promotion expenses §167.642 \$0 \$0 \$0 (\$4,347,008)

ESTIMATED NET EFFECT ON STATE SCHOOL MONEY FUND **\$0** **\$0** **\$0** **\$0**

<u>FISCAL IMPACT - State</u> <u>Government</u> (continued)	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2024)
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**MISSOURI CHARTER
 PUBLIC SCHOOL
 COMMISSION
 REVOLVING FUND**

<u>Revenue</u> - gifts, grants and donations §160.425	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Costs</u> - Commission expenses including the hiring of staff §160.425	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)

**ESTIMATED NET
 EFFECT ON MISSOURI
 CHARTER PUBLIC
 SCHOOL COMMISSION
 REVOLVING FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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**SUPPLEMENTAL
 TUITION FUND**

<u>Transfer In</u> - from General Revenue §167.132	Could exceed \$2,170,043	Could exceed \$2,170,043	Could exceed \$2,170,043	Could exceed \$2,170,043
<u>Revenue</u> - gifts, bequests and public or private donations §167.132	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Transfer Out</u> - School Districts - tuition reimbursement rate §167.132	(Could exceed <u>\$2,270,043</u>)	(Could exceed <u>\$2,270,043</u>)	(Could exceed <u>\$2,270,043</u>)	(Could exceed <u>\$2,270,043</u>)

**ESTIMATED NET
 EFFECT ON
 SUPPLEMENTAL
 TUITION FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - State</u> <u>Government</u> (continued)	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2024)
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**SCHOOL DISTRICT
IMPROVEMENT FUND**

<u>Revenue</u> - gifts, bequests and public or private donations §167.685	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
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<u>Transfer Out</u> -Public Libraries for tutoring services §167.685	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)
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ESTIMATED NET EFFECT ON THE SCHOOL DISTRICT IMPROVEMENT FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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**STUDENT TRANSFER
TRANSPORTATION
FUND**

<u>Transfer In</u> - General Revenue §167.827	\$2,500,000	\$0	\$0	\$0
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<u>Transfer Out</u> - School Districts - payment of transportation §167.827	<u>(\$2,500,000)</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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ESTIMATED NET EFFECT ON STUDENT TRANSFER TRANSPORTATION FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - State</u> <u>Government</u> (continued)	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2024)
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**ST LOUIS AREA
 EDUCATION FUND**

<u>Transfer In</u> - General Revenue §167.833	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
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<u>Revenue</u> - gifts, bequests and public or private donations §167.833	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
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<u>Costs</u> - committee member expenses §167.833	(Unknown)	(Unknown)	(Unknown)	(Unknown)
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<u>Costs</u> - operation of the St. Louis education authority §167.833	(Could exceed <u>\$200,000</u>)	(Could exceed <u>\$200,000</u>)	(Could exceed <u>\$200,000</u>)	(Could exceed <u>\$200,000</u>)
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**ESTIMATED NET
 EFFECT ON THE ST.
 LOUIS AREA
 EDUCATION FUND**

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - State Government</u> (continued)	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2024)
 KANSAS CITY AREA EDUCATION AUTHORITY FUND				
<u>Transfer In - General Revenue</u> §167.839	\$0 or Could exceed \$100,000	\$0 or Could exceed \$100,000	\$0 or Could exceed \$100,000	\$0 or Could exceed \$100,000
<u>Revenue - gifts, bequests and public or private donations</u> §167.839	\$0 or Could exceed \$100,000	\$0 or Could exceed \$100,000	\$0 or Could exceed \$100,000	\$0 or Could exceed \$100,000
<u>Costs - committee member expenses</u> §167.839	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs - operation of the Kansas City education authority</u> §167.839	\$0 or (Could exceed <u>\$200,000</u>)	\$0 or (Could exceed <u>\$200,000</u>)	\$0 or (Could exceed <u>\$200,000</u>)	\$0 or (Could exceed <u>\$200,000</u>)
 ESTIMATED NET EFFECT ON THE KANSAS CITY AREA EDUCATION AUTHORITY FUND	 <u>\$0</u>	 <u>\$0</u>	 <u>\$0</u>	 <u>\$0</u>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2024)
 STATEWIDE EDUCATION AUTHORITY FUND				
<u>Transfer In</u> - Statewide Education Authority Fund §167.845	\$0 or Could exceed \$100,000	\$0 or Could exceed \$100,000	\$0 or Could exceed \$100,000	\$0 or Could exceed \$100,000
<u>Revenue</u> - gifts, bequests and public or private donations §167.845	\$0 or Could exceed \$100,000	\$0 or Could exceed \$100,000	\$0 or Could exceed \$100,000	\$0 or Could exceed \$100,000
<u>Costs</u> - committee member expenses §167.845	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> - operation of the statewide education authority §167.845	\$0 or (Could exceed <u>\$200,000</u>)	\$0 or (Could exceed <u>\$200,000</u>)	\$0 or (Could exceed <u>\$200,000</u>)	\$0 or (Could exceed <u>\$200,000</u>)
 ESTIMATED NET EFFECT ON THE STATEWIDE EDUCATION AUTHORITY FUND				
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2024)
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PARENT PORTAL FUND

<u>Revenue</u> - gifts, bequests and public or private donations §170.320	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
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<u>Transfer Out</u> - School Districts - for establishing and maintaining a parent portal §170.320	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)
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ESTIMATED NET EFFECT ON PARENT PORTAL FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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**EXTENDED LEARNING
TIME FUND**

<u>Transfer In</u> - from General Revenue §171.031	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
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<u>Revenue</u> - gifts, bequests and public or private donations §171.031	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
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<u>Transfer Out</u> - School Districts - administration of the extended learning time §171.031	(Could exceed <u>\$200,000</u>)	(Could exceed <u>\$200,000</u>)	(Could exceed <u>\$200,000</u>)	(Could exceed <u>\$200,000</u>)
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ESTIMATED NET EFFECT ON THE EXTENDED LEARNING TIME FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - State</u> <u>Government</u> (continued)	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2024)
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**RECLAMATION AND
 DEMOLITION FUND**

<u>Transfer In</u> - from General Revenue §1	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
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<u>Transfer Out</u> - School Districts - reimbursement of demolition expenses §1	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)
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**ESTIMATED NET
 EFFECT ON
 RECLAMATION AND
 DEMOLITION FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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***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 two provisions that may not have a fiscal impact until such time as the formula is fully funded (§§160.405 and 162.1250). Oversight for fiscal note purposes is showing the impact of those provisions.**

<u>FISCAL IMPACT - Local Government</u>	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2024)
LOCAL POLITICAL SUBDIVISION FUNDS				
<u>Transfer In - State School Money Fund - charter school early education - state impact §160.405.4(5)</u>	Could exceed \$2,421,236	Could exceed \$2,421,236	Could exceed \$2,421,236	Could exceed \$2,421,236
<u>Transfer In - State School Money Fund - 94% to 95% rate change on virtual schools §162.1250</u>	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Transfer In - State School Money Fund - increased aid for Underperforming Schools for student promotion §167.642</u>	\$0	\$0	\$0	\$4,347,008
<u>Transfer In - School District Improvement Fund - tutoring services §167.685</u>	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Transfer In -Supplemental Tuition Fund §167.132</u>	Could exceed \$2,270,043	Could exceed \$2,270,043	Could exceed \$2,270,043	Could exceed \$2,270,043
<u>Transfer In - Student Transfer Transportation Fund §167.827</u>	\$2,500,000	\$0	\$0	\$0
<u>Transfer In - Parent Portal Fund - parent portals §170.320</u>	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Transfer In - Extending Learning Time Fund §171.031</u>	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000

<u>FISCAL IMPACT - Local Government</u> (continued)	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2024)
LOCAL POLITICAL SUBDIVISION FUNDS (continued)				
<u>Transfer In</u> - St. Louis Community Children's Service Fund - grant to unaccredited schools §210.861	Up to \$1,981,681	Up to \$1,981,681	\$0	\$0
<u>Transfer In</u> - General Revenue demolition of buildings §1	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Transfer Out</u> - St. Louis Community Children's Service Fund - grant to unaccredited schools §210.861	(Up to \$1,981,681)	(Up to \$1,981,681)	\$0	\$0
<u>Costs</u> - Charter Schools - early education program- state reimbursed impact §160.405.4(5)	(Could exceed \$2,421,236)	(Could exceed \$2,421,236)	(Could exceed \$2,421,236)	(Could exceed \$2,421,236)
<u>Costs</u> - Charter Schools - early education program -local impact §160.405.4(5)	(Could exceed \$3,011,940)	(Could exceed \$3,011,940)	(Could exceed \$3,011,940)	(Could exceed \$3,011,940)
<u>Costs</u> - Underperforming Districts - assistance teams improvements §161.087	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
<u>Costs</u> - Charter Schools - 94% to 95% rate change on virtual schools §162.1250	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)

<u>FISCAL IMPACT - Local Government</u> (continued)	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2024)
LOCAL POLITICAL SUBDIVISION FUNDS (continued)				
<u>Costs - Underperforming Schools - parent notifications and home visits</u> §162.1310	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
<u>Costs - Underperforming Schools - student promotion expenses</u> §167.642	\$0	\$0	\$0	(\$4,347,008)
<u>Costs - Underperforming Schools - Student promotion exams & curriculum</u> §167.642	(Could exceed \$500,000)	(Could exceed \$500,000)	(Could exceed \$500,000)	(Could exceed \$500,000)
<u>Costs - Public Libraries - expenses related to tutoring services</u> §167.685	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
<u>Costs - Receiving School Districts - supplemental tuition reimbursement</u> §167.826.6	(Could exceed \$2,270,043)	(Could exceed \$2,270,043)	(Could exceed \$2,270,043)	(Could exceed \$2,270,043)
<u>Costs - School Districts - response -to-intervention reading</u> §167.730	(\$9,660,000)	(\$9,660,000)	(\$9,660,000)	(\$9,660,000)
<u>Costs - School Districts - personalized learning plans</u> §167.730	(\$585,000)	\$0	\$0	\$0
<u>Costs - School Districts - payment of transfer students transportation</u> §167.827	(\$2,500,000)	\$0	\$0	\$0

<u>FISCAL IMPACT - Local Government</u> (continued)	FY 2016	FY 2017	FY 2018	Fully Implemented (FY 2024)
LOCAL POLITICAL SUBDIVISION FUNDS (continued)				
<u>Costs</u> - School Districts - to establish and maintain parent portals §170.320	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
<u>Costs</u> - School Districts - extending learning time §171.031	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
<u>Costs</u> - Unaccredited schools - grant from Community Children's Service Fund §210.861	(Up to \$1,981,681)	(Up to \$1,981,681)	\$0	\$0
<u>Costs</u> - School District - payment for demolition of empty buildings §1	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISION FUNDS	(Could exceed \$15,938,621)	(Could exceed \$15,353,621)	(Could exceed \$13,371,940)	(Could exceed \$13,371,940)

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

DEFINITIONS (§160.011 & §167.848) - The definition of "graduation rate" is revised to the graduation rate determined by the annual performance report required by the Missouri School Improvement Program. The bill adds various definitions for terms regarding student transfers.

FISCAL DESCRIPTION (continued)

CHARTER SCHOOLS (§160.400) - Currently, charter schools may only be operated in specified school districts. The bill adds that they may be operated in a school district with all or most of its land area located in Jackson County except in school districts that are accredited without provisions and with less than 3,000 resident students. A district with most or all of its land in St. Louis county may also operate a charter under these provisions.

When a sponsor notifies a charter school of closure, the DESE must withhold funds to assure all obligations of the charter school are met. The state, charter school's sponsor, or resident district are not liable for any outstanding liability or obligations of the charter school.

APPLICATION AND APPROVAL EXEMPTION (§160.403) - The bill exempts the Missouri Charter Public School Commission from the DESE's application and approval process for entities eligible to be sponsors.

CHARTER SCHOOL AND SPONSOR (§160.405) - A charter must include a time frame for implementation between a charter school and the sponsor as to when a sponsor will intervene in a charter school. This bill requires the sponsor to prepare the statement of finding.

The bill allows charter schools to provide early childhood education if specified in the charter.

The DESE must calculate an annual performance report for each charter school and must publish it in the same manner as they are calculated and published for districts and attendance centers.

The DESE must create a committee to investigate facility access and affordability for charter schools. This committee must report its findings to the General Assembly by December 31, 2015.

NONRESIDENT PUPILS (§160.410) - Charter schools must enroll nonresident pupils who are residents of Missouri and whose parents are employed at the charter school and must enroll nonresident pupils from unaccredited schools in the same or an adjoining county who are unable to transfer to an accredited school in their district of residence.

WEIGHTED AVERAGE DAILY ATTENDANCE (§160.415) - A charter school's weighted average daily attendance must be adjusted to include any nonresident pupil who is a resident of Missouri and attends the charter school and whose parent is employed there. A charter school may receive tuition payments for nonresident students who transfer to it from an unaccredited school.

FISCAL DESCRIPTION (continued)

MISSOURI CHARTER PUBLIC SCHOOL COMMISSION (§160.425) - The Commission may employ staff as needed to carry out its duties. Commission employees will be considered state employees for purposes of retirement and health plans. This bill creates the "Missouri Charter Public School Commission Revolving Fund" in the state treasury.

LOCAL SCHOOL BOARD SPONSORS (§163.036) - When a local school board sponsors a charter school, it must only be permitted to use an estimate of the district's weighted average daily attendance for the current year and must not be permitted to use a weighted average daily attendance count from any preceding year for purposes of determining the amount of state aid to which it is entitled.

SCHOOL DISTRICT ACCREDITATION (§161.084) - Before the SBE classifies a school district as unaccredited or reclassifies an accredited district as provisionally accredited, if there is no State Board member who is a resident of the congressional district in which the affected district is located, the State Board must notify the Governor of its intent to change the classification. The Governor must make the appointment within 30 days of the notification.

CLASSIFICATION DESIGNATIONS (§161.087) - When the SBE assigns classification designations to school districts, it must use one of the following designations: unaccredited, provisionally accredited, accredited, and accredited with distinction.

The SBE must develop and implement a process to provide assistance teams to borderline districts, as determined by the DESE, and to underperforming districts upon assignment of a classification of unaccredited or provisionally accredited or a determination made by the state board. Each team must have at least 10 members, including two active classroom teachers in the district, two principals, and one parent of a student in the district. The department staff member assigned to the region may be included in the team's activities but must not be formally assigned to the team. The team must provide recommendations for improvement based on the needs of the community and the district and an analysis of, at a minimum, the assessment data, classroom practices, and the communication processes within buildings, within the district, and with the community. The team must provide recommendations by June 30, 2016. Assignment of teams must be prioritized by the state board so that districts with the lower annual performance report scores are addressed first. The suggestions must be mandatory for underperforming districts but not for borderline districts. If an underperforming district disagrees with any suggestion of the assistance team, the district must propose a different method of accomplishing the goal of the team's suggestion, and the state board must be the final arbiter of the matter.

FISCAL DESCRIPTION (continued)

ATTENDANCE CENTER ACCREDITATION (§161.238) - The SBE must adopt a system of classification that accredits individual attendance centers except for attendance centers that do not offer classes above a second grade level. The policy must require that an attendance center's classification be based solely on a three-year average of the attendance center's annual performance report scores using the three most recent years and the state board must assign a classification consistent with the three-year average score.

Attendance centers must be assigned one of the following classification designations: unaccredited, provisionally accredited, accredited, or accredited with distinction. The state board may assign classification numbers outside the range of numbers assigned to high schools, middle schools, junior high schools, or elementary schools as classification designations for attendance centers that are exempt from the accreditation classification system. Public separate special education schools within a special school district are exempt from these accreditation requirements. However, a special school district must continue to report all scores on its annual performance report to the department for all of its schools. A juvenile detention center within a special school district is exempted from these accreditation standards.

SCHOOL TRANSFER AND IMPROVEMENT TASK FORCE (§161.1000) -The bill creates the "School Transfer and Improvement Task Force" within the Department of Elementary and Secondary Education. The task force will study the following: means to address failing schools, including a school improvement district; developing options for school transfer finance formulas; best practices for how to design and finance public virtual and blended schools; best practices and possible pilot projects to assist transient students; options for comprehensive school quality indicators leading to student success; options for school quality review models based on successful review models currently in use; options for locally created assessment and accountability systems; and best practices in parent and community engagement.

The task force must make recommendations by February 1, 2016 to the General Assembly. The task force will expire on April 30, 2016.

DYSLEXIA (§161.1005 and §633.420) - Require, by July 1, 2016, the DESE to employ a dyslexia therapist, licensed psychometrist, licensed speech-language pathologist, certified academic language therapist, or certified training specialist to serve as the department's dyslexia specialist.

Establish the Legislative Task Force on Dyslexia and requires the Joint Committee on Education to provide technical and administrative support as required by the task force to fulfill its duties. The task force authorized under these provisions will expire on August 31, 2017.

FISCAL DESCRIPTION (continued)

STATE BOARD OF EDUCATION INTERVENTION POWERS (§162.081) - The bill allows the State Board of Education to lapse the corporate organization of all or part of an unaccredited school district.

VIRTUAL EDUCATION (§162.1250 and §167.121) - Currently, when a resident student completes a virtual course offered by his or her school district, the student's attendance upon course completion is calculated as 94% of the hours of attendance for the class delivered in a non-virtual program. This act provides that when a student is a candidate for A+ tuition reimbursements, the school must attribute no less than 95% of attendance to the student's completion of the virtual course.

A parent or guardian may enroll his or her child in a virtual school of his or her choice if the child is enrolled in and has attended, for at least one semester immediately prior to enrolling in the virtual school, an unaccredited school in any district in this state; an attendance center in an unaccredited district; an attendance center in a provisionally accredited district; an attendance center in a district that has most or all of its land area located in Jackson County; an attendance center in a district that has most or all of its land area located in a St. Louis County; or an attendance center in St. Louis City School District. If the child is eligible to begin kindergarten or first grade at any of these specified schools, the requirement that the child be enrolled in and have attended, for at least one semester immediately prior to enrolling in the virtual school does not apply.

A parent may only enroll a child in a virtual school that meets these requirements. Courses in the virtual school must be aligned with the Show-Me Curriculum Standards and comply with state requirements for teacher certification. The SBE must reserve the right to request information and materials sufficient to evaluate any on-line course. These on-line courses must be considered like any other courses offered by a school district or charter school. The student's district of residence must pay tuition for any student who enrolls in a virtual school under these provisions. The tuition amount must not exceed the state adequacy target. For purposes of these provisions, beginning on July 1, 2016, the state adequacy target amount used will be as calculated as described in these provisions.

TRANSIENT STUDENTS (§162.1305) - The bill defines "transient student" as any student who transfers from one attendance center to any other attendance center two or more times in two school years. The bill requires DESE to annually calculate a transient student ratio for each attendance center, charter school, and local educational agency based on the transient student ratios of all the attendance centers in the district and must publish these transient student ratios on its website.

FISCAL DESCRIPTION (continued)

PARENT NOTIFICATION OF UNACCREDITED STATUS (§162.1310) - When the state board classifies any district or attendance center as unaccredited, the district must notify the parent or guardian of students enrolled in the district of the loss of accreditation within seven business days. The notice must also include an explanation of which students may be able to transfer, the transfer process, and any services students may be entitled to receive. This notice must be posted in a conspicuous and accessible place in each district attendance center and must be sent to each municipality located in the boundaries of the school district.

HOME VISITS (§162.1312) - The school board of any district that operates an underperforming school must adopt a policy regarding the availability of home visits by school personnel. The school board's policy may offer to the parent or guardian of a student enrolled in any such school the opportunity to have at least one annual home visit and must offer an opportunity for a meeting at the school or a mutually agreeable site.

STATE ADEQUACY TARGET CALCULATION (§163.011) - The bill modifies how the calculation of school district current operating expenses is used to determine the state adequacy target. When the state adequacy target is recalculated, any increase in state funding attributable to an individual district will be capped at 200% of the aggregate percentage increase in state funding for all of the performance districts.

EARLY CHILDHOOD FUNDING (§163.018) - The bill specifies that charter schools become eligible to receive state funding for early childhood education at the same time as the district in which they are located becomes eligible. The bill also changes the age range used to determine the 4% cap on early childhood funding from ages 3 to 18 to ages 5 to 18.

STATE ADEQUACY TARGET ADJUSTMENT (§163.031) - The bill delays until July 1, 2016, the implementation of the provision that requires the state adequacy target be adjusted to accommodate available appropriations.

USE OF CERTAIN DATA FROM NEGLECTED CHILDREN AND DELINQUENT CHILDREN IN THE AGGREGATE DATA OF A SCHOOL DISTRICT (§176.127) - The bill restricts the DESE from creating a report or publication related to the Missouri School Improvement Program that includes the data of any children in facilities serving neglected children or delinquent children in a district's aggregate scores.

STUDENT TRANSFERS (§167.131) - Currently, the school board of a school district that does not maintain an accredited school is required to pay the tuition of and provide transportation for resident pupils who attend an accredited school in another district of the same or an adjoining county. This provision currently applies to both unaccredited school districts and K-8 school

FISCAL DESCRIPTION (continued)

districts that do not offer high school grades. The bill repeals the provisions applicable to unaccredited school districts so that it only applies to K-8 school districts.

RECEIVING DISTRICT OR CHARTER SCHOOL (§167.132) - A receiving district or a receiving approved charter school may negotiate with a sending district to accept a reduced tuition rate for transfer students and the receiving district or receiving approved charter school may limit the number of transfer students accepted at the reduced tuition rate as calculated under these provisions.

If a receiving district or receiving approved charter school elects to accept tuition as calculated under these provisions and does not limit the number of transfer students accepted at the reduced rate, 10% of the total amount of tuition in addition to the 70% for the receiving district or receiving approved charter school will be paid from the Supplemental Tuition Fund established and described in these provisions.

TRANSFER PROGRAM (§167.825) - For school year 2015-16, students who participated in the transfer program that originated on July 1, 2013 will be allowed to participate under the same terms that governed the transfers in school year 2013-14, except for the tuition amount.

For school year 2015-16, any student who transferred from an unaccredited district to an accredited district in the same or an adjoining county in school year 2013-14 or school year 2014-15 but did not attend a public school in the unaccredited district for the semester prior to the transfer, unless the student was entering kindergarten or first grade when he or she transferred, will no longer be eligible to transfer in school year 2015-16.

If an unaccredited district becomes provisionally accredited or accredited, any resident student who transferred will be permitted to continue his or her educational program through the completion of middle school, junior high school, or high school, whichever occurs first, and as specified in the bill. However, any such student must have previously attended a school in the unaccredited district for at least one semester before initially transferring, unless the student was entering kindergarten or was a first grade student. Such a student must maintain residence in the unaccredited district. A student who returns to his or her district of residence will be ineligible to transfer again. In addition, any student who was participating in the school transfer program before January 1, 2015, and who attended, for at least one semester immediately prior to transferring, a school in an unaccredited district have the option of transferring to a virtual school as provided in Subsection 8 of §162.1250, an approved charter school, or another public school in the student's district of residence that offers the student's grade level of enrollment.

FISCAL DESCRIPTION (continued)

STUDENT TRANSFER (§167.826) - For the 2015-16 school year and until the education authorities are operational, the DESE must designate at least one accredited district to which a district operating an unaccredited school must provide transportation for transfer students. For the 2015-16 school year, transportation costs for the Normandy Schools Collaborative will be paid from the newly created Student Transfer Transportation Fund.

ELIGIBLE DISTRICTS (§167.827) - Each education authority with a district operating an unaccredited school in its geographic area must make information and assistance available to parents who intend to transfer their child using one of the transfer options.

STUDENT PROMOTION (§167.642) - Students in fifth grade or eighth grade cannot be promoted to the next grade level if they are two or more years below grade level as measured by quantifiable student performance data designated by the local school district. However, this provision does not apply to any student with an individualized education program (IEP) or any student with a Section 504 Plan.

SCHOOL DISTRICT IMPROVEMENT MEASURES (§167.685 and §167.688) - Any unaccredited district must offer free tutoring and supplemental education services to underperforming and struggling students. Districts may use funds from the newly created School District Improvement Fund to the extent funds are available. An unaccredited district may satisfy the free tutoring services requirement by entering into a contract with a public library for on-line tutoring services.

Any underperforming district may offer an attendance recovery program designed exclusively to allow students to recapture attendance hours lost due to absences. Attendance recovery hours may be included in the calculation of a district's attendance rate for purposes of the Missouri school improvement program accreditation scoring.

READING, PERSONALIZED LEARNING PLANS, STUDENT RETENTION (§167.730) - The bill requires, beginning July 1, 2016, all public schools in the St. Louis City School District and Kansas City School District, including charter schools, to use a response-to-intervention tiered approach to reading instruction for students determined by their school to be struggling readers. At a minimum, the reading levels of students in kindergarten through 10th grade must be assessed at the beginning and middle of the school year. Students who score below district benchmarks must be provided with intensive, systemic reading instruction.

Beginning on January 1, 2016, and each January thereafter, each public school in the St. Louis City School District and Kansas City School District, including charter schools, must prepare a personalized learning plan for any kindergarten or first grade student whose most recent

FISCAL DESCRIPTION (continued)

school-wide reading assessment result shows the student is below grade level. Certain exceptions exist for students with an IEP or a Section 504 Plan. If a student is still performing below grade level through the end of the first grade year, the school must refer him or her for assessment to determine if an IEP is necessary. If an IEP is not necessary, the personalized learning plan must remain in place until the student is at grade level.

REGIONAL EDUCATION AUTHORITIES (§§167.830 - 167.845) - The bill creates three separate regional education authorities to coordinate student transfers, one for the St. Louis region, a second authority for the Kansas City area, and a third authority for the rest of the state. Each authority will consist of five members who must be residents of their covered area, as specified in the bill, appointed by the Governor with the advice and consent of the Senate, who will serve for a term of six years. The Education Authority must coordinate and collaborate with local districts and local governments for the student transfers. Parents who want to transfer their child must notify the appropriate regional education authority by March 1. The education authority will assign students to districts using an admissions process, as specified in the bill.

TRANSFER AND TRANSIENT STUDENT DATA (§167.890) - The DESE must compile and maintain student performance data scores of all transient and transfer students and make the data available on the Missouri Comprehensive Data System. Personally identifiable information must not be accessible on the database.

ON-LINE TUTORING SERVICES THROUGH A PUBLIC LIBRARY (§170.215) - A school district may enter into a contract with a public library to provide on-line tutoring services through a third party vendor or a non-profit organization for the district's students. Tutoring services must be conducted through compatible computers to participating students who have a library card, both within and without the public library facility.

PARENT PORTALS (§170.320) - The bill creates the Parent Portal Fund in the state treasury. Moneys in the fund may be used to provide financial assistance to districts to establish and maintain a parent portal so parents may have access to educational information and access to student data via mobile technology.

SCHOOL LEARNING TIME (§171.031) - The school board of any unaccredited district, provisionally accredited district, or district with a three year average annual performance report score consistent with a classification of unaccredited or provisionally accredited, may, by a majority vote, increase the length of the school day and also increase the number of instruction hours above the statutory minimum. This act creates the Extended Learning Time Fund in the state treasury. Moneys in the fund will be used for schools that extend the length of the school day or hours of instruction.

FISCAL DESCRIPTION (continued)

UNOCCUPIED SCHOOL BUILDINGS (§177.031) - Each district that owns a building that is not occupied must prepare and send a public notice to each district taxpayer of the status of each district-owned building that is not occupied. .

BUILDINGS IN UNDERPERFORMING DISTRICTS (§1) - The bill requires the St. Louis City School District, the Kansas City School District, and districts in St. Louis County at any time they are underperforming, to obtain an outside appraisal for any buildings they own that are vacant and unused for classroom instruction. Each of these districts must allow multiple opportunities for prospective purchasers to tour the buildings. Any buildings that are not sold during this time will be sold at auction, as specified in the bill. If the buildings are not sold, a district may receive moneys from the Reclamation and Demolition to fund to demolish them. The provisions of this section are severable from the rest of the bill.

CHILDREN'S SERVICES FUND (§210.861) - In St. Louis County, if there is an unaccredited or provisionally accredited school district, up to 5% of each fiscal year's revenues in the Children's Services Fund must be devoted to a grant program to deliver services to schools in those districts. The Children's Community Services Fund board of directors must undertake a needs assessment for any such school district within 90 days. The needs assessment must be used as a basis for contracting of services. The committee must provide recommendations and oversight to the program of contracted services. The use of funds is subject to an audit. This provision will terminate after fiscal year 2017.

The bill contains language specifying that all provisions of this bill are severable.

The bill contains an emergency clause.

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

L.R. No. 0046-14

Bill No. Truly Agreed To and Finally Passed for CCS for SCS for HCS for HB 42

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May 28, 2015

SOURCES OF INFORMATION

Department of Elementary and Secondary Education

Department of Social Services

Everton R-III School District

Joint Committee on Administrative Rules

Kansas City Public Schools

Malta Bend Schools

Missouri Consolidated Health Care Plan

Missouri Senate

Missouri State Employees' Retirement System

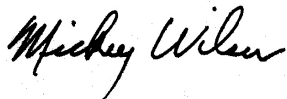
Office of the Governor

Office of the Secretary of State

Office of the State Courts Administrator

Office of the State Treasurer

Special School District of St. Louis



Mickey Wilson, CPA

Director

May 28, 2015

Ross Strobe

Assistant Director

May 28, 2015