

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0479-09
Bill No.: SCS for SB Nos. 1, 22, 49 and 70
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Department; Boards, Commissions, Committees, Councils; St. Louis; Kansas City; Political Subdivisions; Governor and Lt. Governor; General Assembly; Teachers; Elections
Type: Original
Date: February 17, 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
General Revenue*	(Could exceed \$26,122,835)	(Could exceed \$25,872,317)	(Could exceed \$25,891,729)
Total Estimated Net Effect on General Revenue	(Could exceed \$26,122,835)	(Could exceed \$25,872,317)	(Could exceed \$25,891,729)

*** Oversight assumes this proposal would have an additional fiscal impact if the foundation formula were fully funded. DESE was not able to provide Oversight an estimate of when the foundation formula is to be fully funded. §162.1250 could add \$24 million in cost for every 5% of students choosing virtual schools. §167.688.2 could add \$34 million for recalculation of average daily attendance.**

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 29 pages.

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2016	FY 2017	FY 2018
General Revenue	29 FTE	29 FTE	29 FTE
Total Estimated Net Effect on FTE	29 FTE	29 FTE	29 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
Local Government	(Could exceed \$10,445,000)	(Could exceed \$9,860,000)	(Could exceed \$9,860,000)

FISCAL ANALYSIS

ASSUMPTION

§§160.400 and 160.403 Charter Schools

Officials at the **Department of Elementary and Secondary Education (DESE)** assume §160.400.2(4) expands charter schools into provisionally accredited school districts.

§160.400.2(6) expands charter schools into any school district in an adjoining county of an unaccredited school district or provisionally accredited school district. This would basically allow charter schools in 238 of the 521 current school districts within the state. This would now represent 46% of the school districts in the State and in 37 counties. The Department would have to have an additional five supervisor FTE to accommodate this increase in number of charter schools.

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.

§160.405 Charter Schools

Officials at the **DESE** assume §160.405.1(15)(d) would require paying an individual to assume the trustee role may cost \$60,000 to \$80,000 per closure.

Oversight notes the proposal would require the naming of a trustee if there is a dissolution of a charter school. Oversight will not show an impact from this portion of the proposal.

In response to similar legislation filed this year, HB 550, officials at the **DESE** assume §160.405.4(5) would expand the range of instruction to include early childhood. Once the foundation formula is fully funded, charter schools would be eligible to seek reimbursement for their early childhood students. It is impossible to determine the number of preschool charter school students as new charters, with various grade configurations, are being added yearly.

It is unlikely that the formula will be funded during the scope of the fiscal note. We cannot estimate when/if this will happen; therefore, we are showing no fiscal impact here.

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 would not have a fiscal impact until such time as the formula is fully funded. Therefore, Oversight is not able to determine any fiscal impact for this portion of the proposal.

ASSUMPTION (continued)

Officials at the **DESE** assume §160.405.16 would require a committee to report its findings by December 31, 2015. Travel expenses as well as other costs associated with the committee work are estimated to range between \$15,000 and \$20,000.

Oversight notes this proposal would require DESE to create a committee to investigate facility access and affordability for charter schools. The committee is to have its findings to the General Assembly by December 31, 2015 (FY 2016). Oversight will show the committee expenses as the estimate provided by DESE.

§§160.410 and 160.415 Nonresident Pupils in Charter Schools

Officials at **DESE** assume these sections appear to allow nonresident pupils of charter employees to attend charter school. The district in which the charter school resides would incur the costs of these nonresident students from the local tax revenues per weighted average daily attendance in accordance with §160.415.4. It is estimated that these costs would be approximately \$3,864 (average ADA) per pupil.

If the charter employee lives in another state (which happens regularly in the Kansas City and St. Louis area) the State would incur the cost for these nonresident students amounting to approximately \$6,131 based on the state adequacy target.

Oversight notes this proposal would require the state to pay for a nonresident student 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 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 Consolidated Health Care Plan** assume there is no fiscal impact from this proposal.

Officials at the Missouri State Employees' Retirement System did not respond to **Oversight's** request for fiscal impact.

Oversight notes this proposal allows the Missouri Charter Public School Commission to employ staff. Those staff members are to be considered state employees for the purpose of membership in the Missouri State Employees' Retirement System and Missouri Consolidated Health Care Plan. Oversight will not show an impact from this provision.

ASSUMPTION (continued)

Oversight assumes this proposal creates the Missouri Charter Public School Commission Revolving Fund which can have money appropriated from General Revenue or receive gifts, grants and donations. Oversight assumes all money received by the Fund will be spent in the year in which it is received.

§§161.087, 161.238 and 167.688 Assistance Teams, Attendance Center Accreditation and School Improvement Measures

Officials at **DESE** assume they will need additional FTE to support this expanded accountability system and to provide assistance teams. The system will expand 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. Implementing and providing assistance teams to borderline districts and to provisionally accredited districts creates additional need for 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 one-time data costs to review building level measures for accountability purposes, simulations, and analysis for use as an accreditation measure.

Assistance teams are needed to review struggling school districts (currently estimate at 20 to 30 annual reviews). Costs related to the assistance teams are as follows:

\$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

The FTE costs for this part of the proposal include salaries, fringe benefits and equipment and expenses at \$2,055,252 for FY 2016, \$2,103,185 for FY 2017 and \$2,112,222 for FY 2018.

ASSUMPTION (continued)

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.

In response to the previous version of this proposal, officials at the **Kansas City Public Schools (KCPS)** assumed these provisions may have a negative impact to KCPS; however they could not determine to what degree until such time as DESE promulgates rules on implementation.

§161.1000 School Transfer and Improvement Task Force

Officials at the **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. The cost is estimated as Unknown could exceed \$100,000.

In response to the previous version of this proposal, officials at the **Missouri Senate** and the **Office of the Lt Governor** each assumed there was no fiscal impact to their respective organizations from this proposal.

In response to the previous version of this proposal, officials at the **Missouri House of Representatives** assumed this proposal would not have a fiscal impact. Expenses for House members on the School Transfer and Improvement Task Force will be picked up by DESE or absorbed within existing House resources.

Oversight notes the School Transfer and Improvement Task Force is to be made up of eleven members who are to study failing schools and school funding. Task Force members are to be reimbursed for expenses. Oversight notes this part of the proposal requires this Task Force to complete their report to the General Assembly by February 1, 2016, and the committee to expire by April 30, 2016. Oversight will show an Unknown could exceed \$100,000 impact in FY 2016 for committee member expenses.

§162.1250

Officials at the **Department of Elementary and Secondary Education (DESE)** assume there is an unknown potential for increase to the state when the formula is fully funded and if there are a number of students who start taking virtual courses and who haven't been enrolled in public schools previously. There is also a potential for an unknown increase due to the percent going from 94% to 95%. Again this would occur only if the formula is fully funded.

The potential cost could be estimated as follows: There are 74,613 private school students whose schools have voluntarily registered their numbers with DESE. There are also 6,895 home school students that school districts have reported to DESE on Screen 15 of Core Data. The sum of

ASSUMPTION (continued)

these two groups is 81,508. Because there is the potential for some of these students, who have not been enrolled in public schools, to now be enrolled in virtual school because the tuition is going to be paid by the local school district it is appropriate to calculate an estimated cost to the state. If 5% of the 81,508 students who have been reported to DESE, to either be enrolled in private schools or are being home schooled, were to enroll in a virtual school the cost to the state would be $81,508 * .05 = 4,075.4 * \$6,131$ (State Adequacy Target) = \$24,986,277 additional dollars added to the formula when the formula is fully funded. If 10% choose to switch to a virtual school this would add \$49,972,554 and 1% would add \$4,997,255.

162.1250.4 (2) For virtual transfer students, department staff will need to be assigned to deduct state aid payment from residence district and credit the virtual school of choice after checking to make sure the virtual transfer student has completed the course. This would require one supervisor FTE to manage virtual transfers.

162.1250.4 (2) New legislation indicates that the amount paid to the virtual school of choice would be equal to the state adequacy target. That amount is currently \$6,131. The amount that is currently paid for MoVIP classes (full-time) is approximately \$4,000. This will result in additional cost that is unknown at this time. Tracking of accountability data is not included in legislation but would require additional staff. Unknown at this time.

162.1250.4 (2) Requires the Department to transfer funds for the virtual transfer student to the virtual school. Since this is currently illegal, it may have financial impact.

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 would not have a fiscal impact until such time as the formula is fully funded. Therefore, Oversight is not able to determine any fiscal impact.

§§162.1303, 162.1305, 162.1310 & 162.1313 Transient Students and Home Visits

Officials at the **DESE** assume that if the student is required to be actively enrolled in the unaccredited school district, DESE does not anticipate a cost.

DESE assumes that school districts could have costs from having to notify taxpayers and having to provide home visits.

In response to the previous version of this proposal, officials at the **KCPS** assumed §162.1310 requires posting notices for all unaccredited buildings and communicating such notices to all families. Projected impact between \$5,000 to \$10,000. §162.1313 requires home visits if requested by districts operating underperforming schools. KCPS estimated this could have negative fiscal impact greater than \$100,000 to implement.

ASSUMPTION (continued)

Oversight will show an impact to local school districts for parent notifications, taxpayer notifications and home visits as Could exceed \$100,000.

§163.036.6 Charter Schools

Officials at the **DESE** assume this will 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

DESE assumes 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 have one-time computer programing changes.

§167.642 Student Promotion

Officials at the **DESE** assume that for the 2014-2015 school year, St. Louis is considered an underperforming district. The district would have to retain approximately 3,010 students (i.e. 1,583 5th grade students out of roughly 1,936 {82%} and approximately 1,427 8th grade students out of roughly 1,730 {82%}).

This will result in approximately \$20,215,160 in additional aid (i.e. 3,010 x \$6,716). The costs would be expected to continue and compound each year thereafter.

§§167.685, 167.688 and 170.215 School District Improvement Measures and Free Tutoring

Officials at the **DESE** assume that offering free tutoring and supplemental education services will have a significant unknown cost.

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.

DESE assumes §167.688.2 allows school districts that are unaccredited or provisionally accredited to employ an attendance recovery process. This could potentially allow these districts to have 100% attendance. If this were to happen this would pose significant costs to the state.

The following are the provisionally accredited and unaccredited school districts; their enrollment and their average daily attendance (ADA).

ASSUMPTION (continued)

District Code	Name	Accreditation Status	Resident I ADA	Resident Enrollment	Percent of Enrollment to ADA
040-101	Spickard R-II	Provisionally Accredited	37.7180	43	87.7163%
042-117	Calhoun R-VIII	Provisionally Accredited	132.6326	137	96.8121%
048-072	Hickman Mills C-1	Provisionally Accredited	5,730.0549	6,252	91.6515%
048-078	Kansas City 33	Provisionally Accredited	12,716.2030	14,092	90.2370%
078-002	Hayti R-II	Provisionally Accredited	684.2571	773	88.5197%
078-012	Caruthersville 18	Provisionally Accredited	1,031.4159	1,097	94.0215%
096-104	Jennings	Provisionally Accredited	2,314.8786	2,505	92.4103%
096-109	Normandy Schools Collaborative	Unaccredited	2,691.3659	3,085	87.2404%
096-111	Riverview Gardens	Unaccredited	4,447.2756	4,870	91.3198%
097-119	Malta Bend R-V	Provisionally Accredited	67.4657	73	92.4188%
097-127	Gilliam C-4	Provisionally Accredited	24.9312	27	92.3378%
099-078	Gorin R-III	Provisionally Accredited	16.8779	19	88.8311%
115-115	St. Louis	Provisionally Accredited	22,555.8431	24,845	90.7862%

ASSUMPTION (continued)

The total ADA for these school districts is 52,450.9195 and the enrollment is 57,818. The potential exists for 100% attendance or essentially, the enrollment figure. If this were to happen the ADA of these districts would increase by 5,367.0805. $5,367.0805 * \$6,131 = \$32,905,571$ increased cost to the state when the formula is fully funded.

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 would not have a fiscal impact until such time as the formula is fully funded. Therefore, Oversight is not able to determine any fiscal impact.

§167.730 Reading and Personalized Learning Plans

Officials at the **DESE** 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).

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).

NOTE: DESE has shown costs at the local level; however, mandating a specific model within school districts could violate the Hancock amendment resulting in the costs being borne by the state. Additionally, it takes at least 3-5 years to fully implement an RtI system, especially one with the goal of implementing for grades K-10 across numerous buildings.

In response to the previous version of this proposal, officials at the **KCPS** assumed this provision requires additional steps and requirements to facilitate and incorporate response to intervention plans and personal learning plans for any kindergarten or first grade student testing below basic. KCPS estimated additional costs greater than \$150,000.

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.

§§167.826 and 167.827 Student Transfers

In response to the previous version of this proposal, officials at the **DESE** assumed ten percent of the receiving district's tuition rate shall be paid from the supplemental tuition fund. This would result in a potential cost of \$2.5 million for 2,000 kids.

ASSUMPTION (continued)

§167.826.8 This would result in a savings to local school districts incrementally over time; however, the amount is unknown.

§167.826.9 There is a potential savings to the receiving district and a potential cost the sending district; however, the amount is unknown.

§167.826.10 There is a potential for increased costs to metropolitan school districts; however, the amount is unknown.

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. The Fund is to be used to reimburse tuition rates for transfer students. Oversight assumes that all money received by the Fund will be used upon receipt. Oversight will show the impact as the \$2.5 million estimated by DESE.

§§167.830 to 167.845 Regional Education Authorities

Officials at the **DESE** assume these sections 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 this bill establishes three area education authorities with gubernatorial appointments for each. There would be no added costs as a result of this measure. However, should additional duties be placed on the office related to appointments in other legislation, there may be a need for additional staff resources in future years.

Officials at the **Office of State Treasurer (STO)** assume the proposal as written would result in a fiscal impact due to provisions found in §§167.833, 167.839, 167.845 and 170.320. The language in these sections resulting in an impact is as follows:

"... 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." This language is present and identical in all cited chapters.

ASSUMPTION (continued)

This results in an impact for the following reasons:

1. The language, in STO's and DESE's estimation, makes STO the fund administrator. This is a duty that the STO does not currently have for funds that it holds, as the fund administrator is typically the agency that has responsibility for the implementation of the bill.
2. Fund administration comes with several new responsibilities. First, conversations with DESE have made clear that if the STO is the fund administrator, STO is also responsible for housing and paying the staff for the education authorities. The administration of this program would require nine FTE plus fringe benefits and office space. This new duty is estimated to be \$424,995 for administration of education authorities. This cost does not include the costs of the education authority staff.
3. In relation to direct fund administration, STO does not currently do this and so this new duty 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) with a combined salary of \$127,954 plus fringe benefits and office space for fund administration.
4. The combined total of all new FTE salary, fringe benefit, and office space would amount to \$559,149 for FY16, and \$560,381 for FY17 and future fiscal years. There is no indication in the bill as to what the source of these additional funds will be.

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.

Oversight assumes that since no funding source is listed for the additional STO duties that for the purposes of this fiscal note the funding would come from General Revenue.

Oversight assumes that the coordination and review of the education authorities would be the STO responsibility and therefore DESE would not be fiscally impacted by these provisions.

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 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 directors salaries. Oversight assumes that all money received by these Funds will be used upon receipt.

ASSUMPTION (continued)

§170.320 Parent Portal

Officials at the **DESE** assume this part of the proposal creates the "Parent Portal" to assist districts in establishing and maintaining a parent portal. Costs to implement would be unknown, but significant. Costs are expected to exceed \$100,000.

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 establish and maintain a parent portal. Oversight assumes that all money received by the Fund will be used upon receipt.

§171.031 Extended Learning Time Program

Officials at the **DESE** assume this creates the "Extended Learning Time Fund" and refers to money appropriated by the state. This is an unknown amount but could exceed \$100,000. The tuition paid to the private nonsectarian schools are paid out of funds generated by the school district's operating levy and thus would not be an increase to the state.

In response to the previous version of this proposal, officials at the **Special School District (SSD)** assumed this proposal could have a negative fiscal impact on the SSD to the extent that unaccredited and provisionally accredited St. Louis County school districts extend their school days and/or school terms. SSD would participate in such increased time at a cost in additional staff expense. For example, Normandy School District extended their school days and added staff training time this year which is estimated will cost SSD about \$600,000.

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 longer school day. Oversight assumes that all money received by the Fund will be used upon receipt.

§177.015

Oversight assumes this provision requires school districts to prepare an annual report on the status of each district-owned building and whether it is occupied. Oversight assumes the school districts can prepare this list using existing resources.

Section 1

Oversight notes this provision requires school districts to obtain an appraisal of each building that is vacant and a cost estimate for each building to bring it into compliance with health and safety codes. Oversight assumes this would have a negative fiscal impact on school districts.

Oversight notes this proposal requires that all vacant buildings be sold. Oversight assumes this provision would have a positive impact on school districts.

ASSUMPTION (continued)

Oversight assumes that the selling of the buildings would recoup all costs associated with the appraisal. Oversight will not show a fiscal impact for this provision.

Bill as a Whole

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

Officials at the **Joint Committee on Administrative Rules, Department of Social Services** and the **Office of the State Courts Administrator** each assume there is no fiscal impact to their respective organizations 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, Charleston R-I Schools, Cole R-I Schools, Columbia Public Schools, Fair Grove Schools, Francis Howell Public Schools, Fulton Public School, Harrisonville School District, Independence Public Schools, Jefferson City Public Schools, Kirksville Public Schools, Kirbyville R-VI Schools, Lee Summit Public Schools, Macon School, Mexico Public Schools, Monroe City R-I Schools, Nixa Public Schools, 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, Special School District of St. Louis County, Spickard School District, Springfield School District, St Joseph School District, St Louis Public Schools, St. Charles Public Schools, Sullivan Public Schools, Warren County R-III School District and Waynesville Public School did not respond to

Oversight's request for fiscal impact.

Officials at 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
GENERAL REVENUE			
<u>Transfer Out</u> - to State School Money Fund for student promotion §167.642	(\$20,215,160)	(More than \$20,215,160)	(More than \$20,215,160)
<u>Transfer Out</u> - to Supplemental Tuition Fund §167.826	(\$2,500,000)	(\$2,500,000)	(\$2,500,000)
<u>Transfer Out</u> - to Extended Learning Time Fund §171.031	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
<u>Costs</u> - DESE §160.400			
Personal Service	(\$158,200)	(\$191,738)	(\$193,656)
Fringe Benefits	(\$82,272)	(\$99,713)	(\$100,711)
Equipment and Expenses	<u>(\$38,813)</u>	<u>(\$36,541)</u>	<u>(\$37,455)</u>
<u>Total Costs</u> - DESE	<u>(\$279,285)</u>	<u>(\$327,992)</u>	<u>(\$331,822)</u>
FTE Change - DESE	5 FTE	5 FTE	5 FTE
<u>Cost</u> - DESE - expenses of committee on charter schools §160.405.16	(\$20,000)	\$0	\$0
<u>Costs</u> - DESE §§161.087, 161.238 & 167.688			
Personal Service	(\$457,771)	(\$462,349)	(\$466,972)
Fringe Benefits	(\$238,064)	(\$240,445)	(\$242,849)
Equipment and Expenses	(\$85,389)	(\$80,391)	(\$82,401)
One -time data costs	(\$70,000)	\$0	\$0
Contracted service center specialists	(\$600,000)	(\$600,000)	(\$600,000)
Assistance Teams expenses	<u>(\$720,000)</u>	<u>(\$720,000)</u>	<u>(\$720,000)</u>
<u>Total Costs</u> - DESE	<u>(\$2,171,224)</u>	<u>(\$2,103,185)</u>	<u>(\$2,112,222)</u>
FTE Change - DESE	11 FTE	11 FTE	11 FTE
<u>Costs</u> - DESE reimbursement of committee members expenses §161.1000	(Unknown could exceed \$100,000)	\$0	\$0
<u>Cost</u> - DESE - one time computer programming changes §167.127	(\$12,000)	\$0	\$0

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2016	FY 2017	FY 2018
GENERAL REVENUE (continued)			
<u>Costs - DESE §167.730</u>			
Personal Service	(\$37,968)	(\$38,348)	(\$38,731)
Fringe Benefits	(\$19,745)	(\$19,943)	(\$20,142)
Equipment and Expenses	(\$7,763)	(\$7,308)	(\$7,491)
Date Collection Expenses	<u>(\$10,000)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Costs - DESE</u>	(\$75,476)	(\$65,599)	(\$66,364)
FTE Change - DESE	1 FTE	1 FTE	1 FTE
 <u>Costs - STO- admin of new funds</u>			
Personal Service	(\$81,228)	(\$82,040)	(\$82,861)
Fringe Benefits	(\$42,243)	(\$42,665)	(\$43,092)
Equipment and Expenses	<u>(\$25,062)</u>	<u>(\$2,927)</u>	<u>(\$3,000)</u>
<u>Total Costs - STO</u>	(\$148,533)	(\$127,632)	(\$128,953)
FTE Change - STO §§167.830- 167.845	3 FTE	3 FTE	3 FTE
 <u>Costs - STO - admin of education authority</u>			
Personal Service	(\$276,156)	(\$278,918)	(\$281,707)
Fringe Benefits	(\$143,615)	(\$145,051)	(\$146,502)
Equipment and Expenses	(\$75,186)	(\$8,780)	(\$8,999)
One-time computer costs	<u>(\$6,200)</u>	<u>\$0</u>	<u>\$0</u>
<u>Total Costs - STO</u>	(\$501,157)	(\$432,749)	(\$437,208)
FTE Change - STO §§167.830 -167.845	9 FTE	9 FTE	9 FTE
 ESTIMATED NET EFFECT ON GENERAL REVENUE*	 (Could exceed <u>\$26,122,835</u>)	 (Could exceed <u>\$25,872,317</u>)	 (Could exceed <u>\$25,891,729</u>)
 Estimated Net FTE Change on General Revenue	 29 FTE	 29 FTE	 29 FTE

*** Oversight assumes this proposal would have an additional fiscal impact if the foundation formula were fully funded. DESE was not able to provide Oversight an estimate of when the foundation formula is to be fully funded. §162.1250 could add \$24 million in cost for every 5% of students choosing virtual schools. §167.688.2 could add \$34 million for recalculation of average daily attendance.**

<u>FISCAL IMPACT - State Government</u> (continued)	FY 2016	FY 2017	FY 2018
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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
<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>)

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

\$0 \$0 \$0

STATE SCHOOL MONEY FUND

<u>Transfer In</u> - General Revenue - increased state aid for student promotion expenses §167.642	\$20,215,160	\$20,215,160	\$20,215,160
<u>Transfer Out</u> - School Districts - increased aid for student promotion expenses §167.642	<u>(\$20,215,160)</u>	<u>(\$20,215,160)</u>	<u>(\$20,215,160)</u>

**ESTIMATED NET EFFECT ON
 STATE SCHOOL MONEY FUND**

\$0 \$0 \$0

**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
<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>)

**ESTIMATED NET EFFECT ON THE
 SCHOOL DISTRICT
 IMPROVEMENT FUND**

\$0 \$0 \$0

FISCAL IMPACT - State Government (continued) **FY 2016** **FY 2017** **FY 2018**

SUPPLEMENTAL TUITION FUND

<u>Transfer In</u> - from General Revenue §167.826	\$2,500,000	\$2,500,000	\$2,500,000
<u>Revenue</u> - gifts, bequests and public or private donations §167.826	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Transfer Out</u> - School Districts - tuition reimbursement rate §167.826	(Could exceed <u>\$2,500,000</u>)	(Could exceed <u>\$2,500,000</u>)	(Could exceed <u>\$2,500,000</u>)

ESTIMATED NET EFFECT ON SUPPLEMENTAL TUITION FUND **\$0** **\$0** **\$0**

ST LOUIS AREA EDUCATION FUND

<u>Revenue</u> - gifts, bequests and public or private donations §167.833	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Costs</u> - operation of the St. Louis education authority §167.833	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)

ESTIMATED NET EFFECT ON THE ST. LOUIS AREA EDUCATION FUND **\$0** **\$0** **\$0**

KANSAS CITY AREA EDUCATION AUTHORITY FUND

<u>Revenue</u> - gifts, bequests and public or private donations §167.839	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Costs</u> - operation of the Kansas City education authority §167.839	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)

ESTIMATED NET EFFECT ON THE KANSAS CITY AREA EDUCATION AUTHORITY FUND **\$0** **\$0** **\$0**

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

**STATEWIDE EDUCATION
AUTHORITY FUND**

Revenue - gifts, bequests and public or private donations §167.845 Could exceed \$100,000 Could exceed \$100,000 Could exceed \$100,000

Costs - operation of the statewide education authority §167.845 (Could exceed \$100,000) (Could exceed \$100,000) (Could exceed \$100,000)

**ESTIMATED NET EFFECT ON THE
STATEWIDE EDUCATION
AUTHORITY FUND**

\$0 \$0 \$0

PARENT PORTAL FUND

Revenue - gifts, bequests and public or private donations §170.320 Could exceed \$100,000 Could exceed \$100,000 Could exceed \$100,000

Transfer Out - School Districts - for establishing and maintaining a parent portal §170.320 (Could exceed \$100,000) (Could exceed \$100,000) (Could exceed \$100,000)

**ESTIMATED NET EFFECT ON
PARENT PORTAL FUND**

\$0 \$0 \$0

**EXTENDED LEARNING TIME
FUND**

Transfer In - from General Revenue §171.031 Could exceed \$100,000 Could exceed \$100,000 Could exceed \$100,000

Revenue - gifts, bequests and public or private donations §171.031 Could exceed \$100,000 Could exceed \$100,000 Could exceed \$100,000

Transfer Out - School Districts - administration of the extended learning time §171.031 (Could exceed \$100,000) (Could exceed \$100,000) (Could exceed \$100,000)

**ESTIMATED NET EFFECT ON THE
EXTENDED LEARNING TIME
FUND**

\$0 \$0 \$0

<u>FISCAL IMPACT - Local Government</u>	FY 2016	FY 2017	FY 2018
LOCAL POLITICAL SUBDIVISION FUNDS			
<u>Transfer In</u> - State School Money Fund - increased aid for St. Louis for student promotion §167.642	\$20,215,160	\$20,215,160	\$20,215,160
<u>Transfer In</u> - Public Libraries - tutoring services §167.685	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Transfer In</u> - School Districts - 10% tuition reimbursement §167.826.6	Could exceed \$2,500,000	Could exceed \$2,500,000	Could exceed \$2,500,000
<u>Transfer In</u> - School Districts - parent portals §170.320	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Transfer In</u> - School Districts - extending learning time §171.031	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Costs</u> - School Districts - parent notification and home visits §162.1310	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
<u>Costs</u> - St. Louis School District - student promotion expenses §167.642	(\$20,215,160)	(\$20,215,160)	(\$20,215,160)
<u>Costs</u> - Public Libraries - expenses related to tutoring services §167.685	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
<u>Costs</u> - Local School Districts - reading recovery §167.730	(\$9,660,000)	(\$9,660,000)	(\$9,660,000)
<u>Costs</u> - Local School Districts - personalized learning plans §167.730	(\$585,000)	\$0	\$0
<u>Costs</u> - School Districts - 10% tuition reimbursement §167.826.6	(Could exceed \$2,500,000)	(Could exceed \$2,500,000)	(Could exceed \$2,500,000)
<u>Costs</u> - School District - expenses of members serving on the regional education authorities §§167.830-167.845	\$0 or (Could exceed \$100,000)	\$0 or (Could exceed \$100,000)	\$0 or (Could exceed \$100,000)

<u>FISCAL IMPACT - Local Government</u> (continued)	FY 2016	FY 2017	FY 2018
LOCAL POLITICAL SUBDIVISION FUNDS (continued)			
<u>Costs</u> - School Districts - expenses to establish and maintain parent portals §170.320	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
<u>Costs</u> - School Districts - administration of extending learning time §171.031	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISION FUNDS	(Could exceed <u>\$10,445,000</u>)	(Could exceed <u>\$9,860,000</u>)	(Could exceed <u>\$9,860,000</u>)

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This act modifies provisions relating to elementary and secondary education.

This act modifies where charter schools may operate. This act repeals the current restrictions on when charter schools may operate in provisionally accredited districts. Instead, charter schools may operate in any provisionally accredited district at any time. It removes the restrictions on which sponsoring entities may sponsor charters in a provisionally accredited district. In addition, charter schools may operate in any district in a county that contains an unaccredited district or provisionally accredited district or in a county adjoining to a county containing an unaccredited district or a provisionally accredited district. If the unaccredited district or provisionally accredited district regains accreditation, charter schools may continue to operate there. (§160.400)

Charter schools will enroll nonresident pupils whose parents are employed at the charter school. Charter schools will 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. (§160.410)

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 act creates the "Missouri Charter Public School Commission Revolving Fund" in the state treasury.(§160.425)

FISCAL DESCRIPTION (continued)

School District Accreditation: When the State Board of Education assigns classification designations to school districts, it must use one of the following designations: unaccredited, provisionally accredited, accredited, and accredited with distinction.

The State Board of Education must develop and implement a process to provide assistance teams to borderline districts, as determined by DESE, and to underperforming districts upon assignment of such classification or determination by the Department. Teams must have at least ten 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 activities but must not be formally assigned to the team. Teams must provide an analysis of the assessment data, classroom practices, and the communication processes within buildings, in the district, and the community, and also provide prescriptions for improvement based on the district's and community's needs. The team must provide recommendations by June 30, 2016. Assignment of teams must be prioritized so that districts with lower APR scores are addressed first. Suggestions are 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 what the team has suggested.
(§161.087)

Attendance Center Accreditation: The State Board of Education must adopt a system of classification that accredits individual attendance centers within a district separately from the district as a whole. Attendance centers must be assigned one of the following classification designations: unaccredited, provisionally accredited, accredited, or accredited with distinction.

The State Board of Education may consider the classification designation of an attendance center in its accreditation classification system to exempt attendance centers with classification numbers outside the range of numbers assigned to high schools, middle schools, junior high schools, or elementary schools. Public separate special education schools within a special school district are exempted from these accreditation requirements. However, a special school district must report all scores on its annual performance report to the Department of Elementary and Secondary Education for all of its schools. Juvenile detention centers within a special school district are exempt from these accreditation standards.

School Transfer and Improvement Task Force: This act creates the "School Transfer and Improvement Task Force" within DESE. 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; and best practices and possible pilot projects to assist transient students. Expenses of the task force members are to be reimbursed. The task force must make recommendations by February 1, 2016 to the General Assembly. The task force will expire on April 31, 2016.
(§161.1000)

FISCAL DESCRIPTION (continued)

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 ninety-four percent of the hours of attendance for such 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 ninety-five percent of attendance to the student's completion of the virtual course. (§162.1250)

Transient Student Ratio & Student Scores: This act requires DESE to annually calculate a transient student ratio for each public school attendance center and each school district. The transient student ratio must be published on the Department's website and in the school accountability report card for each district and attendance center. The Department must also publish on its website an aggregate transient student ratio for the state.

In a transient student's first year of attendance in a district, the student's score on the statewide assessments will not be included when calculating the status or progress scores on the district's annual performance report scores. The scores will be counted for growth scores from the previous year's assessment for the purpose of the district's annual performance report score and to serve as the baseline for growth in the next year's assessment. In the second year of attendance, a transient student's score on the statewide assessments will be weighted at fifty percent, with growth counting for fifty percent. In the third year of attendance and any subsequent year of attendance, a transient student's status, progress and growth score will be weighted at one hundred percent when calculating the district's performance for purposes of the district's annual performance report score. (§§162.1303 & 162.1305)

When a local school board sponsors a charter school, it may only submit an estimate of the district's weighted average daily attendance for the current year. The school board will be prohibited from using a weighted average daily attendance count from any preceding year for purposes of determining state aid. (§163.036)

Student Promotion: All underperforming districts in St. Louis County, as described in the act, are prohibited from promoting any student from the fifth grade to the sixth grade or from the eighth grade to the ninth grade who has not scored at the proficient level or above on the statewide assessments in the areas of English language arts and mathematics. However, this provision does not apply to any student with an individualized education program or any student with a Section 504 Plan. (§167.642)

School District Improvement Measures: 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 online tutoring services. In addition, an underperforming district may do any of the following: implement a new curriculum, as described in the act; retain an outside expert to advise the district or school on regaining accreditation; enter into a contract

FISCAL DESCRIPTION (continued)

with an education management organization with a proven record of success to operate a school or schools within the district; enter into a collaborative relationship with an accredited district in which teachers from both districts exchange positions for two school weeks; or implement any other change suggested by the State Board of Education, expert, contractor, or assistance team. (§§167.685 & 167.688)

Reading, Personalized Learning Plans, Student Retention: This act 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 tenth 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 school-wide reading assessment result shows the student is below grade level. Certain exceptions exist from this requirement for students with an IEP or a Section 504 Plan. For any student with a personalized learning plan, the student's main teacher must consult with the student's parent or guardian about the plan and must have consent to implement it. 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.

Any student who is not reading at the second grade level in the St. Louis City School District and the Kansas City School District by the end of second grade may be promoted to third grade only if: the school provides additional reading instruction during the summer and demonstrates the student is ready for third grade at the end of summer school; if the school provides a "looping" classroom in which the student remains with the same teacher for multiple years and the student is not reading at the third grade level by the end of third grade, the student must be retained; or the student's parents or guardians may sign a notice that they prefer to have the student promoted except that the school will have final determination to retain.

The St. Louis City School District, the Kansas City School District, and each charter school located in them must provide in the annual school accountability report card the numbers and percentages by grade of any students at grade level who have been promoted but who have been determined as reading below grade level.

School districts and charter schools subject to this requirement may provide for a student promotion and retention program and a reading instruction program that are equivalent to those which are described in this section with the oversight and approval of DESE. (§167.730)

FISCAL DESCRIPTION (continued)

Any student enrolled in and attending an unaccredited school in an unaccredited district for at least one semester may transfer to another accredited school in his or her district of residence that offers the student's grade level of enrollment. However, student transfers from an unaccredited school to an accredited school in the student's district of residence cannot result in a class size and assigned enrollment in the receiving school that exceeds the standard level for class size and assigned enrollment under the Missouri School Improvement Program resource standards. The school board of each unaccredited district must determine the capacity at each of the district's accredited schools. The district's school board is responsible for coordinating transfers from unaccredited schools to accredited schools within the district. The school board must report to the appropriate education authority the number of available slots in accredited schools, the number of students who request to transfer within the district, and the number of transfer requests that are granted. (§167.826)

The rate of tuition to be paid by the sending district is based on the per-pupil cost of maintaining the receiving district's grade level grouping. However, a receiving district is prohibited from receiving tuition from a sending district that exceeds the receiving district's per pupil expenditure for its resident students. If any receiving district chooses to charge a rate of tuition that is seventy percent or less of the per-pupil cost of maintaining the sending district's grade level grouping, then the statewide assessment scores and all other performance data for those students whom the district received will not be used for five school years when calculating the performance of the receiving district for purposes of the Missouri school improvement program. (§167.826)

The school board of a receiving district may choose to charge a rate of tuition less than the amount that would otherwise be calculated under the statutory calculation. This act creates the Supplemental Tuition Fund in the state treasury. If the school board of a receiving district chooses to charge a rate of tuition that is less than ninety percent of the rate that would otherwise be charged under the statutory calculation, ten percent of the receiving district's tuition rate will be paid from the Supplemental Tuition Fund. (§167.826)

Any district that received transfer students in the 2013-2014 and 2014-2015 school years may adjust the tuition paid by the sending district to seventy percent of the per-pupil cost of maintaining the sending district's grade level grouping. If a district adjusts its tuition rate, the statewide assessment scores and performance data for the transfer students will not be used for five school years when calculating the receiving district's performance for purposes of the Missouri School Improvement Program. (§167.826)

When costs associated with the provision of special education and related services to a student with a disability exceed the tuition amount, the unaccredited district is responsible for paying the excess costs to the receiving district. When the receiving district is a component district of a special school district, the unaccredited district must contract with the special school district for the entirety of the costs to provide special education and related services, excluding transportation. The special school district may contract with an unaccredited district for the

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FISCAL DESCRIPTION (continued)

provision of transportation. A special school district must continue to provide special education and related services, with the exception of transportation, to a student with a disability transferring from an unaccredited district within the same or a different component district. (§167.826)

By August 1, 2015, and by January 1 annually, each accredited district in the same or an adjoining county as an unaccredited district must report to the appropriate regional education authority the number of its available enrollment slots by grade level. Each unaccredited district must report the number of available enrollment slots in the district's accredited schools. Each nonsectarian private school in an unaccredited district that wishes to participate in the transfer program must provide such information. (§167.827)

Each education authority with an unaccredited district in its geographic area must make information and assistance available to parents who intend to transfer their child to an accredited district or to a nonsectarian private school, if applicable. Parents who intend to transfer their child must send initial notification to the appropriate education authority by March 1. The education authority will assign transfer students, as space allows. The education authority will give first priority to students who live in the same household with family members within the first or second degree of consanguinity or affinity who have already transferred to an accredited school and apply to transfer to the same accredited school. If insufficient enrollment slots are available for a student to transfer, that student will receive first priority the following school year. The authority is only able to disrupt student and parent choice for transfers if a receiving district's available slots are requested by more students than there are slots available. The authority must consider the following factors in assigning schools: the student's or parent's choice of the receiving school (most important); the best interests of the student; and distance and travel time. The authority must not consider student academic performance; student free and reduced lunch status; or athletics. (§167.827)

Regional Education Authorities: This act 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 described in the act, 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 to another district must notify the appropriate regional education authority by March 1. The education authority will assign students to districts using an admissions process, as described in the act. (§§167.830 to 167.845)

Online Tutoring Services Through a Public Library: A school district may enter into a contract with a public library to provide online 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.

ASSUMPTION (continued)

Online tutoring services may include assistance with homework, collaboration and study tools in various school subjects, access to writing assistance productivity software, and test preparation tools.

A contract may allow dedicated access to assistance during specified hours of the day and specified days of the week. A contract may allow students to submit questions to tutors or join online study groups.

Online tutoring services must be designed and implemented to protect student privacy, prohibit voice communication between the parties, and prohibit face-to-face visual communication. In addition, employees of third party vendors or nonprofit organizations with which a public library has contracted for the tutoring services are prohibited from soliciting personally identifiable information from participating students. (§170.215)

Parent Portals: This act 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. (§170.320)

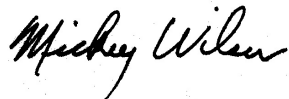
Length of School Day & Extended Learning Time Fund: The school board of any unaccredited district, provisionally accredited district, or district with a three year average annual performance report score consistent with a classification of unaccredited or provisionally accredited, may, by a majority 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. (§171.031)

This act contains an emergency clause. (Section B)

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

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Social Services
Joint Committee on Administrative Rules
Kansas City Public Schools
Malta Bend Schools
Missouri Consolidated Health Care Plan
Missouri House of Representatives
Missouri Senate
Office of the Governor
Office of the Lt. Governor
Office of the Secretary of State
Office of the State Courts Administrator
Office of State Treasurer
Special School District of St. Louis



Mickey Wilson, CPA
Director
February 17, 2015

Ross Strobe
Assistant Director
February 17, 2015