

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0590-01
Bill No.: SB 172
Subject: Education, Elementary and Secondary; Elementary and Secondary Education
 Department; Boards, Commissions, Committees, Councils
Type: Original
Date: February 4, 2015

Bill Summary: This proposal requires the State Board of Education to establish minimum graduation requirements for a career and technical education high school diploma.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|------------------------------|------------------------------|------------------------------|
| FUND AFFECTED | FY 2016 | FY 2017 | FY 2018 |
| General Revenue | (Less than \$100,000) | (Less than \$100,000) | (Less than \$100,000) |
| Total Estimated Net Effect on General Revenue | (Less than \$100,000) | (Less than \$100,000) | (Less than \$100,000) |

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2016 | FY 2017 | FY 2018 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>Other</u> State Funds | \$0 | \$0 | \$0 |

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 6 pages.

| 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 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

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 | \$0 | \$0 | \$0 |

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Elementary and Secondary Education (DESE)** assume this will result in additional costs due to data collection; however, they do not anticipate a cost greater than \$100,000. DESE defers to local school districts regarding the extent of any costs.

Officials at the **Kansas City Public Schools** assume they cannot determine the fiscal impact until such time as DESE outlines how they will promulgate rules to implement the proposed legislation.

Officials at the **Branson R-IV School District, Malta Bend School District** and the **Special School District of St. Louis** each assume there is no fiscal impact to their respective school district from this proposal.

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

Oversight notes this proposal requires DESE to establish minimum requirements for a career and technical education high school diploma. DESE shall stipulate the minimum number of hours of vocational offerings per district with the goal of establishing six vocational areas of study. Oversight assumes that DESE will be able to establish the career and technical education diploma with existing staff and resources. Oversight assumes that DESE will need less than \$100,000 for computer upgrades and data collection annually.

Oversight requested a list of the school districts that currently have approved career education programs. There are currently 446 that have an approved career education program out of the 448 school districts that have a high school. Oversight notes that the school districts that replied to Oversight's request for impact all currently have an approved career education program.

Oversight requested a list of the current vocational areas of study approved by DESE. Those areas are:

- Agriculture, Food and Natural Resources
- Business, Management and Administration
- Family Consumer Science and Human Services
- Education and Training
- Hospitality and Tourism
- Finance
- Health Science

ASSUMPTION (continued)

- Information Technology
- Marketing
- Science, Technology, Engineering and Mathematics (STEM)
Project Lead the Way
- Skilled Technical Sciences
Architecture and Construction
Arts, AV Technology and Communications
Law, Public Safety, Corrections and Security
Manufacturing
Transportation, Distribution and Logistics

Oversight for purposes of the fiscal note, will assume that the six vocational areas of study will be based on the existing areas and therefore establishing curriculum, programs of study and course offerings would not have a fiscal impact.

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, Caruthersville School District, Cole R-I Schools, Columbia Public Schools, Everton R-III School District, Fair Grove Schools, Fulton Public School, Harrisonville School District, Independence Public Schools, Jefferson City Public Schools, Kansas 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,

ASSUMPTION (continued)

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, Warren County R-III School District and Waynesville Public School did not respond to **Oversight's** request for fiscal impact.

| <u>FISCAL IMPACT - State Government</u> | FY 2016 (10 Mo.) | FY 2017 | FY 2018 |
|---|---|---|---|
| GENERAL REVENUE | | | |
| <u>Cost</u> - Department of Revenue - data collection | (Less than <u>\$100,000</u>) | (Less than <u>\$100,000</u>) | (Less than <u>\$100,000</u>) |
| ESTIMATED NET EFFECT ON GENERAL REVENUE | (Less than <u>\$100,000</u>) | (Less than <u>\$100,000</u>) | (Less than <u>\$100,000</u>) |
| <u>FISCAL IMPACT - Local Government</u> | FY 2016 (10 Mo.) | FY 2017 | FY 2018 |
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill requires the State Board of Education to establish minimum graduation requirements for a career and technical education (CTE) high school diploma. Students entering high school in the 2016-17 school year and thereafter will be eligible to earn a CTE diploma, which will confer the same benefits as any other high school diploma meeting graduation requirements. The CTE diploma will be based on requirements designed to provide students with technical skills and core academic skills to be ready for a career in a technical field. Curriculum, programs of study, and course offerings will be determined by the local school district based on the needs and interests of the district's students. The State Board of Education will work in cooperation with local districts to stipulate the minimum number of vocational offerings per district with a goal of establishing at least six vocational areas of study in each district. Districts must make an effort to offer programs of study for as many vocational career paths as economically feasible, and in

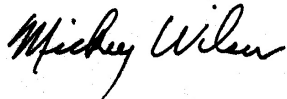
ASSUMPTION (continued)

establishing curriculum requirements may incorporate standards for industry-recognized certifications.

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

SOURCES OF INFORMATION

Branson R-IV School District
Department of Elementary and Secondary Education
Joint Committee on Administrative Rules
Kansas City Public Schools
Malta Bend School District
Office of the Secretary of State
Special School District of St. Louis



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February 4, 2015

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February 4, 2015