

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4478-01  
Bill No.: SB 638  
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Department; Education, Higher; Higher Education Department  
Type: Original  
Date: January 13, 2016

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Bill Summary: This proposal creates the “Missouri Civics Education Initiative.”

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(\$1,101,086)	(\$585,376)	(\$404,624)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$1,101,086)</b>	<b>(\$585,376)</b>	<b>(\$404,624)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 10 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
General Revenue	0 FTE	1 FTE	1 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>0 FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2017</b>	<b>FY 2018</b>	<b>FY 2019</b>
<b>Local Government</b>	<b>\$0</b>	<b>(Could exceed \$100,000)</b>	<b>(Could Exceed \$100,000)</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §170.011 College Civics Courses

**Oversight** notes this portion of the proposal states a student who transfers from one University to another would not be required to pass another civics course in order to graduate. Oversight assumes this portion of the proposal would not have a fiscal impact.

Officials at the **Department of Higher Education** assume there is no fiscal impact from this proposal.

Officials at the **Metropolitan Community College, Missouri State University, Northwest Missouri State University, State Technical College of Missouri, University of Central Missouri** and the **University of Missouri** each assume there is no fiscal impact from this proposal.

Officials at the following colleges: Crowder, East Central Community College, Harris-Stowe, Jefferson College, Lincoln University, Moberly Area Community College, Missouri Southern State University, Missouri Western State University, Southeast Missouri State University, State Fair Community College, St. Charles Community College, St. Louis Community College, Three Rivers Community College and the Truman State University did not respond to **Oversight's** request for fiscal impact.

#### §170.345 Missouri Civics Education Initiative

**Oversight** notes this proposal requires any student entering ninth grade after July 1, 2017 (FY 2018), as a condition for graduation to take and receive a passing grade on a basis civics test similar to the civics portion of the United States Naturalization test.

**Oversight** notes this proposal requires the civics test given by the school districts to use similar questions used by the United States Citizenship and Immigration Service (USCIS). Oversight contacted the USCIS about the availability of school districts using their existing test. Oversight received a response from the USCIS that stated school districts would not be allowed to use their test for free or for a fee. Additionally, copies of the test are not allowed to be distributed to school districts. School Districts would be required to create their own tests.

**Oversight** will show an impact for all school districts of Could exceed \$100,000 to create and administer this test yearly starting in FY 2018.

ASSUMPTION (continued)

Officials at the **Department of Elementary and Secondary Education (DESE)** assume this portion of the proposal requires that the test shall consist of one hundred questions similar to the civics portion of the United States Naturalization Test, produced by the United States Citizenship and Immigration Services (USCIS). In order to receive a passing score on the test, a student shall answer at least sixty percent of the questions correctly.

DESE administers the High School Equivalency (HSE) test. To include a civics test as part of the HSE would require a rewrite of Missouri's vendor test delivery system (HiSET) to allow for the additional Civics test to be added to online registration and delivery system:

Year 1 Development - \$315,386

Year 2 Implementation - \$183,380

Development of 3 unique Civics tests - \$25,000 per year

DESE will require one Data Specialist (\$34,704) FTE to track this new requirement for those taking the HSE.

Civics must be added to Adult Education and Literacy curricula, which currently focuses on federally funded English Reading, English Language and Math. Developing curricula and training teachers would be a minimal cost. Additional state funding would be required to provide classes to educate students in civics. Approximately 40 hours of class time to teach material x 200 class sites x \$20 per hour = \$160,000.

These solutions would require a rewrite of the current, internal DESE HSE system used to collect, store, and report High School Equivalency records. This will result in computer costs.

**Oversight** assumes the upgrades to the HiSET vendor system would need to be completed by July 1, 2017 so students and DESE can begin using the new system. Oversight will show those costs beginning in FY 2017. Oversight will show all other costs beginning in FY 2018, when teaching of new courses and tracking of students would begin.

Officials at the **Office of Administration's Information Technology Services Division (OA/ITSD)** assume implementing the enhancements of the proposal would require a complete re-write of the HSE system including design, development and implementation of new components for delivery and processing of a new sub-test while incorporating a function to match the scores from that same student to the online high school equivalency test given by the vendor. This proposal requires functionality outside of the current ETS system. There are not requirements known as to how that will impact the system or current functionality. ITSD/DESE

ASSUMPTION (continued)

resources are not available. Additional project management resources would be needed for oversight of a project of this magnitude.

OA/ITSD estimates this project would take 10,476 hours at \$75 per hour for a total of \$785,700 in FY 2017 for implementation. On-going support would cost \$161,069 in FY 2018 and \$165,096 in FY 2019.

**Oversight** assumes the upgrades to the HSE system by OA/ITSD would need to be completed by July 1, 2017 so students can begin using the new system. Oversight will show the OA/ITSD costs starting in FY 2017.

Officials at the **Brentwood School District** assume \$384 for curriculum development.

Officials at the **Cassville School District** assume a cost of \$6,500.

Officials at the **Chilhowee School District** assume the costs would be for curriculum development and assessment. Costs are unknown at this time.

Officials at the **Eldon School District** assume \$25,000 for curriculum development, \$100 per student to purchase curriculum and \$1,000 per instructor for training.

Officials at the **Everton School District** assume a cost of \$5,000.

Officials at the **Hawthorn Leadership** assume costs of \$5,000 for professional development and curriculum development.

Officials at the **Kennett School District** assume if additional courses are required then there will be a cost which is unknown at this time.

Officials at the **New Haven School District** assume the costs would be similar to other standardized tests of \$2 per student x 50 students (senior class) per year = \$100 per year.

Officials at the **Parkway School District** assume \$5,046 in initial costs and \$2,108 in annually costs thereafter. The initial costs include the creation of the test and curriculum development. The on-going costs are for the printing, the scantron machines and people for scoring.

Officials at the **Riverview Gardens School District** assume a cost of \$56,000 which includes a teacher's salary and benefits as well as materials for the classroom.

ASSUMPTION (continued)

Officials at the **Shell Knob** assume an impact that is unknown at this time.

Officials at the **Wright City R-II School District** assume \$15,000 in costs.

Officials at the **Mexico School District** responded to Oversight's request but did not indicate an impact.

Officials at the **Carondelet Leadership, East Newton, Fredericktown R-I, Kansas City, Kearney, Macon County R-IV, Parkway, Pettis County R-XII, Sarcoxie R-II, Seymour R-II, Shelby County R-IV, Smithville R-II, St. Charles, St. Elizabeth, Warren R-III** and the **West Plains** school districts each assume there is no fiscal impact from this proposal to their respective districts.

Officials at the following school districts: Arcadia Valley R-2, Aurora R-8, Bakersfield, Belton, Benton County R-2, Bismark R-5, Bloomfield R-14, Blue Springs, Bolivar R-I, Bowling Green R-1, Branson, Bronaugh R-7, Campbell R-2, Carrollton R-7, Caruthersville, Central R-III, Chillicothe R-II, Clarkton C-4, Cole R-I, Columbia, Concordia R-2, Crawford County R-1, Crocker R-II, Delta C-7, East Carter R-2, Fair Grove, Fair Play, Fayette R-3, Forsyth R-3, Fox C-6, Fulton, Grain Valley, Hancock Place, Hannibal, Harrisonburg R-8, Harrisonville, Hillsboro R-3, Hollister R-5, Humansville R-4, Hurley R-1, Independence, Jefferson City, King City R-1, Kingston 42, Kirbyville R-VI, Kirksville, Laclede County R-1, Laredo R-7, Lee Summit, Leeton R-10, Lewis County C-1, Lindbergh, Lonedell R-14, Macon County R-1, Malta Bend, Mehville, Meramec Valley R-3, Middle Grove C-1, Midway R-1, Milan C-2, Moberly, Monroe City R-I, Morgan County R-2, Nixa, North St. Francois Co. R-1, Northeast Nodaway R-5, Odessa R-VII, Oregon-Howell R-III, Orrick R-11, Osage County R-II, Osborn R-O, Pattonville, Pierce City, Plato R-5, Princeton R-5, Raymore-Peculiar R-III, Raytown, Reeds Springs R-IV, Renick R-5, Richland R-1, Salisbury R-4, Scotland County R-I, Sedalia, Sikeston, Silex, Slater, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, Sullivan, Valley R-6, Verona R-7, Warrensburg R-6, Webster Groves and the Westview C-6 school districts did not respond to **Oversight's** request for fiscal impact.

Officials at the following charter schools: Eagle College Prep, Frontier Schools, 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 2017 (10 Mo.)	FY 2018	FY 2019
<b>GENERAL REVENUE</b>			
<u>Cost - OA/ITSD computer programming and maintenance</u>	(\$785,700)	(\$161,069)	(\$165,096)
<u>Cost - DESE</u>			
Personnel Service	\$0	(\$28,603)	(\$28,889)
Fringe Benefits	\$0	(\$17,906)	(\$17,984)
Equipment and Expenses	<u>\$0</u>	<u>(\$9,418)</u>	<u>(\$7,655)</u>
<u>Total Cost - DESE</u>	\$0	(\$55,927)	(\$54,528)
FTE Change - DESE	0 FTE	1 FTE	1 FTE
<u>Cost - DESE - HSE costs</u>			
New Test Development	\$0	(\$25,000)	(\$25,000)
Teaching Materials	\$0	(\$160,000)	(\$160,000)
Vendor HiSET system upgrades	<u>(\$315,386)</u>	<u>(\$183,380)</u>	<u>\$0</u>
<u>Total HSE Cost</u>	<u>(\$315,386)</u>	<u>(\$368,380)</u>	<u>(\$185,000)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(\$1,101,086)</u></b>	<b><u>(\$585,376)</u></b>	<b><u>(\$404,624)</u></b>
Estimated Net FTE Change on General Revenue	0 FTE	1 FTE	1 FTE
<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
<b>LOCAL SCHOOL DISTRICTS FUNDS</b>			
<u>Costs - School Districts -creation and administering of the civics test</u>	<u>\$0</u>	(Could exceed <u>\$100,000</u> )	(Could exceed <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICT FUNDS</b>	<b><u>\$0</u></b>	<b>(Could exceed <u>\$100,000</u>)</b>	<b>(Could exceed <u>\$100,000</u>)</b>

### FISCAL IMPACT - Small Business

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

### FISCAL DESCRIPTION

This act creates the "Missouri Civics Education Initiative."

A student of a college or university, who, after earning a passing grade in a course of instruction for United States or Missouri history or constitution, transfers to another college or university, is not required to earn a passing grade in another such course as a condition precedent to graduation.

This act repeals the prohibition on students receiving a certificate of graduation without having satisfactorily passed an examination on the provisions and principles of the United States and Missouri constitutions, American history, and American institutions. However, to receive a certificate of graduation, public or private schools other than private trade schools may require a passing score on an examination of the provisions and principles of the United States Constitution, Missouri Constitution, or both. (§170.011)

Any student entering ninth grade after July 1, 2017, who is attending a public, charter, or private school, except for private trade schools, or a student seeking to complete a high school equivalency certificate, must, as a condition of high school graduation or its equivalent, take and receive a passing grade on a basic civics test similar to the civics portion of the United States Naturalization test, produced by the United States Citizenship and Immigration Services (USCIS).

The test will consist of one hundred questions similar to the one hundred questions used by the USCIS. In order to receive a passing score on the test, a student must answer at least sixty percent of the questions correctly. A student may take the test as many times as necessary for passage but must receive a passing score.

Each public school, charter school, or private school, except for private trade schools, and the Department of Elementary and Secondary Education must certify that a student has taken and received a passing grade on the test. (§170.345)

Each district must adopt a policy permitting a student with a disability to receive a waiver from the basic civics test requirement if the student's IEP committee recommends it.



FISCAL DESCRIPTION (continued)

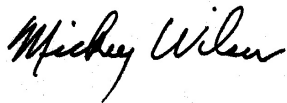
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Brentwood School District  
Carondelet Leadership Academy  
Cassville School District  
Chilhowee School District  
Department of Elementary and Secondary Education  
Department of Higher Education  
East Newton School District  
Eldon School District  
Everton School District  
Fredericktown R-I School District  
Hawthorn Leadership  
Kansas City Public Schools  
Kearney School District  
Kennett School District  
Macon County R-IV School District  
Metropolitan Community College  
Mexico School District  
Missouri State University  
New Haven School District  
Northwest Missouri State University  
Office of Administration's Information Technology Services Division  
Parkway School District  
Pettis County R-XII School District  
Riverview Gardens School District  
Sarcoxie R-II School District  
Seymour R-II School District  
Shelby County R-IV School District  
Shell Knob School District  
Smithville R-II School District  
State Technical College of Missouri  
St. Charles School District  
St. Elizabeth School District  
University of Central Missouri

SOURCES OF INFORMATION (continued)

University of Missouri  
Warren R-II School District  
West Plains School District  
Wright City R-II School District



Mickey Wilson, CPA  
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January 13, 2016

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