

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4695-01
Bill No.: SB 719
Subject: Education, Elementary and Secondary; Boards, Commissions, Committees, Councils
Type: Original
Date: January 6, 2016

Bill Summary: This proposal requires the State Board of Education to develop a simplified annual school report card.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

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

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
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 2017	FY 2018	FY 2019
Local Government	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)	(Unknown greater than \$100,000)

FISCAL ANALYSIS

ASSUMPTION

Oversight notes this proposal requires the Department of Elementary and Secondary Education (DESE) to develop a simplified annual school report card and to post the report card on the DESE website. Additionally, each school district must distribute the report card prior to each school year. Based on the responses below, Oversight assumes that school districts will have mailing costs associated with the distribution of the report card. Oversight will show the impact as Unknown greater than \$100,000 for school districts cumulatively.

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

Officials at the **Bismarck School District** assume that mailing the information would be expensive.

Officials at the **Brentwood School District** assume \$1,000 annually for mailing the required report card.

Officials at the **Central R-III School District** assume a cost of \$2,800 if a hard copy is distributed.

Officials at the **Chilhowee R-IV** and the **Macon County R-IV** school districts each assume this would have minimal cost for printing and distribution of required information.

Officials at the **East Newton School District** assume a cost of \$1,400.

Officials at the **Eldon School District** assume a cost of \$1,900.

Officials at the **Everton School District** assume costs of \$2,500.

Officials at the **Kingston 42 School District** assume an increase in salary, supplies of \$1,000.

Officials at the **Pettis County R-XII** and the **Seymour R-II** school districts each assume costs of \$500.

Officials at the **Sarcoxie School District** assume this would cost \$1,000 for materials and labor.

Officials at the **Shell Knob School District** assume this would cost the school but the amount is unknown.

ASSUMPTION (continued)

Officials at the **St. Charles School District** assume a cost of \$5,000 for printing and mailing.

Officials at the **West Plains School District** assume a cost of \$2,500-\$3,500 annually for postage and photocopy charges.

Officials at the **Carondelet Leadership Academy, Kansas City, Parkway, Riverview Gardens, Smithville R-II, St. Elizabeth R-IV, Warren County R-III** and the **Wright City R-II** school districts each assume there is no fiscal impact from this proposal to their respective districts.

Officials at the **Milan C-2** and the **Richland** school districts responded to Oversight's request for fiscal impact but did not indicate an impact.

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 school districts: Arcadia Valley R-2, Aurora R-8, Bakersfield, Belton, Benton County R-2, Bloomfield R-14, Blue Springs, Bolivar R-I, Bowling Green R-1, Branson, Bronaugh R-7, Campbell R-2, Carrollton R-7, Caruthersville, Cassville R-4, 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, Fredericktown R-I, Fulton, Grain Valley, Hancock Place, Hannibal, Harrisonburg R-8, Harrisonville, Hillsboro

ASSUMPTION (continued)

R-3, Hollister R-5, Humansville R-4, Hurley R-1, Independence, Jefferson City, Kearney R-1, Kennett #39, King City R-1, 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, Mexico, Middle Grove C-1, Midway R-1, Moberly, Monroe City R-I, Morgan County R-2, New Haven, Nixa, North St. Francois Co. R-1, Northeast Nodaway R-5, Odessa R-VII, Oregon-Howell R-III, 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, Salisbury R-4, Scotland County R-I, Sedalia, Shelby County R-4, Sikeston, Silex, Slater, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, Sullivan, Tipton R-6, Valley R-6, Verona R-7, Warrensburg R-6, Webster Groves, and the Westview C-6 School District did not respond to **Oversight's** request for fiscal impact.

Officials at the following charter schools: Eagle College Prep, Frontier Schools, Hawthorne, 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
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
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SCHOOL DISTRICT FUNDS

<u>Cost</u> - School Districts - mailing expenses of the annual report card	(Unknown greater than <u>\$100,000</u>)	(Unknown greater than <u>\$100,000</u>)	(Unknown greater than <u>\$100,000</u>)
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ESTIMATED NET EFFECT ON SCHOOL DISTRICT FUNDS	(Unknown greater than <u>\$100,000</u>)	(Unknown greater than <u>\$100,000</u>)	(Unknown greater than <u>\$100,000</u>)
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

The State Board of Education shall develop a simplified annual school report card for each school attendance center. Each school, including each charter school, will be given a letter grade of A, B, C, D or F based on percentages identified in the act that corresponds to the percentage of points earned on the school's annual performance report. Alternative schools will not receive a report card unless they specifically request one. Grades will not be assigned to schools if the number of students tested is smaller than the minimum sample size necessary based on professional practices for statistical reliability. The report card shall also identify each school's performance as having improved, remained the same, or declined based on the prior year in terms of the letter grade and value.

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

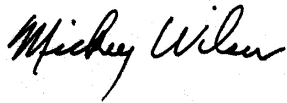
SOURCES OF INFORMATION

Bismarck School District
Brentwood School District
Carondelet Leadership Academy
Central R-III School District
Chilhowee R-IV School District
East Newton School District
Eldon School District
Everton School District
Joint Committee on Administrative Rules
Kansas City Public Schools
Kingston 42 School District
Macon County R-IV School District
Milan C-2 School District
Parkway School District
Pettis County R-XII School District
Richland School District
Riverview Gardens School District
Sarcoxie R-II School
Seymour R-II School District
Shell Knob School District
Smithville R-II School District
St. Charles School District
St. Elizabeth R-IV School District

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SOURCES OF INFORMATION (continued)

Warren County R-III School District
West Plains School District
Wright City R-II School District



Mickey Wilson, CPA
Director
January 6, 2016

Ross Strobe
Assistant Director
January 6, 2016