

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4816-02
Bill No.: HB 1646
Subject: Education, Elementary and Secondary
Type: Original
Date: January 13, 2016

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

FISCAL SUMMARY

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

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 11 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
General Revenue	0 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	0 FTE	1 FTE	1 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 2017	FY 2018	FY 2019
Local Government	\$0	(Could exceed \$100,000)	(Could Exceed \$100,000)

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.

In response to similar legislation filed this year, SB 638, officials at the **Department of Higher Education** assumed there was no fiscal impact from this proposal.

Officials at the **Jefferson College, Metropolitan Community College, 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, Lincoln University, Moberly Area Community College, Missouri Southern State University, Missouri Western State University, Northwest Missouri 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 \$8,500.

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 **Concordia School District** assume additional secretarial help would be needed for the additional tracking at a cost of \$8,000 annually.

In response to similar legislation filed this year, SB 638, officials at the **Eldon School District** assumed \$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.

In response to similar legislation filed this year, SB 638, officials at the **Kennett School District** assumed 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.

ASSUMPTION (continued)

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.

In response to similar legislation filed this year, SB 638, officials at the **Shell Knob** assumed an impact that is unknown at this time.

Officials at the **St. Charles School District** assume a cost of \$25,000 annually.

In response to similar legislation filed this year, SB 638, officials at the **Wright City R-II School District** assumed \$15,000 in costs.

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

Officials at the **Avilla R-XIII** School District assume there is no fiscal impact from this proposal as they are a K-8 district.

Officials at the **Carondelet Leadership, East Newton, Fredericktown R-I, Kansas City, Macon County R-IV, Malta Bend, Middle Grove C-1, Parkway, Pettis County R-XII, Sarcoxie R-II, 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 **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

ASSUMPTION (continued)

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, 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, Mehville, Meramec Valley R-3, 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
GENERAL REVENUE			
<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>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$1,101,086)</u>	<u>(\$585,376)</u>	<u>(\$404,624)</u>
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
LOCAL SCHOOL DISTRICTS FUNDS			
<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>)
ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICT FUNDS	<u>\$0</u>	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

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. (§170.011)

The bill 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.

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). (§170.345)

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.

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.

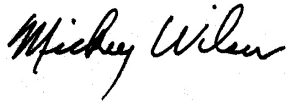
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Avilla R-XIII School District
Brentwood School District
Carondelet Leadership Academy
Cassville School District
Chilhowee School District
Concordia 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
Jefferson College
Joint Committee on Administrative Rules
Kansas City Public Schools
Kennett School District
Macon County R-IV School District
Malta Bend School District
Middle Grove C-1 School District
Metropolitan Community College
Mexico School District
Missouri State University
New Haven School District
Office of Administration's Information Technology Services Division
Office of the Secretary of State
Parkway School District
Pettis County R-XII School District
Riverview Gardens School District
Sarcoxie R-II School District
Shell Knob School District
State Technical College of Missouri
St. Charles School District
St. Elizabeth School District

SOURCES OF INFORMATION (continued)

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



Mickey Wilson, CPA
Director
January 13, 2016

Ross Strobe
Assistant Director
January 13, 2016