

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 6289-02  
Bill No.: Perfected SCS for SB 998  
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Department  
Type: Original  
Date: April 13, 2016

Bill Summary: This proposal, subject to appropriations, requires Department of Elementary and Secondary Education to subsidize the exam fee of those taking the high school equivalency degree exam for the first time.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2017	FY 2018	FY 2019
General Revenue	(Unknown greater than \$1,465,257)	(Unknown greater than \$1,433,253)	(Unknown greater than \$1,433,459)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Unknown greater than \$1,465,257)</b>	<b>(Unknown greater than \$1,433,253)</b>	<b>(Unknown greater than \$1,433,459)</b>

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

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 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>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</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>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §161.094 Contact Information

Officials at the **Department of Elementary and Secondary Education (DESE)** assume current examination sites do not have access to applicant contact information. Contact information is collected by the vendor (ETS/HiSET) online when applicants register. It would require a significant change to the examination site's electronic system in order to create an option for applicants to volunteer their contact information at the examination site. This change has an unknown cost.

Manually collecting information at the examination site would require examination site expense to instruct applicants regarding the option to volunteer information and provide time for collecting signed paper forms. Applicants would then provide contact information on the paper consent forms. The consent forms would have to be mailed to DESE, and DESE staff would enter the information into a database. This would require postage and printing costs to cover any mailing fees to the examination site and .5 FTE administrative assistant.

**Oversight** notes this proposal allows students to volunteer their contact information to DESE for the purposes of evaluating college and career placement. Oversight notes the contact information would need to be collected by the test sites and forwarded to DESE for recording. Oversight assumes this program would have a negative fiscal impact to DESE, which is unknown until DESE establishes the collection method.

#### §161.095 Exam Fee

**Oversight** notes this proposal assumes, subject to appropriations, DESE shall subsidize the high school equivalency exam fees for first time students.

Officials at **DESE** estimate 15,000 test takers x \$95 (test fee) = \$1.425 million for first time test takers.

Officials at the **Office of Administration's Information Technology Services Division (ITSD)** assumed this would require two new screens and modification to two existing screens and a new report. Estimations include project management and development of the new application. ITSD assumes this would take 497 hours at the \$75 hourly rate for a cost of \$40,257 in FY 2017.

**DESE** assumed they would require one FTE data specialist (at \$34,704 annually) to maintain the data in the system.

ASSUMPTION (continued)

**Oversight** assumes that DESE would be able to absorb the duties of the FTE with existing resources. Once it is determined the amount of the appropriation and what type of computer tracking software is necessary to handle this proposal then if DESE determines that additional FTE are necessary they could seek that FTE through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019
<b>GENERAL REVENUE</b>			
<u>Cost</u> - DESE collection of contact info	(Unknown)	(Unknown)	(Unknown)
<u>Cost</u> - DESE payment of exam fee	(\$1,425,000)	(\$1,425,000)	(\$1,425,000)
<u>Cost</u> - DESE computer upgrades	<u>(\$40,257)</u>	<u>(\$8,253)</u>	<u>(\$8,459)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>(Unknown greater than <u>\$1,465,257</u>)</b>	<b>(Unknown greater than <u>\$1,433,253</u>)</b>	<b>(Unknown greater than <u>\$1,433,459</u>)</b>
 <u>FISCAL IMPACT - Local Government</u>	 FY 2017 (10 Mo.)	 FY 2018	 FY 2019
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT - Small Business

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

### FISCAL DESCRIPTION

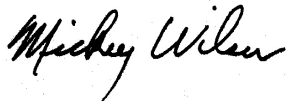
Subject to appropriations, this act requires the Department of Elementary and Secondary Education (DESE) to subsidize the exam fee for those taking the high school equivalency degree exam for the first time.

This act also requires DESE to give high school equivalency certificate applicants the opportunity to voluntarily submit their contact information for the purpose of evaluating the college and career placement rates of applicants. DESE shall not maintain this contact information for longer than two years following the date of examination.

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

Department of Elementary and Secondary Education  
Office of Administration's Information Technology Services Division



Mickey Wilson, CPA  
Director  
April 13, 2016

Ross Strobe  
Assistant Director  
April 13, 2016