

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2142-02
Bill No.: HCS for SB 478
Subject: Education, Elementary and Secondary; Department of Elementary and Secondary Education
Type: Original
Date: May 4, 2017

Bill Summary: This proposal modifies provisions relating to elementary and secondary education.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
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 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
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 2018	FY 2019	FY 2020
Local Government	(Expected to Exceed \$200,000)	(Expected to Exceed \$200,000)	(Expected to Exceed \$200,000)

FISCAL ANALYSIS

ASSUMPTION

§162.1475 Data Breaches

Officials at the **Department of Elementary and Secondary Education (DESE)** assume there is no fiscal impact from this proposal. DESE defers to school districts for fiscal impact.

Officials at the **Office of the State Auditor** assume there is no fiscal impact from this proposal.

In response to the previous version, officials at the **Seymour R-II School District** assumed the cost of mailing out notifications will be \$350.

In response to the previous version, officials at the **Kirkville R-III** and the **West Plains** school districts each assume there is no fiscal impact from this proposal to their respective district.

Oversight notes this proposal would require a school district that experiences a breach of student personal information to report the breach to parents, DESE and the Office of the State Auditor. Oversight will not show a fiscal impact from this proposal.

§161.670 and §167.121 Course Access and Virtual Schools

Officials at the **DESE** assume the number of potential new vendors and courses is unknown; therefore, the cost is unknown. For every 10 additional vendors, one FTE at the assistant director level would be needed to continue to provide the current level of service to families and vendors. As the number of vendors increases the staffing ratio may shift to accommodate more than 10 vendors for each additional FTE. In addition, contractual costs for review of course content are estimated at \$200 per course based on current contracts.

Oversight notes that SB 912 in 2006 created Missouri's virtual school known as MoVIP. The program allowed students from a variety of educational settings and those that are medically fragile to enroll in courses. Those courses were paid for by the parents and in the case of the medically fragile, the state.

Oversight notes that currently seven vendors provide the 1,042 courses that are offered by Missouri's virtual school. Those courses include 782 high school semester courses, 186 middle school semester courses and 74 elementary school semester courses. According to budget documents submitted by DESE, no FTE are solely dedicated to this program; however, DESE indicates that 2 FTE administer this program.

ASSUMPTION (continued)

Oversight notes that a portion of this proposal changes Missouri’s virtual school name to the “Missouri Course Access Program.” Oversight assumes this change would not have a fiscal impact on the program.

Oversight notes this proposal allows any K-12 student to take courses through the Missouri Course Access Program and the school district must pay for it. These courses can be in addition to regular course work. Oversight notes this proposal no longer restricts the number of courses a student can take.

Oversight is unable to determine how many additional students would switch from a traditional classroom setting course to an online course. Oversight assumes that if the student takes no more than the seven courses that a traditional student is taking, then there would be no additional impact to the school districts. However, should a student be allowed to take more than seven courses in a day then school districts could be negatively impacted.

Oversight notes this proposal restricts the cost the school districts must pay for the courses to no more than 14% of the state adequacy target (§161.670.3(4)). The current state adequacy target is \$6,241, meaning the course could not cost more than \$874 ($\$6,241 \times 14\%$). The current high school courses offered by MoVIP have an average cost of \$356 per course. For each 281 students taking one course it would cost \$100,000. Oversight will show the impact to the school districts as expected to exceed \$100,000.

Oversight notes this proposal allows home schooled students and private school students to enroll in the Missouri Course Access Program. However, it requires these students to pay their own tuition for the courses. Therefore, this portion of the proposal would not have a fiscal impact to the state or school districts.

Oversight notes this proposal does not require school districts to provide computers, equipment or internet access to any student. Oversight assumes this portion of the proposal would not have a fiscal impact on the state or school districts.

Oversight notes that this proposal would allow any person, organization or entity to submit courses for approval. Currently there are 7 vendors providing the courses. In response to similar legislation, DESE has stated they would need one Director to run the program should 10 additional vendors be added. In response to legislation requesting a Director FTE, DESE has shown costs that include a salary of \$48,552, \$7,997 in equipment and expenses as well as \$20,459 in fringe benefits. Total estimated cost for one Director FTE has been \$68,916 in FY 2018, \$81,086 in FY 2019 and \$81,904 in FY 2020.

ASSUMPTION (continued)

Oversight is unable to determine if additional vendors will submit courses for review. Oversight assumes the current FTE could handle the program. Should a sufficient number of new vendors and courses be submitted to justify additional FTE, DESE could request the FTE through the appropriation process.

Oversight notes this proposal requires the school districts to provide information to students and parents about the availability of the Missouri Course Access Program in class registration materials and in student and parent handbooks. Oversight will show the impact to the school districts of could exceed \$100,000.

§162.492 Kansas City Public Schools Board Member Terms

Officials at the **Kansas City Board of Election Commissioners (KC BEC)** assume this eliminates the April 2018 election, saving \$200,000. However, the cost of redistricting the school district from nine to seven members will cost approximately \$40,000 to \$45,000. The last redistricting done by the KC BEC was in 2011 and cost \$43,000.

Oversight notes SB 258 in 2013 lowered the number of board members from nine to seven.

In response to similar legislation filed this year, SB 93, officials at the **Kansas City Public Schools (KCPS)** assumed this would not create any additional unfunded mandates or have a negative impact on the district. KCPS provided costs for the KCPS school board elections held from 2011-2016.

Year	Election	Districts	Cost
2011	Nov Special	Sub District 6	\$43,600
2012	April Regular	At Large; Sub Districts 1, 2, 3 & 5	\$219,131
2012	Nov Special	Sub District 2	\$77,379
2014	April Regular	2 At Large; Sub Districts 4 & 6	\$92,499
2015	Nov Special	Sub District 2	\$62,997
2016	April Regular	At Large; Sub District 1, 3,& 5	\$52,896

ASSUMPTION (continued)

Oversight notes this proposal will change the terms of office from 2 years to 4 years for members of the Kansas City Public Schools Board. Increasing the term of office will reduce the number of elections that Kansas City Public Schools must pay for. However, the price a political subdivision pays for an election is determined by the number of political subdivisions holding an election at the same time as well as the number of candidates on the ballot. Oversight is unable to determine if the Kansas City Public Schools will experience any savings because of the election held only every 4 years instead of every 2. Oversight will not show an impact from this provision.

Bill as a Whole

Officials at the **Kansas City Public Schools** assume there are no unfunded mandates from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
LOCAL SCHOOL DISTRICTS			
<u>Cost</u> - students taking additional courses through the MO Course Access program, paid for by district §161.670	(Expected to exceed \$100,000)	(Expected to exceed \$100,000)	(Expected to exceed \$100,000)
<u>Cost</u> - distribution of MO Course Access program materials in registration materials and handbooks §161.670	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)
ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICT FUNDS	(Expected to exceed <u>\$200,000</u>)	(Expected to exceed <u>\$200,000</u>)	(Expected to exceed <u>\$200,000</u>)

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

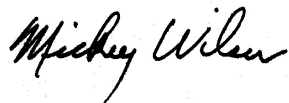
This bill changes the Missouri Virtual Instruction Program (MOVIP) to "The Missouri Course Access Program" (MCAP) and allows any K-12 student to enroll in MCAP courses per year, to be paid by the school district, if the student is a public school student and the course is approved by a school counselor.

The bill requires the State Board of Education to provide an easily accessible link for course vendors on the MCAP website, allows anyone to submit courses for approval, and requires vendors to accept monthly payments for students enrolled in their courses.

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
Kansas City Board of Election Commission
Kansas City Public Schools
Kirksville R-III School District
Office of the State Auditor
Seymour R-II School District
West Plains School District



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