

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5095-02
Bill No.: Perfected HCS for HB 1606
Subject: Elementary and Secondary Education
Type: Original
Date: February 14, 2018

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	(Unknown greater than \$1,515,059)	(Unknown greater than \$1,490,971)	(Unknown greater than \$1,491,660)
Total Estimated Net Effect on General Revenue	(Unknown greater than \$1,515,059)	(Unknown greater than \$1,490,971)	(Unknown greater than \$1,491,660)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 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 2019	FY 2020	FY 2021
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§161.094 Collection of Information by Vendors

Officials at the **Department of Elementary and Secondary Education (DESE)** assume that, currently, 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 would allow 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 Subsidize the High School Equivalency Exam Fee

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

Officials at **DESE** assume this proposal will require one FTE Data Specialist (at \$35,065) to maintain the data in the system and \$1.425 million to cover the first time test taker fees (estimated 15,000 test takers x \$95 per test).

Officials at the **Office of Administration's Information Technology Services Division (ITSD)** assume this would require two new screens, modifications 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 \$75 per hour for a cost of \$40,257 in FY 2019.

As estimated by **Oversight**, the cost for the FTE Data Specialist is \$49,802 in FY 2019, \$57,718 in FY 2020 and \$58,201 in FY 2021.

ASSUMPTION (continued)

Bill as a whole

Officials from the **Summersville R2 School District** and **Kirksville R-III School District** assume this proposal would have little to no fiscal impact.

Officials from the **Wellsville-Middletown R-1 School District** assume the proposal would have no substantial fiscal impact on the district.

In response to a previous version (HB 1606, LR 5095-01), officials from the **West Plains School District** assumed the proposal would have no fiscal impact on their organization.

Officials at the following school districts: Arcadia Valley R-2, Avilla R-13, Bakersfield, Belton, Benton County R-2, Bismark R-5, Bloomfield R-14, Blue Springs, Bolivar R-I, Bowling Green R-1, Branson, Brentwood, Bronaugh R-7, Campbell R-2, Carrollton R-7, Caruthersville, Central R-III, Chilhowee 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, Eldon R-I, Everton R-III, 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 R-3, Hollister R-5, Humansville R-4, Hurley R-1, Independence, Jefferson City, Kansas City Public Schools, Kearney R-1, Kennett #39, King City R-1, Kingston 42, Kirbyville R-VI, Lee Summit, Leeton R-10, Lewis County C-1, Lincoln R-II, Lindbergh, Lonedell R-14, Macon County R-1, Malta Bend, Mehville, Meramec Valley R-3, Mexico, Middle Grove C-1, Midway R-1, Milan C-2, Moberly, Monroe City R-I, Morgan County R-2, New Haven, Nixa, North Kansas City, North St. Francois Co. R-1, Northeast Nodaway R-5, Odessa R-VII, Oregon-Howell R-III, Orrick R-11, Osborn R-0, Parkway, Pattonville, Pettis County R-12, Pierce City, Plato R-5, Princeton R-5, Raymore-Peculiar R-III, Raytown, Reeds Springs R-IV, Renick R-5, Republic R-III, Richards R-V, Richland R-1, Richmond R-XVI, Riverview Gardens, Salisbury R-4, Sarcoxie R-2, Scotland County R-I, Sedalia, Seymour R-2, Shell Knob #78, Sikeston, Silex, Smithville R-2, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, St. Charles, St. Elizabeth R-4, Sullivan, Valley R-6, Verona R-7, Warren County R-3, Warrensburg R-6, Waynesville, Webster Groves, Wentzville, Westview C-6 and the Wright City R-2 school districts did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
GENERAL REVENUE			
<u>Cost - DESE collection of contact info</u> (§161.094.2)	(Unknown)	(Unknown)	(Unknown)
<u>Cost - DESE payment of exam fee</u> (§161.095) (15,000 test takers x \$95)	(\$1,425,000)	(\$1,425,000)	(\$1,425,000)
<u>Cost - DESE computer upgrades and maintenance</u> (§161.095)	(\$40,257)	(\$8,253)	(\$8,459)
<u>Cost - DESE</u> (§161.095)			
Personal Service	(\$29,220)	(\$35,415)	(\$35,769)
Fringe Benefits	(\$17,668)	(\$21,306)	(\$21,411)
Equipment and Expense	<u>(\$2,914)</u>	<u>(\$997)</u>	<u>(\$1,021)</u>
<u>Total Costs</u>	<u>(\$49,802)</u>	<u>(\$57,718)</u>	<u>(\$58,201)</u>
FTE Change	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Unknown greater than <u>\$1,515,059</u>)	(Unknown greater than <u>\$1,490,971</u>)	(Unknown greater than <u>\$1,491,660</u>)
<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
	<u>\$0</u>	<u>\$0</u>	<u>\$0</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 provides a high school equivalency certificate applicant with the opportunity of voluntarily submitting his or her contact information for the purposes of evaluating college and career placement rates of certificate applicants.

FISCAL DESCRIPTION (continued)


This bill, subject to appropriations, will also require the Department of Elementary and Secondary Education to subsidize the examination fee for first-time exam takers.

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
Summersville R2 School District
West Plains School District
Kirksville R-III School District
Wellsville-Middletown R-1 School District

Ross Strobe



Acting Director
February 14, 2018