

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4101-07
Bill No.: HCS for SS for SCS for SB 528
Subject: Elementary and Secondary Education; Department of Elementary and Secondary Education; Higher Education
Type: Original
Date: May 4, 2020

Bill Summary: This proposal modifies provisions relating to public institutions of education.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	(\$1,498,572) to Could exceed (\$16,872,603)	(\$855,914) to Could exceed (\$21,117,646)	(\$1,725,558) to Could exceed (\$21,988,000)
Total Estimated Net Effect on General Revenue	(\$1,498,572) to Could exceed (\$16,872,603)	(\$855,914) to Could exceed (\$21,117,646)	(\$1,725,558) to Could exceed (\$21,988,000)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 51 pages

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Colleges & Universities	(Could exceed \$422,500)	(Could exceed \$422,500)	(Could exceed \$422,500)
Lottery Funds (0291 - 0657)	(Up to \$8,416)	(Up to \$8,416)	(Up to \$8,416)
High Need Fund*	\$0	\$0	\$0
Other State Funds	\$0	\$0 to (Could exceed \$12,179,709)	\$0 to (Could exceed \$12,179,709)
School Transportation Fund*	\$0	\$0	\$0
Criminal Record System Fund (0671)	Unknown, Could exceed \$2,200 to (Unknown, Could exceed \$162,800)	Unknown, Could exceed \$2,200 to (Unknown)	Unknown, Could exceed \$2,200 to (Unknown)
Workforce Diploma Program Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	(Unknown, Less than \$428,716 to Could exceed \$593,716)	(Unknown, Less than \$593,716 to Could exceed \$12,610,625)	(Unknown, Less than \$593,716 to Could exceed \$12,610,625)

* Income and expenditures net to \$0

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023

Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0
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ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	4 to 5 FTE	4 to 5 FTE	6 to 7 FTE
Total Estimated Net Effect on FTE	4 to 5 FTE	4 to 5 FTE	6 to 7 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 2021	FY 2022	FY 2023
Local Government	(\$1,216,941) to Could exceed (\$8,889,348)	Less than \$15,845,683 to (Could exceed \$8,889,348)	Less than \$16,563,208 to (Could exceed \$15,060,498)

FISCAL ANALYSIS

ASSUMPTION

Due to time constraints, **Oversight** was unable to receive some of the agency responses in a timely manner and performed limited analysis. Oversight has presented this fiscal note on the best current information that we have or on information regarding a similar bill(s). Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval of the chairperson of the Joint Committee on Legislative Research to publish a new fiscal note.

Section 160.263 Seclusion and Restraint Polices

Officials from the **Department of Elementary and Secondary Education (DESE)** estimate a one-time expense of \$62,000 and yearly maintenance of \$5,000 thereafter to securely collect and compile the data. The initial \$62,000 cost includes \$38,400 in development, and \$24,000 project management costs.

Oversight shows technology costs according to DESE's estimation.

Oversight assumes schools districts already using restraint have policies requiring training for employees performing such duties, and will show a \$0 to (Unknown) direct fiscal impact.

Section 160.415 Charter School Funding

Officials from the **DESE** assume the proposal will have no fiscal impact on their organization.

In response to a similar proposal, HCS for HB 1664 (2020), officials from the **City of Kansas City** assumed the proposal will have no fiscal impact on their organization.

In response to a similar proposal, HB 1664, the **City of Springfield** assumed the proposal would have not fiscal impact on their organization.

In response to a similar proposal, HB 1664, Officials from the **Kansas City Public Schools (KCPS)** assumed the net impact to KCPS would be a reduction in revenues of roughly \$9.4

million which would transfer to charter schools. That would be an average increase for charter pupils of roughly \$620 based on 2018-19 revenues.

ASSUMPTION (continued)

Based on information from the [Annual Secretary of the Board Report](#), **Oversight** notes the following totals for some of the revenue sources defined as “Local Aid” in this proposal:

Table I: Revenue Sources

Revenue Source	Kansas City Public Schools	St. Louis City Public Schools
Financial Institutions Tax	\$ 1,215,695	\$ 1,684,769
Merchants’ & Manufacturers’ Tax	\$ 9,600,904	\$ 24,770,006
In Lieu of Tax	\$ 3,371,959	\$ 556,968
City Sales Tax	\$ 0	\$ 27,667,281
Fines, Escheats, Etc.	\$ 3,643,667	\$ 9,470,235
State Assessed Utilities	\$ 4,636,870	\$ 3,491,731
Total	\$ 22,469,095	\$ 67,640,989

Oversight included the “Fines, Escheats, Etc.” in this calculation because it was not specifically excluded from the all-inclusive definition of “local aid.” Based on information from DESE’s website, **Oversight** estimated the following Weighted Average Daily Attendance (WADA) for each district/charter school group:

Table 2: WADA for Kansas City Public Schools and Charter Schools

	Weighted Average Daily Attendance
Kansas City Public Schools	18,026
Kansas City Charter Schools	15,472
Total	33,498

ASSUMPTION (continued)

Table 2: WADA for St. Louis City Public Schools and Charter Schools

	Weighted Average Daily Attendance
St. Louis Public Schools	25,811
St. Louis Charter Schools	12,724
Total	38,534

Oversight estimates approximately \$671 per WADA or \$10,381,712 would transfer from the Kansas City Public Schools to the Kansas City area Charter Schools ($\$22,469,095 / 33,498 = \671) * 15,472).

Additionally, **Oversight** estimates approximately \$1,755 per WADA or \$22,330,620 total would transfer from the St. Louis City Public Schools to the St. Louis City area Charter Schools ($\$67,640,989 / 38,534 = \$1,755$) * 12,724).

Oversight notes this proposal includes the funds identified in Table I in the definition of “local aid”; however, it is not limited to those funds. Therefore, Oversight will show a transfer from the Kansas City Public Schools and St. Louis City Public Schools to the area Charter Schools that could exceed \$32,712,332 ($\$10,381,712 + \$ 22,330,620$).

Oversight notes that charter schools currently receive a smaller amount of money from DESE that was supposed to be similar to local effort the districts rely on. That current payment from DESE appears to be less than the “local aid” payments charter schools would receive under this proposal.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other school districts were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

Oversight notes subsection 160.415.15 is effective July 1, 2021. Therefore, Oversight will

reflect impact starting in FY 2022.

ASSUMPTION (continued)

Sections 161.625, 173.035 and 173.1011 Students Right to Know Act

In response to a similar proposal, HCS for HB Nos. 1774 & 1994 (2020), officials from **Department of Higher Education and Workforce Development** assumed section 161.625 creates the "Students' Right to Know Act" and Section 173.1011 creates the "Informed Student Document Act." This combined bill places significant new duties on the Coordinating Board for Higher Education (CBHE) and its administrative arm, the Department of Higher Education and Workforce Development (DHEWD).

The specific reporting requirements will be labor intensive. As a result, two (2 FTE) new staff will be required at the DHEWD. One (1) FTE research analyst II (\$45,700 annually) will work exclusively on the data collection, analysis and reporting required. This position will be part of the department's Office of Performance and Strategy. One (1) FTE program specialist (\$36,256 annually) will also be needed to work with DESE, public schools and the colleges and universities statewide as well as with other states to ensure data quality and reporting requirements are being met and data sharing agreements are created and executed annually. This position will also serve as the department's primary point of contact for the public, institutions and others that may have questions regarding the data being shared on the website. They will also work as a liaison for DESE who will be responsible for communications with school counselors. This position will also work with all major colleges and vocational schools in the state and with any public or private postsecondary institution of higher education per the bill. Many of these institution do not currently report data to the department. This position will be required for outreach, education and training on the data reporting requirements. This position will be part of the Office of Postsecondary Policy within DHEWD. Also included in the estimate are the related per person one-time and ongoing costs using OA Budget and Planning standards for FY 2021.

Additionally, to meet the bill requirements for reporting, ITSD estimates \$54,583 (574.56 hours at \$95 per hour) will be required for the databases and website development for report generation required in the first year. Costs are based upon the department's experience with MoSCORES. This would allow institutions to meet their requirements in the bill by linking to this online database report generation tool. It is anticipated this would be built as new report(s) in MoSCORES and not a new system completely-significantly saving costs for maintenance after

the initial implementation.

While much of this data is already in IPEDS, EMSAS or the workforce database already, a significant amount of data, (e.g. data from other states and private higher education institutions and vocational schools) will require more effort on an annual basis.

ASSUMPTION (continued)

Overall, the total cost is estimated at \$185,130 in FY 21, \$136,505 in FY 22 and \$137,688 in FY 23.

Oversight will show the FTE and ITSD costs as estimated by DHEWD.

Officials from the **DESE** assume the proposal will have no fiscal impact on their organization.

HCS for HB Nos. 1774 & 1994 (2020), officials from **State Technical College of Missouri** assume this would have a negative fiscal impact on the College. It is estimated that 1 FTE would be added at an annual cost, including benefits, of approximately \$72,500.

HCS for HB Nos. 1774 & 1994 (2020), officials from **Missouri State University** assume this proposal would have a potential negative fiscal impact in excess of \$100,000. Among the potential costs associated with this bill are costs related to the tracking job placement for three years after graduation. Missouri State University currently tracks job placement for six months after graduation in compliance with State of Missouri performance reporting requirements and industry standards established by the National Association of Colleges and Employers.

Officials from **Northwest Missouri State University** assume this proposal requires collaboration with other institutions, including out of state institutions who are not required to provide such information to us it will be impossible in certain cases to provide all the mandated required information.

From a fiscal impact, collecting and maintain this kind of records will require a quarter FTE in IRE, approximate cost at quick glance is \$15,000 to \$20,000 annual, not including printing and shipping costs to inform all Missouri high schools.

Oversight assumes there could be costs to Colleges and Universities for the collection data. Oversight notes there are 27 public institutions of higher education. If each institution required an FTE the cost is estimated at \$1,957,500 (assuming a cost per FTE similar to the cost estimated by State Technical College of Missouri).

For purposes of this fiscal note, **Oversight** will show a cost that could exceed \$322,500 (the sum of the costs of the responding institutions) to institutions of higher education.

ASSUMPTION (continued)

Section 161.670 Virtual School Program

Officials at the **DESE** assume:

Student Costs

Under §161.670, current full-time provider indicates an enrollment of 325. The department expects this legislation could increase enrollment up to 1,000.

Payments to Providers

Current

325 students x \$6,375 = \$2,071,875 Total payment to full-time provider(s)

Future

1000 student x \$6,375 = \$6,375,000 Total future payment to full-time providers

There is also a potential for 3 FTE to be added to current staff.

- 1 F.T.E. - Supervisor per 300 students
- 1 F.T.E. - Administrative Assistant per 2 registrars
- 1 F.T.E. - Data Specialist

Oversight notes this proposal will likely reduce transfers to districts for each student attending full time virtual school, and that § 161.670.3(3) limits DESE provider payments to the state adequacy target. To estimate DESE’s transfer reduction to school districts, Oversight will multiply the number of pupils estimated to attend virtual school full time by the per-pupil TSR expenditure.

2018-2019 State Funding	\$4,347,446,561
2018-2019 Regular Term ADA ¹	818,473
Total State Revenue per pupil by regular term ADA	\$5,312

Current

325 students x \$5,312 = \$1,726,400 savings to the formula

Future

1000 student x \$5,312 = \$5,312,000 savings to the formula

ASSUMPTION (continued)

DESE estimates this bill could increase the number of students using online education from 325 to 1,000 in FY 2023. **Oversight** will show the cost to payment providers as estimated by DESE, and savings in state aid to districts for these students as estimated by Oversight.

Between increased costs for virtual education and reduced funding to schools for those same students, **Oversight** assumes DESE will see a cost increase for student funding of \$345,475 in FY 21-22 (\$2,071,875 - \$1,726,400), and \$1,063,000 in FY 23 (\$6,375,000 - \$5,312,000).

In response to a similar proposal, HCS for HB 2491 (2020), officials at the **Park Hills School District** stated: The Park Hill School District anticipates a fiscal impact from this legislation. Legislation related to the "Missouri Course Access and Virtual School Program" has a fiscal cost that is difficult to assess related to the revisions as districts cannot predict future enrollment numbers. The current deficits to the Park Hill School District under this program is approximately \$75,000-\$85,000 for the 2020-2021 school year.

In response to a similar proposal, HB 2491 (2020), officials at the **Shell Knob School District** assumed this bill has a negative fiscal impact on their district.

In response to a similar proposal, HB 2491 (2020), officials at the **Smithville Public School District** assumed to enroll a student full time in MOVA is approximately \$6300 per year. If all of our students currently taking online classes with our preferred vendors made this choice, we would currently be paying \$63,000 which is equivalent to a full-time teacher. As online programs become more popular, these fees will increase and are not sustainable by small districts like us.

Because local responses indicated the bill would either save or cost school districts money, **Oversight** will show (Unknown) to Could exceed \$345,475 in FY 21-22, and (Unknown) to Could exceed \$1,063,000 for school districts in FY 23.

Oversight notes the following proposed language in Section 161.670:

The department shall pay any Missouri course access and virtual school program provider an amount equal to the average daily attendance for the student's district of residence for each full-time equivalent student.

ASSUMPTION (continued)

Oversight notes the average daily attendance (ADA) for the following districts:

School District	2018-2019 (ADA)
Columbia 93	16,504
Eldon R-1	1,727
Springfield Public Schools	22,346
Wellsville-Middletown R-1	349
Clever R-V	1,087
Hickory County R-1	632

Basing the payments to vendors on the district's ADA would suggest a wide range of payment costs to virtual provider. However, for purposes of this fiscal note, **Oversight** will show the costs for provider payments as estimated by DESE.

Section 162.686 - Meeting Recordings

Officials from the **Department of Elementary and Secondary Education** assumed this proposal would have no fiscal impact on their organization.

In response to HB 1540 (2020), officials from the **Department of Labor and Industrial Relations** assumed the proposal would have no fiscal impact on their organization.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other school districts were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

Oversight received a limited number of responses from school districts related to the fiscal impact of this proposal. Oversight has presented this fiscal note on the best current information available. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

ASSUMPTION (continued)

Section 162.720 Gifted Education

Oversight notes this proposal now explicitly includes charter schools in the gifted education requirements, and delays implementing these gifted education provisions until school years beginning FY 2023.

Officials from the **DESE** state this proposal would have no direct fiscal impact on their department.

In response to a similar proposal, officials from the **Fayette R-III** school district said the annual cost of this proposal is \$50,000, and would increase each year. It would be the cost to hire a gifted teacher plus any required assessments.

In response to a similar proposal, HB 112 (2019), officials from the **Wellsville-Middletown R-1** School District assumed the proposal had the potential to have a substantial negative fiscal impact.

In response to a similar proposal, HB 112 (2019), officials from the **Lee's Summit R-7** School District assumed the proposal would be of no cost to the district because we have a state-approved program.

In response to a similar proposal, HB 112 (2019), **Springfield Public Schools** assumed the cost to the district would be for additional professional development for non-certificated gifted teachers. The program already exists in our district but this change would create a mandate for districts. Additional cost above current expenditure is negligible.

Oversight notes, per information from DESE's 2019 Gifted Advisory Council (GAC) Biennial Report, 239 out of 528 Missouri school districts offered gifted programs in 2018, spending \$42,968,610 for these programs. Also, per the report, the state reimburses \$24,870,140 annually, which the amount has remained static since 2006. Therefore, Oversight will assume the costs for this expansion will be borne by the school districts and charter schools. DESE provided there

were 37,475 identified students in Missouri, and that 5,199 identified students were unserved. However, the GAC reports and statistics from the National Center for Education Statistics show there are likely more unidentified unserved gifted students in Missouri.

Oversight estimates gifted spending is approximately \$1325 per gifted student (\$42,968,610 / 32,276). If the 5,199 unserved identified gifted students cost \$1325 to educate, Oversight estimates \$6,888,675 to provide gifted education to every unserved identified gifted student.

ASSUMPTION (continued)

Oversight notes that the GAC reports show that districts with gifted programs identify gifted students at higher rates than districts without gifted programs. Oversight does not have sufficient data to firmly estimate a specific number of unidentified unserved gifted students, but will create an instructive estimate based on national statistics.

Oversight notes that in 2014, The National Center for Education Statistics (NCES) found states identified 6.7% of their public school students as gifted. 6.7% of Missouri's 883,703 public and charter students is 59,208 gifted students. To match the NCES identified gifted student population average, Missouri would need to identify 11,335 $((.067 \times 883,703) - 5,199$ identified gifted students) more students as gifted. Furthermore, to provide gifted services to every currently identified and unidentified gifted student would cost \$21,907,684 $((11,335$ estimated unidentified gifted students + 5,199 identified gifted students) x \$1325 cost per student).

Alternately, **Oversight** will estimate the cost of each district establishing a gifted program. If the 289 districts without a gifted program each hired one \$50,000 a year teacher to establish a gifted program, this proposal would have a \$14,450,000 local net direct fiscal impact. Last, DESE recommends a maximum of 90 gifted students per full time teacher, which is a \$6,000,000 direct fiscal impact for 120 teachers, but is likely low because that would likely require some districts to share a teacher.

Section 162.974 High Needs Fund

Officials from **DESE** assume this provision would make two specific changes to current law. Each of these changes will have impact as discussed below:

1) The first change adds the following sentence: "For any school district with an average daily attendance of five hundred students or fewer, the calculation of three times the current expenditure per average daily attendance shall not include any money reimbursed to a school district under this section."

This will result in an additional cost to the High Need Fund of \$25,503.

2) The second change adds the word "special" to section 162.974.1.

Adding the word "special" would allow DESE to deny any education costs (that are not special education costs) reported under the High Need Fund. The ability to deny reimbursement of these regular education costs will result in a savings to the state; however, DESE cannot calculate the extent of the savings.

ASSUMPTION (continued)

In summary, the first change will result in an increased cost of approximately \$25,503; however, the second change will diminish this cost by some unknown amount.

Oversight currently cannot replicate the calculation produced by DESE. Oversight will show a range of impact from the amount calculated by DESE to an unknown cost to General Revenue and Lottery Fund for the first change. Additionally, Oversight will show a savings from the second change which allows DESE to deny reimbursement of regular education (non-special education) costs from the High Need Fund. The increased cost from the first change will be somewhat offset by the savings from the second change.

Oversight notes the High Need Fund reimburses school districts for the costs of educating students that exceed three times the current expenditure per average daily attendance (ADA). DESE assumes the proposal removes the cost reimbursed by the High Need Fund from the calculation of current expenditure per ADA which would lower the current expenditure per ADA threshold and increase the potential costs eligible for reimbursement for districts with ADA of 500 or fewer.

Current

Cost of Student > (Current Expenditure/ADA)*3

Proposed

Cost of Student > ((Current Expenditure - High Need Fund Reimbursed Costs)/ADA)*3

Oversight notes, per DESE's FY 2020 budget book, the High Need Fund is funded with \$39,946,351 from General Revenue (67%) and \$19,590,000 from the Lottery Fund (33%).

Section 163.011 Fine Revenue

Officials from **DESE** assume this proposal would increase the formula call by \$2,093,973, starting in FY 2021, when looking at FY 2020 foundation formula call and have a slight increase each year thereafter.

Upon further inquiry, **DESE** stated the estimate is the difference between FY18 and FY05 fines and then the difference between the foundation formula call with the increase in fine revenue and the foundation formula call without the increase in fine revenue.

ASSUMPTION (continued)

Oversight assumes the fine revenue collected varies from year to year; therefore, Oversight will show a range of impact of \$0 (no difference between current year fine revenue and FY 05 fine revenue) to a cost to General Revenue due to an increased call to the foundation formula as estimated by DESE.

Oversight will reflect DESE's estimated impact, but will assume the impact will not occur until FY 2022.

Section 163.024 Iron County Fine Revenue

Officials from the **DESE** assumed this proposal would have no fiscal impact on their organization.

In response to the very similar earlier version, officials from the **Department of Natural Resources** assumed the proposal would have no fiscal impact on their organization.

Upon further inquiry, **DESE** stated the fines paid into the Iron County school fund are from Doe Run mine and if those fines had to be included in the districts local effort calculation it would result in a lower foundation formula to those districts.

That being said, the last time these same fines where paid, this exact same law was in place to prevent the large fine amount from devastating the amount of foundation formula the district would receive. So the reply was in reference to the fact that last time these same fines where paid they were not included as part of the local effort deduction.

But there would officially be a lower formula call if this law were not in place, but at this time we do not have enough information in order to estimate that.

Oversight notes the following school districts appear to be located in Iron County:

- South Iron County R-I School Districts (Hold Harmless)

- Arcadia Valley R-II
- Belleview R-III
- Iron County C-4 School District (Hold Harmless)

Per the Administrative Order on Consent No. APCP-2019-001 the penalty to be paid by the respondents is \$1,200,000 in three annual payments \$400,000.

ASSUMPTION (continued)

Based on information provided by DESE, **Oversight** notes some of the school districts located in Iron County are considered hold harmless and the state aid payment would not change regardless of the whether the fine revenue is included in the calculation of local effort for districts considered hold harmless.

However, two of the districts are not considered hold harmless and any fine revenue not included in the calculation of local effort as a result of this proposal would result in a dollar for dollar increase in the state aid calculation. Therefore, **Oversight** will show a range of impact from \$0 (districts impacted are considered hold harmless) to a potential increased call to the foundation formula of up to \$400,000 due to additional fine revenue not being included in the calculation of local effort for districts that are not hold harmless.

Section 163.164 School Transportation Fund

The **DESE** assume this proposal will have no direct fiscal impact on their agencies.

In response to a similar proposal, SCS for SB 528 (2020) officials from the **Office of the State Treasurer** assumed the proposal will have no fiscal impact on their organization.

Oversight notes the following amounts were appropriated to DESE based upon the TAFP House Bill 2 amounts (Section 2.015):

	FY 2018	FY 2019	FY 2020
Foundation Formula (§163.011)	\$3,392,907,149	\$3,491,827,921	\$3,553,211,885
Transportation	\$105,297,713	\$102,547,713	\$107,547,713
Vocational Education	\$50,069,028	\$50,069,028	\$50,069,028
Early Childhood Development	\$18,000,000	\$18,000,000	\$21,058,000
Early Childhood Special Education	\$183,209,718	\$191,567,259	\$194,567,259
Total	\$3,749,483,608	\$3,854,011,921	\$3,926,453,885
From General Revenue	\$2,201,618,959	\$2,294,250,202	\$2,324,324,974

From Outstanding Schools Trust Fund	\$836,602,450	\$836,604,980	\$836,681,973
From State School Moneys	\$197,890,281	\$197,887,751	\$238,023,387
From Lottery Proceeds Fund	\$144,295,669	\$151,256,813	\$152,959,964
From Classroom Trust Fund	\$351,663,349	\$351,702,205	\$349,999,054
From Early Childhood Development, Education and Care Fund	\$17,412,900	\$22,309,970	\$24,464,533
Total	\$3,749,483,608	\$3,854,011,921	\$3,926,453,885

ASSUMPTION (continued)

Based on information from Office of the State Treasurer and the Department of Elementary and Secondary Education Budget Request, **Oversight** notes the cash balances for excess Foundation Formula appropriations for FY 2019 as follows:

Fund	Cash Balance	Percentage of Total
General Revenue Fund	\$ 2,788,942	19%
Outstanding Schools Trust Fund (0287)	\$ 0	0%
Lottery Proceeds (0291)	\$ 0	0%
State Schools Money Fund (0616)	\$ 8,095,476	54%
Classroom Trust Fund (0784)	\$ 4,084,233	27%
Early Childhood Dev., Education and Care Fund (0859)	\$ 0	0%
Total	\$ 14,968,651	100%

In addition, the previous fiscal years had the following excess appropriations - cash balances:

	FY 2018	FY 2017	FY 2016	FY 2015
General Revenue Fund	\$0	\$0	\$0	\$0
Other State Funds	\$3,032,113	\$3,608,405	\$9,205,625	\$12,888,039
Total	\$3,032,113	\$3,608,405	\$9,208,036	\$12,888,039

In the event of excess funding, **Oversight** assumes the appropriation would lapse and the cash balance of excess funds would transfer to the School Transportation Fund created in this proposal. Oversight assumes the end of FY 2021 would be the first year funds would no longer lapse. Therefore, Oversight will show a transfer out of General Revenue and Other Various Funds beginning in FY 2022. Oversight notes the excess appropriation that lapsed may differ from actual cash balances.

Oversight received no responses from school districts related to the fiscal impact of this proposal. Oversight has presented this fiscal note on the best current information available.

ASSUMPTION (continued)

Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, school districts were requested to respond to this proposed legislation but did not. A general listing of political subdivisions included in our database is available upon request.

Oversight will range the fiscal impact from \$0 (no excess appropriations remaining at the end of the previous fiscal year) to the amount of excess appropriations - cash balances at the end of FY 2019.

Section 167.628 Application of Sunscreen

The **DESE** assumes this proposal has no direct fiscal impact on their agency.

In response to a similar proposal, HB 343 (2019), officials from the **Springfield Public Schools**, **Francis Howell School District** and **Wellsville-Middletown R-1 School District** assumed that proposal would have no fiscal impact on their organizations.

Section 167.790 Missouri State High School Activities Association

Officials from the **DESE** assume this proposal has no fiscal impact.

In response to a similar proposal, HCS for HB 2273 (2020), officials from the **Wellsville-Middletown R-I School District** assumed that this bill would have a negative fiscal impact on our school if we have to support the participation of a non-student in our MSHSAA activities without getting any ADA consideration for those students.

L.R. No. 4101-07
Bill No. HCS for SS for SCS for SB 528
Page 19 of 51
May 4, 2020

In response to a similar proposal, HCS for HB 2273 (2020), officials from the **Gasconade County R-I School District** assumed this proposal would reduce student accountability to the district.

In response to a similar proposal, HCS for HB 2273 (2020), officials from the **Shell Knob School District** assumed this bill has no impact.

ASSUMPTION (continued)

In response to the similar SB 130 (2019), officials from the **Sherwood-Cass R-VIII School District** assumed the cost to the school districts would be the loss of revenue from hosting competitions, concession sales, and miscellaneous revenues through fund-raising and other methods.

In response to the similar SB 130 (2019), officials from the **Springfield Public Schools** assumed a cost of \$75,000 for administrative support to monitor eligibility and other factors for students who are not enrolled in the district and other costs that would result from expanded need for contests due to increased participation. The district has 14 schools with athletics so this would require dedicated staff time.

In response to the similar SB 130 (2019), officials from the **Lee's Summit R-7 School District** assumed the proposal will have no fiscal impact on their organization as the Missouri State High School Activities Association does have guidelines and our district does allow these students to participate.

Oversight assumes school compliance with the provisions in this proposal, and that they will continue to receive state funding. Therefore, Oversight will not reflect a savings to the state from reduced foundation formula spending.

Oversight notes the Missouri State High School Activities Association (MSHSAA) does allow some non-traditional students to participate if they meet certain criteria including in-class seat time per the MSHSAA Handbook; however, Oversight assumes that strictly home-schooled students would be ineligible to participate. Oversight notes some districts indicated a negative fiscal impact due to loss of revenue from hosting competitions, concession sales and fund-raising or administrative costs to track eligibility.

Based upon the responses from various school districts, **Oversight** will show a range of impacts from \$0 to (Unknown cumulative fiscal impact that could exceed \$100,000) to school districts.

Section 168.021 Visiting Scholars Certificate

Officials from the **DESE** assume this proposal has no direct fiscal impact on their agency.

In response to a similar proposal, HB 2435 (2020), officials the **Department of Higher Education and Workforce Development** assumed this proposal has no direct fiscal impact on their agency.

ASSUMPTION (continued)

In response to a similar proposal, HB 2435 (2020), officials the **Department of Public Safety-Missouri State Highway Patrol** assumed this bill has no fiscal impact on that agency.

In response to a similar proposal, HCS for HB 2435 (2020), officials from **Wellsville-Middletown R-I School District** assumed this bill had a negligible fiscal impact on that district.

In response to a similar proposal, HB 2435 (2020), officials from **Dent-Phelps R-III School District** assumed this proposal would be helpful in shortage content areas.

In response to a similar proposal, HB 2435 (2020), officials from **Shell Knob School District** assumed this bill would not have a significant fiscal impact.

Oversight will assume the proposal would not have a direct fiscal impact, but could positively benefit hard-to-staff school districts or districts that have hard-to-fill subject areas.

Section 168.133 Adult Student Background Checks

DESE officials assume this proposal would have no fiscal impact on their organization.

Department of Public Safety - Missouri State Highway Patrol (MHP) officials stated:

The Department of Elementary and Secondary Education anticipates that this legislation would impact a relatively low number of individuals totaling approximately 100 applicants per year equaling \$2,200 deposited in the Criminal Record System Fund annually.

100 applicants x \$22.00 = \$2,200 deposited in the Criminal Record System Fund annually.

The cost for a state and federal fingerprint based criminal record check is **\$33.25**, per request. The state portion of the record check fee is \$20.00 and the federal portion is \$13.25. If the submitting agency chooses to utilize the state fingerprint services vendor, then an additional \$8.50 is charged by the vendor for this service. Thus, the fee breakdown per request is as follows:

State Fee: \$20.00

Federal Fee: \$13.25

Total (state and federal Fee) \$33.25

Total (state, federal and vendor fee): \$41.75

The total amount retained in the Criminal Record System Fund after paying the FBI is \$22.00 per request. This equals \$20.00 for the state fee, pursuant to Section 43.530, and \$2.00 of the federal

ASSUMPTION (continued)

fee, pursuant to 28 CFR 20.31(e) (2) and the current fee schedule as posted in the Federal Register.

Oversight adopts MHP’s estimates in this fiscal note.

In response to a similar previous proposal, HB 836 (2019), **Springfield Public School** officials assumed this proposal would cost \$5,000 for process management.

In response to a similar previous proposal, HB 836 (2019), **Francis Howell School District** officials assumed this proposal does not have any program in which an adult student, as defined in the proposed legislation, attends classes with “regular” K-12 students.

Oversight notes if school districts must perform background checks on adult students not counted for purposes of average daily attendance, the Criminal Record System Fund (0671) income would increase \$2,200 (using the estimate given by the MHP) and school districts cost would increase \$4,175 (100 x \$41.75).

Section 168.133 Substitute Teacher Background Checks

The amendment would require technical system changes to be completed by the MSHP's Criminal History vendor at an estimated cost of \$165,000, based on previous projects with a similar scope of work and utilizing one of our vendors. The required changes would be based on the functionality of the system and the registration process. Allowing multiple registrations changes the functionality as well as how the coding and the system work. The changes are approximated to be effective January 1, 2022.

There are 560 public school districts, and the initial registration is already law. The Patrol assumes each additional registration costs \$5.00. Based on the estimation of 5 substitutes per district utilizing the additional registration option, this would equate to 2,800 substitutes. The following is the estimated fiscal impact based on the above 2,800 substitutes utilizing the extra registrations:

- 1 extra registration at \$5.00 x 2,800 = \$14,000
- 2 extra registrations at \$10.00 x 2,800 = \$28,000
- 3 extra registrations at \$15.00 x 2,800 = \$42,000
- 4 extra registrations at \$20.00 x 2,800 = \$56,000

Oversight assumes this proposal could reduce the number of initial background checks if some

ASSUMPTION (continued)

substitutes utilize the additional registration option rather than getting another background check. This would potentially be a net loss of \$15 per additional registration (\$20 state fee - \$5 additional registration fee).

Alternatively, **Oversight** assumes this proposal could induce substitute teachers to use the additional registration option who otherwise would have not have substituted for more than one school district. This would potentially be a gain of revenue for each additional registration.

Oversight cannot estimate the number of background checks that would no longer be needed or the number of substitutes who utilize the additional registration option. Therefore, Oversight will show a Could exceed \$165,000 loss to an unknown gain in revenue for the Criminal Records Systems Fund and a corresponding savings or costs to school districts in the implementation year, and unknown loss to unknown gain in the following years.

Section 168.205 Superintendents

Officials at the **DESE** state:

Because DESE is unsure of how many school districts will participate, DESE will provide a range for the estimated impact of \$1,350,000 to \$8,340,000. Shown below are the estimated impacts based on different levels of participation.

Assuming only districts under 600 ADA participate, it would cost an additional \$8,340,000 (278).

Assuming only districts under 350 ADA participate, it would cost an additional \$5,910,000 (197).

Assuming only districts under 200 ADA participate, it would cost an additional \$3,450,000 (115).

Assuming only districts under 100 ADA participate, it would cost an additional \$1,350,000 (45).

Oversight received no responses from school districts estimating the fiscal impact of this proposal, and presents this fiscal note on the best current information available. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

Oversight assumes that districts who share superintendents could end up paying less overall for a superintendent, but that superintendent candidates would likely demand more money to

ASSUMPTION (continued)

perform superintendent duties for more than one district.

Oversight assumes the number of school districts that agree to share a superintendent will not reach the levels in DESE's response above. Oversight notes Section 168.205 (allowing the sharing of superintendents by multiple school districts) was enacted in 2014 (SB 701).

Upon inquiry, **DESE** stated that currently, there is only one superintendent that is shared between school districts. The Malta Bend R5 School District and the Hardeman R-10 School District have such an agreement (Paul Vaillencourt). Therefore, Oversight assumes, with this proposal, that each of those two school districts will receive an additional \$30,000 in state funding. Therefore, Oversight will present a range of \$60,000 to possibly an additional two new districts (for a total of $3 \times \$60,000 = \$180,000$) making such an arrangement.

Section 170.025 Cursive Writing

Officials from the **DESE** stated this proposal has no direct fiscal impact on their agency.

Oversight notes that no school districts responded to a request for the fiscal impact of this legislation. However, a fiscal note for Wisconsin's AB-0459, 19-4065/1 reviewed a proposal requiring students to write cursive by the 5th grade. Oversight adopts their per-unit material cost ranges, and their assumption that it takes three years to teach cursive. Texas' curriculum specifies that cursive is taught across three years.

Based on information from Wisconsin, a per-student cost is estimated at \$10 to \$35, annually; and a per-teacher cost is estimated at \$25 to \$160 annually.

In the 2018-19 school year, there were 339,806 1st through 5th grade students in Missouri's public and charter schools. Assuming cursive is taught for three consecutive grade levels, based on the 2018-19 school year, the average number of students per three year consecutive grade band ranges between 199,733 and 207,516 students. To establish the student material cost ranges:

$$\begin{array}{r} 199,733 \text{ students} \\ \underline{\times \$10 \text{ (lowest cost per-student materials)}} \\ = \$1,997,330 \text{ (lowest projected cost of student materials)} \end{array}$$

$$\begin{array}{r} 207,516 \text{ students} \\ \underline{\times \$35 \text{ (highest cost per-student materials)}} \end{array}$$

ASSUMPTION (continued)

= \$7,263,060 (highest projected cost of student materials)

For student materials, annual proposal costs range from \$1,997,330 to \$7,263,060.

To determine how many copies of teacher materials are needed, Oversight will take the number of students to be taught, and divide them by the MSIP requirements for class size.

DESE's MSIP 6's "recommended standard" limits 1st to 5th grade teachers to between 17 and 22 students, and the "minimum standard" limits teachers to between 25 and 30 students. Assuming each teacher uses the materials once per year, Oversight will show a range of 17-30 students per set of teacher materials. We assume there are no additional staff necessary to implement this proposal. To establish the teacher material cost ranges:

199,733 students
 / 30 (DESE minimum standard class size)
= 6,657 lowest projected number of teachers materials

207,516 students
 / 17 (DESE recommended standard class size)
= 12,207 highest projected number of teachers materials

Wisconsin AB-0459 found materials cost between \$25 and \$160 per teacher.

To establish the cost range of teacher materials:

\$25 (lowest cost per-teacher materials)
 X 6,657 (lowest number of teacher materials)
= \$166,444 (lowest projected total teacher material cost)

\$160 (highest cost per-teacher materials)
 X 12,207 (highest number of teacher materials)
= \$1,953,091 (highest projected total teacher material cost)

Furthermore, in response to the similar proposal HB 54 (2019), the **Springfield Public Schools** said it would cost \$85,000 in materials, assessments and teacher time.

Using Springfield's 2018-19 school year, the average number of students per three year

ASSUMPTION (continued)

consecutive grade band ranges between 5,726 and 6,010 students. Using the same method above, **Oversight** calculated it could cost between \$62,032 and \$266,915 for **Springfield Public Schools** to implement this proposal. Springfield's \$85,000 cost for HB 54 (2019) falls within the net fiscal impact range calculated by the method used for the overall costs of this note.

Oversight notes that these numbers would be reduced if materials are re-used, or if schools are already instructing cursive writing.

Section 170.029 CTE Workgroups

Officials from the **DESE** state that approximately 10 workgroups will be needed at an average cost of \$7,500 per workgroup. This cost will be spread out over multiple years as it will take some time to update the standards for all areas. Therefore, the Department will show the impact over a three year period at \$25,000 per year.

§ 170.047 Suicide Prevention Training

Officials from the **DESE** assume the proposal will have no fiscal impact on their organization.

In response to a similar proposal, HCS for HB Nos. 1820 & 1470 (2020), officials from the **Normandy Schools Collaborative** estimated that this additional required training will cost \$8,000 or more per year to find time for the additional training, identify and pay trainers, and pay extra time extra duty if necessary for teachers to attend if the PD schedule is already packed full.

Oversight assumes this proposal allows, but does not require all teachers, principals, and licensed educators in each district to attend suicide prevention training which shall count as two 2 hours of professional development under section 168.021. Oversight assumes this proposal would not have a fiscal impact as the teachers are already required to have a set number of professional development hours, and suicide education is permissive.

§ 170.048 Public School Identification Cards

Officials from the **DESE** assume the proposal will have no fiscal impact on their organization.

Oversight assumes this provision requires public schools, including charter schools, that issue pupil identification cards to have printed on the card specific phone numbers including those for the National Suicide Prevention and the Crisis Text Line.

ASSUMPTION (continued)

Oversight assumes the provision could result in one-time additional costs for equipment or supplies. Oversight will show a range of impact of \$0 (any additional cost is minimal and can be absorbed with existing resources) to an unknown cost.

§ 173.1200 Public Institutions of Higher Education Identification Cards

In response to HB 1820 (2020), officials from the **Department of Higher Education and Workforce Development** assumed the proposal will have no fiscal impact on their organization.

In response to HB 1820 (2020), officials from **University of Central Missouri** assumed this proposal would have a minimal impact.

In response to HB 1820 (2020), officials from the **University of Missouri System** assumed, as written, the proposed bill would have little to no fiscal impact on the University. Many of the four UM universities already include some, if not all, of this information on their student ID cards. If provision 173.1200 Section 7 Subsection (2) were removed relating to the use of existing supplies, the fiscal impact of this legislation would be significant.

In response to HB 1820 (2020), officials from **State Technical College of Missouri** stated this proposal would have a negative fiscal impact on the College. Our current student ID printer will not allow information to be printed on the back of the ID card.

In response to HB 1820 (2020), officials from the **Missouri State University** assumed the proposal will have no fiscal impact on their organization.

Oversight assumes this provision requires public institutions of higher education that issue pupil identification cards to have printed on the card specific phone numbers including those for the National Suicide Prevention and the Crisis Text Line.

Oversight assumes the provision could result in one-time additional costs for equipment or supplies. Oversight will show a range of impact of \$0 (any additional cost is minimal and can be absorbed with existing resources) to an unknown cost.

Section 173.831 Workforce Diploma Program

Officials from **DESE** assume section 173.831 may require 1.0 FTE at a minimum at the supervisor level in order to publish the request for qualifications, review the applicants against the statutory requirements, collect data, run reports, and make payments.

ASSUMPTION (continued)

As of 2017, there are 453,226 Missourians 21 years of age or older who have not received a high school diploma. It is estimated that approximately 1 percent (4,532) to 3 percent (13,597) of these individuals may participate in this program.

The Department estimates that approximately half of the individuals that would participate in the program may earn their high school diploma each year which would result in a cost between \$2,266,000 (2,266 students earn a diploma) and \$6,799,000 (6,799 students earn a diploma) per year.

The Department also estimates that each student participating in the program would earn at least one full unit of high school credit each year resulting in an additional amount of \$2,266,000 (4,532 students earn at least one full unit of high school credit) and \$6,799,000 (13,597 students earn at least one full unit of high school credit) per year.

If 10 percent of graduates also earned an industry recognized credential at an average of \$500 the Department estimates an additional cost of \$113,300 (2,266 x 10% x \$500) to \$339,950 (6,799 x 10% x \$500).

If 50 percent of graduates also earned an employability skills certificate, the Department estimates an additional cost of \$283,250 (2,266 x 50% x \$200) to \$849,875 (6,799 x 50% x \$250).

\$2,266,000 - \$6,799,000	for high school diploma achievements
\$283,250 - \$849,875	for employability skills certificate achievements
\$113,300 - \$339,950	for industry recognized credential achievements
<u>\$2,266,000 - \$6,799,000</u>	<u>for ½ unit of high school credit achievements</u>
\$4,928,550 - \$14,787,325	

Because this provision is subject to appropriation, the Department will show a range of \$0 (no money appropriated for the program) to \$14,787,325.

Officials from the **Department of Higher Education and Workforce Development** assume the proposal will have no fiscal impact on their organization.

In response to a similar proposal, officials from the **University of Missouri System** assume the proposal as written will have no fiscal impact on their organization.

In response to a similar proposal, officials from **State Technical College of Missouri** assume

ASSUMPTION (continued)

this proposal could have a negative fiscal impact.

Oversight assumes this proposal states that program providers may be reimbursed \$250 for each students completion of:

- a half unit of high school credit
- an employable skills certification
- or an industry-recognized credential requiring less than 50 hours

Additionally, program providers may be reimbursed \$500 for a student attaining an industry-recognized credential requiring 51 hours to 100 hours, or \$750 for a student attaining an industry-recognized credential requiring more than 100 hours, and \$1,000 for attaining an accredited high school diploma.

Oversight notes students who are eligible to participate in the program must be 21 years of age or older, a Missouri resident and have not yet earned a high school diploma. Based on information from the [U.S. Census Bureau](#), 9.52% of the Missouri population over the age of 25 have attained less than a high school diploma (398,377 / 4,182,787). Oversight cannot estimate the number of participants but will show a range of costs assuming different levels of participation in Table I below.

Table I: Estimated Costs for Workforce Diploma Program

Participation Rate (Assumed)	Number of Participants (398,377 * Participation Rate)	Cost to reimburse program providers at \$250 per milestone for one milestone	Cost to reimburse program providers at \$1,000 per milestone for one milestone
1%	3,983	\$ 995,750	\$ 3,983,000
5%	19,919	\$ 4,979,750	\$ 19,919,000
10%	39,838	\$ 9,959,500	\$ 39,838,000

Oversight notes the numbers estimated above may represent the lower end since the data was limited to 25 and older which excludes those between the ages of 21 and 24 that may also be eligible. Oversight notes the estimates above could also be exceeded if an eligible students attains more than one half credit, certification or credential or the industry-recognized credential is reimbursed a higher rate as noted above.

ASSUMPTION (continued)

Oversight will show a range of impact of \$0 (no appropriation) to an unknown cost to General Revenue for reimbursements to program providers that could exceed amounts estimated by DESE.

Oversight assumes DESE is required to issue a request for interested program providers before August 16, 2021. Program providers must be approved by October annually and students may start enrolling in November annually. Oversight assumes DESE could request and approve program providers anytime before August 16, 2021 and after the effective date of this proposal August 28, 2020. Therefore, Oversight will show cost beginning in FY 2021.

In response to a number of proposals which merely establish new state funds, the Office of the State Treasurer has indicated that the office would not request new resources. Therefore, **Oversight** assumes the proposal will have no fiscal impact on their organization.

Section 173.1352 Advanced Placement Course Credit

Officials from the **Department of Elementary and Secondary Education** assume the proposal will have no fiscal impact on their organization.

Officials from **Department of Higher Education and Workforce Development** assume with the addition of the legislative requirements in Section 173.1352 regarding the Advanced Placement Examinations, the department must "identify correlations between the subject matter and content of courses offered by each institution and the subject matter and content of courses and examinations in the advanced placement program and shall make that information available to the public." This will require significant work by the department.

One additional staff (Research Analyst I at \$36,256 and related E&E) and ITSD costs of \$682,085 with continued costs of \$139,827 will be required for this section of the bill.

There are two systems that support functionality for CORE 42-The Program Inventory (PI), which houses the maintenance screens and allows users to upload and manage course-level data for the CORE 42 and the Course Transfer Tracker (CTT), which is a front-end user display of institutional course equivalencies and how the courses transfer from institution to institution. CORE 42 course reviews and equivalency determinations are currently a manual process. Including this much data will require that the system be fully automated to allow institutions to submit the required data electronically, to be most efficient.

ASSUMPTION (continued)

Proposed legislation at 173.1352 include points listed below. This table shows what is existing functionality in PI and/or CTT and an estimation of what would need to be modified or built new to accommodate the legislation:

Proposed Legislation	Program Inventory	Course Transfer Tracker
Establish conditions for granting credit	<p>Functionality does not exist and would need to be built.</p> <p>Required: a way for institutions to upload this information via the creation of an online portal or submission of a flat file for staff upload.</p> <p>Required: a way for institutions to review data submissions and provide corrections or delete data as necessary.</p> <p>Required: ability to archive data yearly.</p> <p>Required: updates to security to allow institutions to upload data.</p> <p>Required: reporting capability (at least 10 reports)</p>	<p>Display functionality does not exist and would need to be built.</p> <p>Required: a way for students to review data by institution.</p> <p>Required: a way for students to compare data between institutions.</p> <p>Required: a way for institutions to review their own data for accuracy.</p> <p>Required: a way for students to save the information</p> <p>Required: a way for students to print information</p> <p>Required: a way for institutions to save their information</p> <p>Required: a way for institutions to print their information</p>
Provide automatic course credit for scores of 3+ for CORE 42 courses	<p>Functionality does not exist and would need to be built.</p> <p>Required: modification of the program inventory to include the addition of AP information.</p> <p>Required: way to upload data on multiple AP examinations, including exam descriptions, etc.</p> <p>Required: a way for institutions to review data submissions and provide corrections or delete data as necessary.</p> <p>Required: ability to archive data yearly.</p> <p>Required: updates to security to allow institutions to upload data.</p>	<p>CTT currently displays course equivalencies by institutions, including how the courses transfer between institutions. However, AP exam information is structured differently than course data, and this display functionality would need to be built into the system.</p> <p>Required: a way for institutions to review their own data for accuracy.</p> <p>Required: a way for students to save the information</p> <p>Required: a way for students to print information</p> <p>Required: a way for institutions to</p>

	Required: reporting capability (at least 10 reports)	save their information Required: a way for institutions to print their information
Provide course credit for scores of B+ in courses that are not CORE 42 (allows for a subset of higher scores for majors courses)	<p>Functionality does not exist and would need to be built. The Program Inventory currently only holds CORE 42 courses.</p> <p>Required: modification of the program inventory to allow courses to be denoted as CORE 42 or not CORE 42 courses. There would also need to be a way for institutions who are not participating in CORE 42, but do want to participate in having their AP courses showing to display as such.</p> <p>Required: modification of the program inventory to include the addition of AP information.</p> <p>Required: way to upload data on multiple AP examinations, including exam descriptions, etc.</p> <p>Required: a way for institutions to review data submissions and provide corrections or delete data as necessary.</p> <p>Required: ability to archive data yearly.</p> <p>Required: updates to security to allow institutions to upload data.</p> <p>Required: a way for institutions who are not participating in CORE 42 to designate such in their upload so the AP equivalencies display appropriately</p> <p>Required: reporting capability (at least 10 reports)</p>	<p>CTT currently displays course equivalencies by institutions, including how the courses transfer between institutions. However, AP exam information is structured differently than course data, and this display functionality would need to be built into the system. CTT also only displays CORE 42 courses, so there would need to be built in a way for students to see what AP courses are equivalent to other, non-CORE 42 courses at institutions. And, currently all public institutions and private institutions participating in CORE 42 display in CTT. There would need to be a way for institutions who are not participating in CORE 42, but do want to participate in having their AP courses showing to display as such.</p> <p>Required: a way for institutions to review their own data for accuracy.</p> <p>Required: a way for students to save the information</p> <p>Required: a way for students to print information</p> <p>Required: a way for institutions to save their information</p> <p>Required: a way for institutions to print their information</p> <p>Required: a way to delineate which institutions are participating in the CORE 42 and which ones are not</p>
Identify specific course credit or	Need to build. Unsure whether	Need to build. Unsure whether

Other academic requirements of the institution	this needs to be part of PI or not.	this needs to be part of PI or not.
Identify correlations between subject matter, content of college courses, and AP exams and make available on website.	Need to build this. Unsure whether this needs to be part of PI or not.	Need to build this. Unsure whether this needs to be part of CTT or not.

In response to a similar proposal, HB 1508 (2020), officials from **University of Central Missouri** estimated a negative fiscal impact due to a loss in revenue.

In response to a similar proposal, HB 1508 (2020), officials from the **University of Missouri System** stated, in working with the four University of Missouri System Registrars, the University is unable to determine the precise fiscal impact of this legislation. The precise impact of this legislation on students' academic progress and completion is difficult to determine. However, we anticipate that there would be a significant negative fiscal impact in excess of \$100,000.

In response to a similar proposal, HB 1508 (2020), officials from **State Technical College of Missouri** assumed this proposal would have a negative fiscal impact on the College. The amount is unknown.

Oversight assumes this proposal would require colleges and universities to grant course credit to students scoring a 3 or higher on advanced placement (AP) exams. Based on information from the [College Board](#), Missouri students took 47,277 AP exams in 2019 and 63% of those exams received a score of 3 or higher.

The University of Missouri currently offers [course credit](#) for several AP exams; however, for some of the courses, MU requires a minimum score higher than 3 to receive the equivalent course credit.

Oversight assumes colleges and universities would lose revenue for those courses that currently require a minimum score higher than 3 to receive equivalent course credit. Oversight will show an unknown loss of revenue to College and University funds that could exceed \$100,000.

Section 174.281 and 174.453 Southeast Missouri State University

In response to a previous version, HB 2151, officials from the **Department of Higher Education and Workforce Development** and the **University of Missouri System** each assumed the proposal will have no fiscal impact on their respective organization.

ASSUMPTION (continued)

In response to a similar proposal, HCS for HB 2151 (2020), officials from **Southeast Missouri State University (SEMO)** stated there is a potential positive impact of an undetermined amount on Southeast Missouri State University, which is revenue that may come due to any enrollment increases realized in programs related to the statewide mission designation. The University is not seeking any additional appropriations via this legislation to implement the statewide mission. This is consistent with other institutions of higher education in Missouri that have a statewide mission in that the mere fact a school has a statewide mission does not mean additional state support has always followed to implement it. Therefore, any positive impact an institution may experience would likely be the result of actions at the institutional level such as increased marketing, new students, program enhancements, etc. and not necessarily the result of new money from the state. The statewide mission designation made the subject of this legislation has been unanimously endorsed by the Coordinating Board for Higher Education, and it does not duplicate a mission of any other institution of higher education in Missouri that has been granted a statewide mission.

Oversight notes that SEMO stated the proposal would have a positive fiscal impact on their organization. However, Oversight assumes there could be costs associated with implementing the statewide mission. Therefore, Oversight will show a range of impact of \$0 (statewide mission not implemented) to an unknown increase in revenue from the expansion of its statewide mission to an unknown cost to implement the statewide mission.

Rule Promulgation

In response to similar proposals, 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 Secretary of State's office 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 Secretary of State's office for Administrative Rules is less than \$5,000. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize 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 our office can sustain with our core budget. Therefore, we reserve 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

ASSUMPTION (continued)

regulations at substantial costs, the SOS could require additional resources.

Officials from the **Joint Committee on Administrative Rules (JCAR)** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
GENERAL REVENUE			
<u>Cost - DESE - IT expenses - §160.263</u>	(\$62,400)	(\$5,000)	(\$5,000)
<u>Costs - DHEWD - Students Right to Know Act - §161.625, 173.035 & 173.1011</u>			
Personal Service	(\$68,297)	(\$82,776)	(\$83,603)
Fringe Benefits	(\$41,881)	(\$50,530)	(\$50,805)
Expense & Equipment	<u>(\$20,369)</u>	<u>(\$3,199)</u>	<u>(\$3,280)</u>
<u>Total Cost</u>	(\$130,547)	(\$136,505)	(\$137,688)
FTE Change - DHEWD	2 FTE	2 FTE	2 FTE
<u>Costs - DHEWD - ITSD Services - §161.625, 173.035 & 173.1011</u>			
	(\$54,583)	\$0	\$0
<u>Cost - DESE - §161.670</u>			
Salaries	(\$32,560)	(\$39,463)	(\$119,571)
Fringe Benefits	(\$20,413)	(\$24,626)	(\$74,271)
Equipment and Expense	<u>(\$8,566)</u>	<u>(\$1,048)</u>	<u>(\$18,206)</u>
<u>Total Cost - DESE</u>	(\$61,539)	(\$65,137)	(\$212,048)
FTE Change - DESE	1 FTE	1 FTE	3 FTE
<u>Cost - DESE - payments to virtual course providers - §161.670</u>	Could exceed (\$2,071,875)	Could exceed (\$2,071,875)	Could exceed (\$6,375,000)
<u>Savings - DESE - reduced state aid payments to districts §161.670</u>	Could exceed \$1,726,400	Could exceed \$1,726,400	Could exceed \$5,312,000

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
GENERAL REVENUE Continued			
<u>Cost Avoidance</u> - denial of non-special education costs §162.974	Unknown	Unknown	Unknown
<u>Transfer Out</u> - to High Need Fund §162.974	(\$17,087)	(\$17,087)	(\$17,087)
<u>Cost</u> - increased call to the foundation formula - §163.011	\$0	\$0 to (Could exceed \$2,093,973)	\$0 to (Could exceed \$2,093,973)
<u>Cost</u> - increased call to the foundation formula if the increase in specific fine revenue is not include in the calculation of local effort - §163.024	\$0 or (Up to \$400,000)	\$0 or (Up to \$400,000)	\$0 or (Up to \$400,000)
<u>Transfer Out</u> - to School Transportation Fund - §163.164	\$0	\$0 to (Could exceed \$2,788,942)	\$0 to (Could exceed \$2,788,942)
<u>Transfer Out</u> - GR transfer to Schools for sharing an superintendent - Section 168.205	(\$60,000) to could exceed (\$180,000)	(\$60,000) to could exceed (\$180,000)	(\$60,000) to could exceed (\$180,000)
<u>Cost</u> - DESE - career and technical education (CTE) workgroup expenses - §170.029	(\$25,000)	(\$25,000)	(\$25,000)
<u>Costs</u> - DESE - establish and administer the Workforce Diploma Program - §173.831	\$0 or	\$0 or	\$0 or
Personal Service	(\$32,560)	(\$39,463)	(\$39,857)
Fringe Benefits	(\$20,413)	(\$24,626)	(\$24,757)
Equipment and Expenses	(\$13,733)	(\$7,403)	(\$7,588)
<u>Total Costs</u>	(\$66,706)	(\$71,492)	(\$72,202)
FTE Change - DESE	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
GENERAL REVENUE Continued			
	\$0 or	\$0 or	\$0 or
	(Could exceed	(Could exceed	(Could exceed
<u>Transfer Out</u> - DESE - to Workforce	\$4,928,550 to	\$4,928,550 to	\$4,928,550 to
Diploma Program Fund - §173.831	\$14,787,325)	\$14,787,325)	\$14,787,325)
<u>Costs</u> - DHEWD - §173.1352			
Personal Service	(\$30,213)	(\$36,619)	(\$39,857)
Fringe Benefits	(\$19,634)	(\$23,681)	(\$24,757)
Equipment and Expenses	<u>(\$8,721)</u>	<u>(\$1,583)</u>	<u>(\$1,624)</u>
<u>Total Costs</u>	(\$59,856)	(\$61,883)	(\$62,412)
FTE Change - DESE	1 FTE	1 FTE	1 FTE
<u>Costs</u> - DHEWD - §173.1352 - ITSD			
Costs	<u>(\$682,085)</u>	<u>(\$139,827)</u>	<u>(\$143,323)</u>
	(\$1,498,572) to	(\$855,914) to	(\$1,725,558) to
ESTIMATED NET EFFECT ON	Could exceed	Could exceed	Could exceed
GENERAL REVENUE	<u>(\$16,872,603)</u>	<u>(\$21,117,646)</u>	<u>(\$21,988,000)</u>
Estimated Net FTE Change on General Revenue	4 to 5 FTE	4 to 5 FTE	6 to 7 FTE

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
COLLEGES & UNIVERSITIES			
<u>Costs</u> - data collections - §161.625, 173.035 & 173.1011	(Could exceed \$322,500)	(Could exceed \$322,500)	(Could exceed \$322,500)
<u>Cost</u> - supplies and equipment - §173.1200	\$0 or (Unknown)	\$0	\$0
<u>Loss</u> - revenue loss from students receiving credit for Advanced Placement exams §173.1352	(Unknown, Could exceed \$100,000)	(Unknown, Could exceed \$100,000)	(Unknown, Could exceed \$100,000)
<u>Cost/Revenue</u> - increase in potential cost and/or revenue for SEMO from expansion of statewide mission - §174.281	\$0 or (Unknown) to <u>Unknown</u>	\$0 or (Unknown) to <u>Unknown</u>	\$0 or (Unknown) to <u>Unknown</u>
ESTIMATED NET EFFECT ON COLLEGES & UNIVERSITIES	(Could exceed <u>\$422,500</u>)	(Could exceed <u>\$422,500</u>)	(Could exceed <u>\$422,500</u>)
LOTTERY FUNDS (0291-0657)			
<u>Cost Avoidance</u> - denial of non-special education costs §162.974	Unknown	Unknown	Unknown
<u>Transfer Out</u> - to High Need Fund §162.974	<u>(\$8,416)</u>	<u>(\$8,416)</u>	<u>(\$8,416)</u>
ESTIMATED NET EFFECT ON LOTTERY FUND	<u>Up to (\$8,416)</u>	<u>Up to (\$8,416)</u>	<u>Up to (\$8,416)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
HIGH NEED FUND			
<u>Transfers In</u> - from General Revenue	\$17,087	\$17,087	\$17,087
	\$8,416	\$8,416	\$8,416
<u>Transfer In</u> - from Lottery Fund			
<u>Savings</u> - denial of non-special education costs	Unknown	Unknown	Unknown
<u>Cost</u> - increase in eligible costs	(\$25,503 or <u>Unknown</u>)	(\$25,503 or <u>Unknown</u>)	(\$25,503 or <u>Unknown</u>)
ESTIMATED NET EFFECT ON HIGH NEED FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

OTHER STATE FUNDS

<u>Transfer Out</u> - to School Transportation Fund - §163.164	<u>\$0</u>	\$0 to (Could exceed <u>\$12,179,709</u>)	\$0 to (Could exceed <u>\$12,179,709</u>)
ESTIMATED NET EFFECT ON OTHER STATE FUNDS	<u>\$0</u>	<u>\$0 to (Could exceed \$12,179,709)</u>	<u>\$0 to (Could exceed \$12,179,709)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
SCHOOL TRANSPORTATION FUND			
<u>Transfer In</u> - from General Revenue and Other Various Funds - §163.164	\$0	\$0 to Could exceed \$14,968,651	\$0 to Could exceed \$14,968,651
<u>Transfer Out</u> - to School Districts - §163.164	<u>\$0</u>	\$0 to (Could exceed <u>\$14,968,651</u>)	\$0 to (Could exceed <u>14,968,651</u>)
ESTIMATED NET EFFECT ON SCHOOL TRANSPORTATION FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 CRIMINAL RECORD SYSTEM FUND (0671)			
<u>Revenue</u> - from background checks on adult students not counted towards average daily attendance §168.133	\$2,200	\$2,200	\$2,200
<u>Cost</u> - Criminal history system changes §168.133	(\$165,000)	\$0	\$0
<u>Revenue Gain or (Loss)</u> - from backgrounds checks no longer needed for different districts - §168.133	Unknown to <u>(Unknown)</u>	Unknown to <u>(Unknown)</u>	Unknown to <u>(Unknown)</u>
ESTIMATED NET EFFECT ON CRIMINAL RECORD SYSTEM FUND	Unknown, Could exceed \$2,200 to (Unknown), Could exceed <u>\$162,800</u>	Unknown, Could exceed \$2,200 to <u>(Unknown)</u>	Unknown, Could exceed \$2,200 to <u>(Unknown)</u>

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
WORKFORCE DIPLOMA PROGRAM FUND			
	\$0 or Could exceed	\$0 or Could exceed	\$0 or Could exceed
<u>Transfer In</u> - from General Revenue - §173.831	\$4,928,550 to \$14,787,325	\$4,928,550 to \$14,787,325	\$4,928,550 to \$14,787,325
<u>Transfer In</u> - grants, gifts, donations or bequests - §173.831	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
	\$0 or (Could exceed	\$0 or (Could exceed	\$0 or (Could exceed
<u>Costs</u> - distributions to program providers for qualifying student milestones - §173.831	\$4,928,550 to \$14,787,325	\$4,928,550 to \$14,787,325	\$4,928,550 to \$14,787,325
WORKFORCE DIPLOMA PROGRAM FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
SCHOOL DISTRICT FUNDS			
<u>Cost</u> - changes to seclusion and restraint polices - §160.263	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Transfer Out</u> - from Kansas City Public Schools & St. Louis Public Schools to area Charter Schools §160.415	\$0	(Could exceed \$32,712,332)	(Could exceed \$32,712,332)
<u>Transfer In</u> - Charter Schools - local aid revenue received from School Districts §160.415	\$0	Could exceed \$32,712,332	Could exceed \$32,712,332

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
SCHOOL DISTRICT FUNDS			
Continued			
<u>Transfer</u> - Reduction in state revenue transfer to districts - §161.670	Could exceed (\$1,726,400)	Could exceed (\$1,726,400)	Could exceed (\$5,312,000)
<u>Savings</u> - Reduction in payments to providers - §161.670	Could exceed \$2,071,875	Could exceed \$2,071,875	Could exceed \$6,375,000
<u>Cost</u> - Civil penalties - §161.670	(\$0 or Unknown)	(\$0 or Unknown)	(\$0 or Unknown)
<u>Cost</u> - requirement to establish gifted programs - §162.720	\$0	\$0	\$0 to could exceed (\$6,888,675)
<u>Revenue Loss</u> - denial of non-special education costs - §162.974	(Unknown)	(Unknown)	(Unknown)
<u>Revenue Gain</u> - increase in eligible high need costs §162.974	\$25,503	\$25,503	\$25,503
<u>Revenue</u> - increase in state aid from the removal of fine revenue from calculation of local effort §163.011	\$0	\$0 to Could exceed \$2,093,973	\$0 to Could exceed \$2,093,973
<u>Revenue</u> - increase in state aid payments to Iron County school districts - §163.024	\$0 or Up to \$400,000	\$0 or Up to \$400,000	\$0 or Up to \$400,000
<u>Transfer In</u> - from School Transportation Fund §163.164	\$0	\$0 to Could exceed \$14,968,651	\$0 to Could exceed \$14,968,651
<u>Loss of Revenue</u> - prohibition of participation in a statewide activities association - §167.790	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

<u>FISCAL IMPACT - Local Government</u>	FY 2021	FY 2022	FY 2023
	(10 Mo.)		
SCHOOL DISTRICT FUNDS			
Continued			
<u>Cost</u> - administrative cost to track and determine eligibility - §167.790	\$0 or (Could exceed \$100,000)	\$0 or (Could exceed \$100,000)	\$0 or (Could exceed \$100,000)
<u>Cost</u> - for background checks on adult students not counted towards average daily attendance - §168.133	(\$4,175)	(\$4,175)	(\$4,175)
<u>Savings or Costs</u> - for substitutes utilizing the additional registration option - §168.133	Unknown to (Unknown)	Unknown to (Unknown)	Unknown to (Unknown)
<u>Transfer In</u> - GR transfer to school districts for sharing superintendents - §168.205	\$60,000 to could exceed \$180,000	\$60,000 to could exceed \$180,000	\$60,000 to could exceed \$180,000
<u>Cost</u> - Teacher materials for cursive writing - §170.025	(\$166,444) to (\$1,953,091)	(\$166,444) to (\$1,953,091)	(\$166,444) to (\$1,953,091)
<u>Cost</u> - Student materials for cursive writing - §170.025	(\$1,997,330) to (\$7,263,060)	(\$1,997,330) to (\$7,263,060)	(\$1,997,330) to (\$7,263,060)
<u>Cost</u> - supplies and equipment to print new identification cards - §170.048	\$0 or (Unknown)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICTS	(\$1,216,941) to Could exceed (\$8,889,348)	Less than \$15,845,683 to (Could exceed \$8,889,348)	Less than \$16,563,208 to (Could exceed \$15,060,498)

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

Section 160.263 - This proposal defines the legal terms of art “restraint” and “seclusion” and requires school districts to adopt a policy banning restraint or seclusion, for any purpose other than the health and safety of students, teachers, and staff members. And it requires school districts to adopt a policy that requires personnel using seclusion or restraint to complete training. It also requires schools to write a report each time seclusion or restraint is used, and notify the parents of the occurrence. Also, DESE must develop and maintain a database to track such occurrences.

Section 160.415 - In this proposal “local aid” includes, but is not limited to property taxes and delinquent taxes, merchant and manufacturer tax revenues, financial institution taxes, city sales tax revenues,

payments in lieu of taxes, revenues from state assessed railroad utilities tax, and any future aid. It specifically excludes charitable contributions, gifts and grants, interest earnings of schools, student fees, debt service authorized for bonds, prop C revenues, or any other funding solely intended for a particular school district or charter school and their employees, schools, foundations or organizations.

The bill requires school districts to pay for each pupil attending a charter school in that district based on the formula established in the bill, and requires public school districts to pay local aid to charter LEA’s within the public school district. School districts must calculate the amount of local aid owed to a charter school monthly and make timely payments to the charter school as outlined in the bill. The Department of Elementary and Secondary Education shall conduct an annual review of payments from school districts with measures for over and underpayment as outlined in the bill.

These changes are effective July 1, 2021.

Section 161.625, 173.035 and 173.1011 - This bill creates the "Students' Right to Know Act".

The bill requires the Department of Higher Education and Workforce Development to collect specified information including the most in-demand jobs in the state, starting salary, the education level required for such job, information about the cost of colleges and vocational schools in the state, and student loans.

This information shall be collected annually by Department of Higher Education and Workforce Development and shall be distributed to DESE and every public high school in the state for distribution to students by October 15 each year.

FISCAL DESCRIPTION (continued)

This bill requires the Board for Higher Education to develop an informed student document to include information as outlined relating to the institutional grouping, averages regarding costs, employment, and admissions as specified in the bill.

The bill also requires that a prospective student or the student's parent or legal guardian verify that the document has been read prior to application to the institution. The document is also required to be available on the website of the Department of Higher Education and Workforce Development and on the website of each individual institution.

Section 161.670 - Under current law, for purposes of calculation and distribution of state school aid, all students enrolled in the Missouri Course Access and Virtual School Program shall be included in the student enrollment of the school district in which the student physically is enrolled.

Under this act, full-time equivalent students shall not be included in the student enrollment of the school district in which such student resides. The Department of Elementary and Secondary Education shall pay any Missouri Course Access and Virtual School Program an amount equal to the average daily attendance for the student's district of residence. A virtual school program serving full-time equivalent students shall be considered an attendance center as defined in current law.

Current law requires a school district or charter school to allow any eligible student who resides in such district to enroll in Missouri Course Access and Virtual School Program courses if, prior to enrolling in any such course, a student has received approval from his or her school district or charter school. This act repeals the provision requiring a student to receive approval from his or her school district. If the school district or charter school believes a student's request to enroll in a virtual program is not in the best educational interest of the student, the reason shall be provided in writing to the student's parent or guardian, who shall have final decision-making authority.

The Department, rather than each school district or charter school, shall adopt a policy that delineates the process by which a student may enroll in courses provided by the Missouri Course Access and Virtual School Program.

Current law requires costs associated with such virtual courses to be paid by the school district or charter school directly on a pro rata monthly basis based on a student's completion of assignments and assessments. Under this act, costs shall be paid by the school district or charter school, or by the Department for full-time equivalent students, to the provider on a pro rata basis once per semester based on a student's completion of assignments and assessments.

FISCAL DESCRIPTION (continued)

Current law also requires the Department to monitor student success and engagement and report such information to the school district or charter school. Under this act, the Department shall report such information to the parent or guardian of the student, who may withdraw the student at any time if the course is not meeting the educational needs of the student. This act also repeals the provision setting forth the responsibility of school districts and charter school to monitor full-time student progress and success.

Virtual school providers are required, under this act, to monitor student progress and success, and may remove a student from the program if the provider believes it to be in the best educational interest of the student.

A full-time virtual school shall, under this act, submit a notification to a parent or legal guardian of a student who is not consistently engaged in instructional activities, as defined in the act. Such school shall also develop a policy setting forth the consequences for a student's failure to attend school and complete instructional activities, including disenrollment from the virtual school.

School districts or charter schools are required, under current law, to inform parents of their child's right to participate in the virtual schools program. Under this act, any school district or charter school that fails to notify parents of their child's right to participate in the program shall be subject to civil penalties in an amount equal to \$100 for each day such school district or charter school is in violation of this requirement, including reasonable attorney's fees.

Section 162.686 - This provision requires schools to allow parents to record meetings associated with IDEA or § 504 proceedings.

Section 162.720 - This provision requires school districts to establish a state-approved gifted program if 3% or more of the students are determined to be gifted. Gifted teachers must be certified in gifted education, except districts with average daily attendance of 350 or less are not required to have teachers certified to teach gifted education. Any teacher providing gifted instruction without a gifted-teaching certificate must participate in six clock-hours per year of professional development regarding gifted services.

Section 162.974: Currently, the Department of Elementary and Secondary Education (DESE) will reimburse school districts for the costs of special education for high-needs children with an Individualized Education Program (IEP) exceeding three times the current expenditure per average daily attendance as calculated on the district annual secretary of the board report for the year in which the expenditures are claimed. This bill states that any money reimbursed to a school district, with 500 or less students, is excluded from such calculation.

FISCAL DESCRIPTION (continued)

This bill specifies that a school district shall submit the cost of serving any high-needs student with an IEP to DESE.

Section 163.011 - This bill modifies the definition of "local effort" with regards to school funding, by removing fines from the calculation, in every fiscal year beginning on or after July 1, 2021.

Section 163.024 - This bill prevents money received into the Iron County School Fund from the payment of penalty under the specified administrative order issued by the Department of Natural Resources to be included in the Iron County School calculation for local effort.

Section 163.164 - Under this act, in any fiscal year in which the total appropriation for the foundation formula is greater than the amount reimbursed to public schools, the Department of Elementary and Secondary Education shall transfer such excess cash balances by the fifteenth day of the succeeding fiscal year to the School Transportation Fund established in this act.

This act establishes the "School Transportation Fund" in the State Treasury. The fund shall be administered by the commissioner of the Department, and any funds deposited into the fund shall be paid to public school districts to provide transportation to students, in addition to state aid currently provided for transportation of students, based on the number of students transported by the district.

Section 167.628 - This bill allows public school students to possess and apply topical sunscreen products, if supplied by the student or his or her parent or guardian, on school property or at a school-related event or activity.

A public school shall not require a prescription or note from a health care professional in order for a student to possess or apply any sunscreen approved by the Food and Drug Administration for over-the-counter use.

Section 167.790 - This bill specifies that, school districts shall not receive funding under the Foundation Formula if such district is a member of, or remits any funds to, any statewide activities association that prohibits a home school student from participating in any event or activity offered by the school district, or requires a home school student to attend the public school for any portion of a school day in order to participate in any event or activity.

The Department of Elementary and Secondary Education (DESE) is required to withhold payments to districts in violation of this bill until such district proves to the State Board of

FISCAL DESCRIPTION (continued)

Education (SBE) that the school district has ceased membership in the organization.

This bill further provides that a statewide activities association shall not prohibit or restrict any school district that is a member of the association from participating in any events authorized or regulated by the association with any school that is not a member of the association.

Section 168.021 - This bill increases the number of times a visiting scholar certificate can be renewed from two times to four times, and removes the requirement that a scholar must be part of a business education partnership initiative.

Section 168.133 - This bill requires criminal background checks to be conducted on any person who is 18 years of age or older, who is not counted by the district for purposes of average daily attendance, and who requests enrollment in a course that takes place on school property during regular school hours.

The background check shall be conducted before the person enrolls in any such course, and a guilty plea or verdict for any crime or offense under Section 168.071, RSMo, shall prohibit enrollment as outlined in the bill.

In addition, this proposal allows a substitute teacher to designate up to five school districts to receive the result of a criminal background check.

Section 168.205 - This proposal provides \$30,000 more school aid to each school district that shares a superintendent, subject to appropriation.

Section 170.025 - This proposal requires schools to ensure that their students can write legible cursive by the end of the fifth grade, and pass a cursive proficiency exam. It also allows DESE to promulgate rules to implement the requirements.

Section 170.029 - This proposal requires the state board of education to develop a statewide plan for career and technical education by convening workgroups for each program area to develop and recommend rigorous and relevant performance standards.

Section 170.047 - This bill establishes the "Jason Flatt/ Avery Reine Cantor Act", which states that beginning in the 2021-22 school year, each school district may offer at least two hours of suicide prevention training for all practicing teachers. All teachers, principals, and licensed educators may attend such a training or complete training on suicide prevention through self-review of suicide prevention materials. The Department of Elementary and Secondary

FISCAL DESCRIPTION (continued)

Education may develop materials to be used for such training or may offer districts materials developed by a third party.

Section 170.048 and 173.1200 - This bill also requires public schools, charter schools, and public institutions of higher education that issue pupil identification cards to have printed on the card specific phone numbers including those for the National Suicide Prevention and the Crisis Text Line.

Section 173. 831 - This bill establishes the Workforce Diploma Program. Before August 16, 2021, and annually thereafter, the Department of Elementary and Secondary Education must submit a request for interested program providers for the program. An approved program provider must meet a list of qualifications, including but not limited to being an accredited high school diploma-granting

entity and having a minimum of two years experience providing adult dropout recovery services.

Every year, the Department must announce the approved programs before October 16th. The approved program providers shall begin enrolling students starting before November 15th of each year. The Department shall pay approved program providers for the completion of milestones by each student: \$250 for the completion of each half unit of high school credit, \$250 for attaining an employability skills certification, \$250 for attaining an industry-recognized credential requiring no more than 50 hours of training, \$500 for attaining an industry-recognized credential requiring at least 51 but no more than 100 hours of training, \$750 for attaining an industry-recognized credential requiring more than 100 hours of training, and \$1,000 for attaining an accredited high school diploma.

No approved program provider shall receive funding if that provider receives federal or state funding or private tuition for the student. The Department must provide a written update to approved program providers by the last calendar day of each month.

Before July 16th of each year, each provider must report certain metrics, specified in this section, to the Department. Upon the second fiscal year of the program, the Department must review the metrics for each program provider and determine whether each provider is meeting the minimum performance standards. If a program provider does not meet the minimum standards for two consecutive years, that provider will be removed from the approved provider list.

Section 173.1352 - This bill requires public institutions of higher learning to adopt and implement policies, as outlined in the bill, that will automatically give undergraduate course

FISCAL DESCRIPTION (continued)

credit to entering freshman students for each advanced placement (AP) examination upon which such student achieves a score of three or higher. The Coordinating Board for Higher Education will consult with the Department of Elementary and Secondary Education to identify correlations between subject matter and content in courses and examinations in the AP program, and shall make that information public on the board's website.

Section 174.281 - This bill allows Southeast Missouri State University (SEMO) to have authority to develop a statewide mission in visual and performing arts, computer science, and cybersecurity.

and 174.453 - The bill modifies provisions relating to the Board of Governors for SEMO as outlined in the bill.

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
Department of Higher Education and Workforce Development
Office of the Secretary of State
Joint Committee on Administrative Rules
Office of the State Treasurer
Department of Natural Resources
Department of Public Safety - Missouri State Highway Patrol
Department of Labor and Industrial Relations
City of Kansas City
City of Springfield
Kansas City Public Schools
Park Hills Schools
Shell Knob Schools
Smithville Public School District
Fayette R-III
Wellsville-Middletown R-1 School District
Lee's Summit R-7
Springfield Public Schools
Gasconade County R-I School District
Sherwood Cass R-VIII

SOURCES OF INFORMATION (continued)

Dent-Phelps R-III School District
Francis Howell School District
Normandy Schools Collaborative
University of Central Missouri
University of Missouri System
State Technical College of Missouri
Missouri State University
Northwest Missouri State University
Southeast Missouri State University



Julie Morff
Director
May 4, 2020



Ross Strobe
Assistant Director
May 4, 2020