

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1982H.03C  
 Bill No.: HCS for SCS for SB 457  
 Subject: Children and Minors; Education, Elementary and Secondary; Health and Senior Services, Department of  
 Type: Original  
 Date: May 3, 2021

Bill Summary: This proposal modifies provisions relating to early learning and child care.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue*	\$0	(\$544,759 to \$8,759,274)	(\$548,712 to \$8,771,137)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>(\$544,759 to \$8,759,274)</b>	<b>(\$548,712 to \$8,771,137)</b>

\*Costs are ranged from expanding the early learning quality assurance report pilot program (FY 2021 appropriation of \$119,713 - currently set to sunset in 2022 and extended until 2025 in this proposal) from having 50 programs to 900 programs, as participation in the program is voluntary.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
General Revenue	0	1 FTE to 3 FTE	1 FTE to 3 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>1 FTE to 3 FTE</b>	<b>1 FTE to 3 FTE</b>

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2022</b>	<b>FY 2023</b>	<b>FY 2024</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### §161.217 - Early Learning Quality Assurance Report

Officials from **Department of Elementary and Secondary Education (DESE)** assume, according to national standards, a quality assurance system contains multiple components, including but not limited to: Instructional Quality, Onsite Assessment, Coaching/Consultation/Technical Assistance, Program Structure (health, safety, policies & procedures), Parent and Community Engagement, Child Screening and Assessment, Staff Qualifications, and Professional Development. Each of these components are broken down below.

National data has shown, on average, a 25% participation rate in voluntary quality assurance systems. Based on this statistic, DESE is estimating approximately 908 programs will participate in this Quality Assurance Report Program.

555 school districts + 3,083 licensed providers = 3,638 \* 25% = 908 programs

Each program would need an annual onsite assessment of the quality of the program's environment using a tool with rigorous validity and reliability standards. Assessments are approximately \$500 each.

Each program has on average 5 classrooms.  
908 programs \* 5 classrooms = 4,540 classrooms

Each classroom would need coaching, consultation, and technical assistance to enhance teachers' existing knowledge, develop or refine skills and strategies, and foster teacher self-reflection delivered through 12 virtual (1 hr each) and 6 on-site visits (4 hrs each).

\$50 rate/hr \* 12 virtual visits \* 1 hour = \$600  
\$50 rate/hr \* 6 on-site visits \* 4 hours = \$1,200  
\$1,800 coaching, consultation, and technical assistance per classroom  
Average of 5 classrooms \* \$1,800 = \$9,000 per program

Because this program will be subject to appropriations, DESE will provide a range of potential impacts.

Programs	50	100	250	500	900
Cost	\$475,000	\$950,000	\$2,375,000	\$4,750,000	\$8,550,000

In addition, DESE estimates 1 FTE Supervisor per 300 programs.

**Oversight** notes the Early Learning Quality Assurance Pilot Report was created during the 2016 legislative session in SB 638. Per the DESE Budget Requests and Appropriation Bills, the following expenditures and appropriations have occurred for the Early Learning Quality Assurance Pilot Report:

	Actual Expenditures	Planned Expenditures	Appropriation
FY 2018	\$0	\$59,713	\$59,713
FY 2019	\$57,922	\$57,922	\$59,713
FY 2020	\$36,706	\$310,122	\$319,713
FY 2021	\$0	-	\$119,713
FY 2022	N/A	-	-

\*Per DESE's budget request, in FY 2018 and FY 2021 the total appropriations were restricted.

**Oversight** notes there is an appropriation for \$119,713 for the early learning quality assurance report in the Senate Substitute version of HB 2 (2.245 - 2021). Oversight assumes the ultimate cost of the program would depend on the number of participants and the services provided through the program. Oversight will show a range of impact of 50 programs to 900 programs based on the estimates provided by DESE.

**Oversight** notes the current program is scheduled to sunset on August 28, 2022. This proposal extends the sunset date to four years after August 28, 2021. Oversight will show costs beginning in FY 2023.

#### §210.201 – Changes the definition of “Montessori school”

In response to a previous version (SCS for SB 457), officials from the **Department of Public Safety – Division of Fire Safety** assumed this section would have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this section for this agency.

#### §210.211 – Licensed child care facilities

In response to similar legislation from the current session (HCS HB 32), officials from the **Department of Public Safety – Division of Fire Safety** assumed this section would have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this section for this agency.

#### Responses regarding the proposed legislation as a whole

Officials from the **Department of Health and Senior Services**, the **Department of Mental Health**, the **Department of Public Safety (DPS)**, **Missouri Highway Patrol**, the **Department of Social Services** and the **Fruitland Area Fire Protection District** each assume the proposal

will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

**Oversight** only reflects the responses that we have received from state agencies and political subdivisions; however, other fire protection 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.

#### Rule Promulgation

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

Officials from the **Office of the Secretary of State (SOS)** note 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, they 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 they can sustain within their core budget. Therefore, they 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.

<u>FISCAL IMPACT – State Government</u>	FY 2022	FY 2023	FY 2024
<b>GENERAL REVENUE</b>			
<u>Costs - DESE - §161.217</u>			
Personal Service	\$0	(\$33,540 to \$100,620)	(\$40,650 to \$121,951)
Fringe Benefits	\$0	(\$21,270 to \$63,809)	(\$25,659 to \$76,978)
Expense & Equipment	\$0	(\$14,949 to \$44,845)	(\$7,403 to \$22,208)
<u>Total Costs</u>	<u>\$0</u>	<u>(\$69,759 to \$209,274)</u>	<u>(\$73,712 to \$221,137)</u>
Net FTE Change - DESE	0	1 FTE to 3 FTE	1 FTE to 3 FTE
<u>Costs - DESE - on-site assessments - §161.217</u>	\$0	(\$25,000 to \$450,000)	(\$25,000 to \$450,000)
<u>Costs - DESE - coaching, consolation and technical assistance - §161.217</u>	\$0	(\$450,000 to \$8,100,000)	(\$450,000 to \$8,100,000)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$0</u></b>	<b><u>(\$544,759 to \$8,759,274)</u></b>	<b><u>(\$548,712 to \$8,771,137)</u></b>
Estimated Net FTE Change on General Revenue	0	1 FTE to 3 FTE	1 FTE to 3 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2022	FY 2023	FY 2024
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

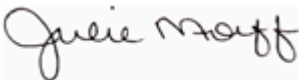
This bill changes the Early Learning Quality Assurance Program from a pilot program to an established program, and adds four years to the sunset language set to expire in 2022 so the program will sunset August 28, 2025 unless reauthorized (§161.217).

This legislation contains an emergency clause.

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 Health and Senior Services  
Department of Mental Health  
Department of Public Safety  
    Fire Safety  
    Missouri Highway Patrol  
Department of Social Services  
Joint Committee on Administrative Rules  
Office of the Secretary of State  
Fruitland Area Fire Protection District



Julie Morff  
Director  
May 3, 2021



Ross Strobe  
Assistant Director  
May 3, 2021