

**COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION**

FISCAL NOTE

L.R. No.: 4133H.10C

Bill No.: HCS for SS for SB Nos. 681 & 662

Subject: Education, Elementary and Secondary; Education, Higher

Type: Original

Date: April 25, 2022

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue	(\$1,065,509) to Could exceed (\$37,005,218)	(\$5,649,165) to Could exceed (\$45,916,801)	(\$5,603,697) to Could exceed (\$45,872,972)
Total Estimated Net Effect on General Revenue	(\$1,065,509) to Could exceed (\$37,005,218)	(\$5,649,165) to Could exceed (\$45,916,801)	(\$5,603,697) to Could exceed (\$45,872,972)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Evidence-Based Reading Instruction Program Fund*	\$0	\$0	\$0
Lottery Fund	(\$8,416 or Unknown)	(\$8,416 or Unknown)	(\$8,416 or Unknown)
High Need Fund*	\$0	\$0	\$0
Criminal Record System Fund	Up to (\$165,000)	\$0 or Unknown	\$0 or Unknown
Excellence in Education Revolving Fund*	\$0	\$0	\$0
Career Ladder Forward Funding Fund*	\$0	\$0	\$0
Workforce Diploma Fund*	\$0	\$0	\$0
Imagination Library of Missouri Program Fund*	\$0	\$0	\$0
Total Estimated Net Effect on Other State Funds	(Could exceed \$173,416)	Minimal Impact (Less than \$8,416)	Minimal Impact (Less than \$8,416)

*Transfers in and distributions net to zero.

Numbers within parentheses: () indicate costs or losses.

FUND AFFECTED	FY 2023	FY 2024	FY 2025
Federal*	\$0	\$0	\$0
Total Estimated Net Effect on All Federal Funds	\$0	\$0	\$0

*Income and expenses (of approximately \$75,000) net to zero.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue	5 FTE to could exceed 7.12 FTE	6 FTE to could exceed 8.12 FTE	6 FTE to could exceed 8.12 FTE
Federal Funds	0 to .88 FTE	0 to .88 FTE	0 to .88 FTE
Total Estimated Net Effect on FTE	5 to 8 FTE	6 to 9 FTE	6 to 9 FTE

- 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.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Local Government	(Unknown, Potentially significant)	(Unknown, Potentially significant)	(Unknown, Potentially significant)

FISCAL ANALYSIS

ASSUMPTION

Section 9.308 - Counselor's Week

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

In response to a similar proposal, HCS HB 1753 (2022), officials from the **Office of Administration (OA)** assumed the provision would have no fiscal impact on their organization.

Oversight notes that the above mentioned agencies have stated the provision would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note these agencies for this provision.

Section 37.850 - Accountability Portal

In response to a similar proposal, HCS HB 1753 (2022), officials from the **Office of Administration – Division of Accounting (OA)** stated due to the scope of the added reporting requirements it is estimated that an additional 1 to 3 staff would be needed. The salary and fringes for one intermediate accountant annually would be \$61,155. For 3 staff, the salary and fringe amount would be \$183,465.

Oversight assumes OA is provided with core funding to handle a certain amount of activity each year. Oversight assumes OA could absorb some of the costs related to this provision, therefore, Oversight will reflect 1 FTE as estimated by OA.

In addition, officials from the **Office of Administration – Information Technology (ITSD)** state this legislation would require 172.80 hours of programing changes at \$95 per hour for a total of \$16,416 in FY 2023 and on-going support of \$3,365 in FY 2024 and \$3,449 in FY 2025 to implement the changes in this provision.

Oversight notes ITSD assumes that every new IT project/system will be bid out because all their resources are at full capacity. For this bill, ITSD assumes they will contract out the programming changes needed for the Missouri Accountability Portal. ITSD estimates the project would take 172.80 hours at a contract rate of \$95 for a total cost of \$16,416 in FY 2023. Oversight notes that an average salary for a current IT Specialist within ITSD is approximately \$54,641, which totals roughly \$85,000 per year when fringe benefits are added. Assuming that all ITSD resources are at full capacity, Oversight assumes ITSD may (instead of contracting out the programming) hire an additional IT Specialist to perform the work required from this bill;

however, for fiscal note purposes, Oversight will reflect the ITSD estimated cost of \$16,416 in FY 2023 and on-going support of \$3,365 in FY 2024 and \$3,449 in FY 2025.

In response to a similar proposal, HB 2359 (2022), officials from the **Gordon Parks Elementary Charter School** stated the proposal would have a negative fiscal impact to the district.

Oversight assumes this provision expands the information already made accessible on the Missouri Accountability Portal and will now require public school districts to provide that information to the Office of Administration.

Oversight assumes this provision could create a fiscal impact to local school districts as it could increase staff and resources to prepare and enter data into the Missouri Accountability Portal and therefore, Oversight will reflect a \$0 to an unknown cost to local school districts.

In response to a similar proposal, HB 2359 (2022), officials from the **City of O'Fallon** estimated the proposal to have a fiscal impact of under \$100,000. There would be a fiscal impact if an employee has to compile information and upload it into the accountability portal. The exact impact cannot be estimated unless it is known how often and what information is requested.

In response to a similar proposal, HB 2359 (2022), officials from the **City of St. Louis** assumed the proposal would have no fiscal impact on their organizations.

Oversight assumes municipalities and/or counties are currently required to make expenditures publicly accessible through the Missouri Local Government Expenditure Database. Oversight assumes this provision expands the information currently made available to include any form of compensation or benefit made to municipal or county employees. Oversight assumes the additional information required to report exists and collecting it can be absorbed within municipality and/or county current resources.

Section 160.067 - ARPA Report

Officials from the **DESE** state the proposed language states “Any school district with more than six thousand students that receives moneys under the federal American Rescue Plan Act of 2021 shall submit a report to the state board of education before July first following each year such moneys are received.” It also states that any report submitted under this section will be made publicly available on the department’s website.

DESE estimates an approximate minimum cost of \$40,000 to develop and maintain a new MOSIS data collection.

Section 160.261 Discipline & Abuse Procedures

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

Officials from the **Department of Social Services (DSS) - Division of Youth Services** state the Children's Division may need additional investigators to investigate allegations in schools. The Department estimates a need of 0 – 2 staff for this workload.

Oversight will show a range of impact to DSS of \$0 (no additional investigators needed) to a cost of two investigators. Per DSS, the cost of the FTE will be split between General Revenue (56%) and Federal Funds (44%).

In response to a similar proposal, HB 2095 (2022), officials from the **Phelps County Sheriff, Kansas City Police Department** and the **St. Louis County Police Department** each assumed the proposal would have no fiscal impact on their respective organizations.

Section 160.516 - Curriculum Review

Officials from **DESE** state the proposed language in this section requires the Department of Elementary and Secondary Education to develop a model policy (§160.516.4) for curriculum development and review for local school boards to adopt and follow. The department estimates two annual meetings would be needed to discuss and develop this model policy. Individuals would include:

- 36 teachers, one from each level (elementary, middle school, high school, CTE Centers) from each Regional Professional Development Centers (RPDC) regions (4 x 9 = 36) – 13 teachers from each designation (urban, suburban, rural)
- 12 principals/directors (three each from elementary, middle school, high school, CTE Centers) from MOASSP / MCCTA (principals/CTE professional organization) representing rural, suburban, urban (3 designations x 4 levels)
- 3 superintendents (from rural, suburban, urban)

The estimated cost of these annual meetings is \$56,865.

In response to a similar proposal, HB 1908 (2022), officials from the **Sedalia School District 200** stated the legislation could have a significant fiscal impact on school districts and create an ongoing cost. The annual review, re-visioning, and potential recreation of curriculum on an ongoing basis would require a significant work load. Trying to place a cost estimate on such a law would greatly depend on the size of the district. The estimated annual cost to that district would be approximately \$80,000 - \$100,000.

Oversight notes if 5% of the 518 school districts in Missouri experienced a cost similar to one estimated by the Sedalia 200 School District, the impact is estimated at \$2,080,000 (26 *)

\$80,000). Oversight will show an unknown cost to school districts/school boards to implement this provision.

Section 160.565 Extended Learning Opportunities

Officials from the **DESE** state this section establishes the Extended Learning Opportunities Act. DESE would be required to assist students and parents in completing the enrollment process, developing an agreement form for each vendor that parents or students must sign, assisting in follow ups on those forms, assuring the student and one parent signs the form, determining if the parent has parental rights in place to sign such a form, etc. The Department estimates at least one Director FTE at a \$51,288 annual salary would be required to comply with these requirements.

The section also requires the development of a statewide policy, including criteria for provider approval, basis for credit acceptance and application processes, etc. DESE estimates an additional fiscal impact of at least \$35,000 for the policy development and modifications to the data collection system.

In response to a similar provision in HCS for SB 323 (2021), officials from the **Sikeston R-6 School District** assumed the impact would be related to developing new learning opportunities for students with new partnerships.

Oversight notes this section requires, beginning with the 2023-2024 school year, the state board of education and each local school board to routinely inform students and their parents of the ability to earn credit for participating in extended learning opportunities.

Oversight assumes there could be costs associated with informing and assisting students and parents who want to participate in extended learning opportunities. Oversight will show the costs as estimated by DESE (could exceed 1 FTE) and an unknown cost to school districts.

Sections 160.2700 & 160.2705 - Adult High Schools

Officials from the **DESE** and **DSS** each assume the provision would have no fiscal impact on their respective organizations.

Oversight notes that the above mentioned agencies have stated the provision would not have a direct fiscal impact on their organization. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for this provision.

Section 161.097 - Missouri Advisory Board for Educator Preparation

Officials from **DESE** estimate a one-time meeting cost to align literacy and reading instruction in teacher preparation programs at \$40,140.

Section 161.214 School Innovation Waiver

Officials from the **DESE** assume the provision will 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 agency for this provision.

Oversight notes DESE's FY 2022 Budget Book included a \$1,000,000 Governor's Recommendation from General Revenue to "support school innovation teams in implementing their waivers approved by the State Board of Education". DESE's FY 2023 Budget Book does not appear to include funding to support innovation waivers.

Oversight will show a range of impact to General Revenue of \$0 (no additional cost or not appropriated) to an unknown cost to support school innovation teams. Based on FY 2022's Governor Recommend, Oversight assumes the cost could exceed \$250,000.

Oversight assumes there could be a cost to implement this program. School districts may have costs related to improving student readiness and job training, increasing teacher compensation, or improving teacher recruitment and development. Oversight will show a range of impact of \$0 (no school districts participate or no additional cost) to an unknown cost to implement the waiver. Oversight assumes the net impact on school districts would be \$0 if distributions from General Revenue cover all costs or negative net impact if implementation costs exceed state distributions.

Section 161.241 Statewide Literacy Plan

Officials from **DESE** state Section 161.241 requires DESE to create an Office of Literacy to coordinate staff with roles relating to literacy and align staff work around supporting best practices in reading instruction. DESE assumes that one (1) FTE Coordinator of Literacy would be required as part of this new office at a cost of \$63,480.

This section also requires **DESE** to recruit and employ quality teacher trainers with expertise in reading instruction. Because this is subject to appropriation DESE estimates a cost that could exceed a cost that could greatly exceed \$100,000. This would be subject to appropriation so DESE will show the costs as \$0 – Could Exceed \$100,000. This could be funded by the proposed creation of the "Evidence-Based Reading Instruction Program Fund."

Oversight assumes this provision creates the Evidence-Based Reading Instruction Program Fund. The fund shall consist of moneys appropriated by the General Assembly or from gifts, bequests or donations. Funds are to be distributed to school districts to reimburse school districts and charter schools for efforts to improve literacy. For simplicity, Oversight assumes on the money in the Fund will be used within the year it is received.

Section 161.700 - Holocaust Education

Officials from **DESE** state they would incur meeting costs in the amount of \$22,300 for curriculum development and implementation. In addition, DESE will incur meeting costs in the amount of \$66,900 for teacher professional development and framework implementation.

In response to a similar proposal, officials from **Southeast Missouri State University**, a charter school sponsor, stated many schools do not even address the Holocaust.

Oversight assumes DESE is to create a curriculum for students on the Holocaust for school districts to adopt beginning in the 2023-24 school year. School districts shall provide professional development for teachers related to Holocaust instruction.

Oversight assumes teachers are already required to obtain a certain number of hours towards professional development.

Oversight does not anticipate a fiscal impact to school districts.

Section 161.854 - Changes to Individualized Education Programs (IEPs)

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

In response to a similar proposal, HCS HB 1753 (2022), officials from the **Office of Administration - Administrative Hearing Commission** assumed the provision would have no fiscal impact on their organization.

Oversight notes that the above mentioned agencies have stated the provision would not have a direct fiscal impact on their organizations. Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for this provision.

Oversight assumes the requirements of this provision can be absorbed using existing resources. Therefore, Oversight will reflect a zero fiscal impact on for this provision for school districts.

Section 161.1050 - Trauma Informed Schools

In response to a similar proposal, HB 1836 (2022), officials from the **DESE, Department of Mental Health** and the **DSS** each assumed the proposal would have no fiscal impact on their respective organizations.

In response to a similar proposal, HB 743 (2021), officials from the **Springfield Public Schools** estimated this proposal could cost \$5,000 if the district participates.

In response to a similar proposal, HB 743 (2021), officials from the **High Point R-III School District** assumed the proposal would have no fiscal impact on their organization.

Oversight notes the Springfield Public Schools indicated there could be costs associated with implementing this proposal. Oversight will show a range of impact of \$0 (no schools participate or the additional requirements can be absorbed) to an unknown cost.

Section 162.058 Community Engagement Policy

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

In response to a similar proposal, HCS HB 1753 (2022), officials from the **OA** assumed the provision would have no fiscal impact on their organization.

In response to a similar proposal, HB 1750 (2022), officials from the **Office of the State Courts Administrator** assumed the proposal would have no fiscal impact on their organization.

Oversight is uncertain if there would be additional costs to school boards/school districts but assumes there could be additional costs to implement community engagement policies and allowing residents to submit items to be placed on the agenda of a school board meeting (depending on the number of agenda items that are submitted to the board). Oversight will show a range of impact \$0 (no agenda items submitted or no material additional costs stemming from the agenda items or implementation of community engagement policies) to unknown costs for school boards/school districts.

162.084 - Notification

In response to a similar proposal, HB 942 (2021), officials from the **Springfield School District** assumed a cost for the notification process, goals process – assuming 10% unaccredited and 25 provisionally accredited – costing \$50,000.

Oversight assumes there could be costs associated with notifying parents of performance scores and academic proficiency and growth goals.

Sections 162.261, 162.281, 162.291, 162.471, 162.481, 162.491 and 162.563 - Subdistricts

Officials from the **DESE** assumed the provision will have no fiscal impact on their organization.

In response to a similar proposal, HB 1804 (2022), officials from the **Office of the State Courts Administrator** assumed the proposal would have no fiscal impact on their organization.

Officials from the **St. Louis County Election Board** state it would take their office 15 hours per subdistrict that they would have to draw. With that in mind, they estimate that they would have to draw 161 subdistricts for the 23 impacted school districts. This would entail 2,415 hours of programming at a cost of \$24.00 per hour for a total of \$57,960.

Oversight assumes there could be costs for local election authorities to draw sub-district boundaries. Oversight assumes this provision is permissive; therefore, Oversight will show a range of impact of \$0 (no school districts choose to subdivide) to an unknown cost for local election authorities for school districts that choose to subdivide.

In response to a similar proposal, HB 164 (2021), officials from the **Affton 101 School District**, **Fordland R-III School District** and the **Marquand-Zion R-VI School District** each assumed this proposal would have a fiscal impact on their respective organizations. However, these school districts did not provide any further information regarding the impact.

In response to a similar proposal, HB 164 (2021), officials from the **High Point R-III School District** and the **Malta Bend R-V School District** each assumed the proposal would have no fiscal impact on their respective organizations.

Oversight requested additional information from the responding school districts; however, no additional information was received. Based on the information available at the time this fiscal note was completed, Oversight assumes there is no fiscal impact to these school districts for these sections.

Section 162.720 - Gifted Education

Officials from the **DESE** assumed the provision will have no fiscal impact on their organization.

In response to a similar proposal, Perfected HCS HB 1750 (2022), officials from the **Sikeston R-6 School District** assumed the proposal will have no fiscal impact on their organization.

In response to a similar proposal, HB 306 (2021), officials from the **High Point R-III School District** assumed the proposal would not fiscally impact their schools.

In response to a similar proposal, from 2021 (SB 151), officials from the **Fordland School District** stated this would require additional funding to establish a gifted program.

In response to a similar proposal from 2020 (SB 645), officials from the **Hurley R-I School District** stated gifted programs are very expensive to run and for small school districts, the financial impact of creating sections for 3 or 4 students could be massive at varying grade levels.

In response to a similar proposal from 2020 (SB 645), officials from the **Shell Knob School District** assumed this proposal has a negative fiscal impact.

In response to a similar proposal from 2020 (SB 645), 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 from 2019, (HB 112), 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 from 2019, (HB 112), officials from the **Lee's Summit R-7 School District** assumed the proposal would be of no cost to the district because it has a state-approved program.

In response to a similar proposal from 2019, (HB 112), **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 the 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 amount has remained static since 2006. Therefore, Oversight will assume the costs for this expansion will be borne by the school districts. 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 \$1,325 per gifted student (\$42,968,610 / 32,276). If there are 5,199 unserved identified gifted students with a cost of \$1,325 to educate, Oversight estimates **\$6,888,675** to provide gifted education to every unserved identified gifted student.

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 students is 59,208 gifted students. To match the NCES identified gifted student population average, Missouri would need to identify $11,335 ((.067 \times 883,703) - 5,199 \text{ identified gifted students})$ more students as gifted. Furthermore, to provide gifted services to every currently identified and unidentified gifted student would cost $\$21,907,684 ((11,335 \text{ estimated unidentified gifted students} + 5,199 \text{ identified gifted students}) \times \$1,325 \text{ cost per student})$.

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 provision 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 162.961 - Burden of Proof

Officials from the **DESE** and the **DSS** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a similar proposal, HCS HB 1753 (2022), officials from the **Office of Administration - Administrative Hearing Commission** assumed the section would have no fiscal impact on their organization.

In response to a similar proposal, HB 2010 (2022), officials from the **Taneyville R-II School District** stated that shifting the burden of proof to the school district could have a very large fiscal impact on school districts. This includes increased attorney fees, increased costs for special education process coordination fees, not to mention every time a parent requests a one-on-one paraprofessional for their child. It's much harder to prove a child would not benefit from an individual paraprofessional - every child would benefit from this. If granted, a district is looking at approximately \$20,000-\$25,000 easily for each extra paraprofessional.

In response to a similar proposal, HB 2010 (2022), officials from **Republic School District** stated because the burden of proof currently rests with the parents, it inadvertently prevents many due process claims from making it all the way to hearing - which is good for districts and for families. This is often because the process of preparing their burden of proof provides parents information and legal advice about whether or not the dispute should even be addressed by due process procedures. In addition, bearing the burden of proof provides motivation for parents to participate in other alternative dispute resolution strategies prior to moving forward to hearing which saves money, time, and emotional capital for all parties.

If the burden of proof is shifted to the district at the beginning of the process, many of the complaints parents threaten to take to due process will be taken all the way to hearing because parents will have no motivation to resolve the issue sooner or by way of alternative methods because they would bear none of the initial costs related to money, time, effort, and emotion which are already being incurred by the district as soon a complaint is filed.

Regarding due process in general, everyone needs to keep in mind the following:

- Of the three formal dispute resolution procedures provided by the IDEA, due process hearings are the most costly in terms of time, fiscal resources, and impact on relationships between school personnel and parents.
- With each due process complaint - even before the complaint is adjudicated - the district is forced to expend considerable school district resources which impedes the ability of school

personnel to provide enhanced services for all students with disabilities because it devotes the district's precious time and resources to fighting the legal actions of a single parent. This is why districts are already motivated to participate in alternate methods of dispute resolution.

- The average legal fees for a district involved in a due process hearing were \$10,512.50. Districts compelled to compensate parents for their attorney's fees averaged \$19,241.38. The expenditures associated with the verdict of the due process hearing averaged districts \$15,924.14. For districts that chose to settle with a parent prior to the adjudication of the due process hearing, the settlement costs averaged \$23,827.34 (although the Council of School Attorneys estimates much higher average costs for all of these categories). Their own district's fees were much higher than this, and the complaint was withdrawn before it even went to hearing.

In addition, the stress on teachers and staff who are forced to participate in due process complaints, hearings or litigation is significant. A 2016 AASA report cited 12% of school administrators who said that more than half of district special education school personnel either left the district or requested a transfer out of special education after being involved in a due process hearing or subsequent litigation. This is an aspect of due process which is an additional increase in costs for the district as they are forced to recruit, hire and train replacement personnel in a field which is already difficult to staff.

There is considerable prep time for these legal type events and many districts employ Special Education legal guidance for due process hearings. This, combined with the time and attention of their District Special Education staff, will without a doubt increase costs for the district. Between staff wages and legal guidance they conservatively estimate the financial cost at \$10,000 per occurrence. Thus, they would need to increase the Special Education budget for these events for each year. They would estimate increasing the budget between \$25,000 and \$40,000 each year as a result of the legislation.

In response to a similar proposal, HB 2010 (2022), officials from the **North Kansas City Schools** stated they have not been involved in too many due process hearings as described and when they have, their insurance company has taken the lead. They do pay a \$25,000 deductible per occasion.

In response to a similar proposal, HB 2010 (2022), officials from the **Dallas County R-I School District** stated there would be a fiscal impact to a school district; however, that amount is unknown and would be dependant upon the unique situation each "due process" requires.

Oversight assumes this provision shifts the burden of proof and production to school districts in due process hearings for children with a disability. Oversight assumes this could result in additional costs for school districts. Therefore, Oversight will show an unknown cost.

Section 162.974 - High Need 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.

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 will show the impact as calculated by DESE 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 provision 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 the following regarding the High Need Fund:

High Need Fund	FY 2019	FY 2020	FY 2021	FY 2022 Proj.
Total Costs Reported	\$184,676,057	\$197,257,252	\$188,425,481	\$190,309,736
Total Reimbursed	\$61,174,204	\$61,174,204	\$62,058,526	\$62,008,829
Percent Reimbursed	33%	31%	32%	33%
Districts Paid	235	242	217	219
Students Claimed	3,637	3,785	3,636	3,672

DESE FY 2023 Budget Book

Oversight notes, per DESE's FY 2023 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 163.016 - Dollar Value Modifier

Officials from **DESE** state to calculate the impact, the March 2022 formula calculation for Gasconade County R-II (037-037) was calculated using the county they are located in that has the highest Dollar Value Modifier (DVM) which is Franklin County at 1.093. If the formula is fully funded then it would be an additional cost to the state of \$1,076,986.67 per year. If the formula is not fully funded then the additional money is going to be shifted from all other school districts.

To calculate the impact, the March 2022 formula calculation for Maries County R-II (063-067) was calculated using the county they are located in that has the highest Dollar Value Modifier (DVM) which is Osage County at 1.0310. If the formula is fully funded then it would be an additional cost to the state of \$150,436.88 per year. If the formula is not fully funded then the additional money is going to be shifted from all other school districts.

To calculate the impact, the March 2022 formula calculation for Bismark R-V (094-076) was calculated using the county they are located in that has the highest Dollar Value Modifier (DVM) which is Washington County at 1.092. If the formula is fully funded then it would be an additional cost to the state of \$313,513.11 per year. If the formula is not fully funded then the additional money is going to be shifted from all other school districts.

To calculate the impact, the March 2022 formula calculation for West St. Francois County (094-087) was calculated using the county they are located in that has the highest Dollar Value Modifier (DVM) which is Washington County at 1.092. If the formula is fully funded then it would be an additional cost to the state of \$624,964.84 per year. If the formula is not fully funded then the additional money is going to be shifted from all other school districts.

In response to a similar proposal, Perfected HB 2493 (2022), officials from the **Gasconade County R-II School District** stated the dollar value modifier will have no impact on other

districts as the DVM is based on the funding formula for education. However, allowing Gasconade County R-II to claim the Higher Dollar Value Modifier would result in a Dollar Value Modifier of 1.093 which adds \$1,066,637.00 annually to the budget and allows the district to compete with their Franklin County Districts. This is important as they operate a building which is located in Franklin County and all Gasconade County students who attend the Gerald Elementary School located in Franklin County must attend middle and high school in Gasconade County.

Oversight will show a range of impact of \$0 (not appropriated) to a total cost to General Revenue of **\$2,165,902** (\$1,076,987 + \$150,437 + \$313,513 + \$624,965) as estimated by the Department of Elementary and Secondary Education.

Oversight will show a range of impact as estimated by the Department of Elementary and Secondary Education.

Section 167.225 BRITE Act

Officials from the **DESE** state the Missouri School for the Blind already provides many of the services required in this legislation with the exception of orientation and mobility evaluations at the home and paying for eye exams. To implement this legislation, the Department estimates the following costs per year:

The orientation and mobility evaluations described in paragraph (b) of this subdivision shall occur in familiar and unfamiliar environments and around the home, school, and community as determined age appropriate by the blind students IEP.

40 students X 500 miles X \$.43 mileage rate = \$8,600

If an LEA requires an eye report, the LEA shall bear all costs associated with obtaining such report. LEAs shall not delay an evaluation for eligibility based on the absence or delay of such report.

40 students X \$300 eye exam = \$12,000

Total Cost = \$20,600

Officials from the **DSS** assume the provision will have no fiscal impact on their organization.

Oversight assumes this provision could result in additional costs to school districts if it imposes duties beyond those that school districts are already performing. Oversight will show a range of impact to school districts of \$0 (no additional costs or can be absorbed) to an unknown cost.

Section 167.268 - Develop Reading Guidelines

Officials from **DESE** estimate a one-time meeting cost to develop DESE guidelines for the Office of Literacy at \$44,600.

Sections 167.640 and 167.645 - Reading Remediation

In response to a similar proposal, HCS HB 1556 (2022), **DESE** stated the proposal could impact the call to the foundation formula but they would have no way to estimate the impact.

Oversight assumes there could be an increased call to the foundation formula if remediation hours outside of the traditional school day may count toward the calculation of average daily attendance (Section 167.640). Oversight will show a range of impact of \$0 (no additional remediation hours outside the traditional school day) to an unknown cost to General Revenue for an increase in average daily attendance.

One full term of attendance is 1,044 hours per student. For each full term of attendance, the average state funding per ADA is approximately at \$5,066 (per DESE) or \$4.85 per hour of full term attendance. However, Oversight notes this is an approximation of the cost as the state aid payment can vary greatly by district.

Oversight estimates to reach a revenue impact of \$250,000 would require a change in attendance hours of approximately 52,000 hours or approximately 50 ADA ($52,000 * \$4.85 = \$252,200$). Oversight notes an increase of 50 ADA is approximately a 0.01% increase in total ADA (50/843,650); therefore, Oversight assumes it is possible the cost could exceed \$250,000.

In response to a similar proposal, SB 54 (2021), officials from the **Springfield R-XII School District** stated the total fiscal impact to the district is \$6,562,500.

In response to a similar proposal, SB 54 (2021), officials from the **High Point R-III School District** assumed the proposal will have no fiscal impact on their organization.

In response to a similar proposal, HB 2470 (2020), officials from the **Park Hill School District** anticipated a fiscal impact to hire additional staff to implement and monitor the extended requirements. Estimated cost would exceed \$100,000 annually.

In response to a similar proposal, HB 2470 (2020), officials from the **Shell Knob School District** assumed that bill would have a negative fiscal impact.

In response to a similar proposal, HB 2470 (2020), officials from the **Wellsville -Middletown School District** estimated needing at least one possibly two additional elementary teachers, at a cost of \$92,000 per year.

Oversight assumes these provisions would require school districts and charter schools to implement remediation strategies such as:

- small group or individual instruction
- reduced teacher-student ratios
- more frequent progress monitoring
- tutoring or mentoring
- extended school day, week or year
- summer reading programs

Per the Achievement Level Report available on the Missouri Comprehensive Data System, **Oversight** notes the following number of students with scores in the below basic level and the basic level within the Springfield School District:

Springfield School District - School Year 2019

Grade	Below Basic	Basic	Total
Third Grade	470	550	1020
Fourth Grade	245	707	952
Fifth Grade	233	805	1038
Sixth Grade	317	658	975
Total	1,265	2,720	3,985

Based on the cost reported by the Springfield School District, **Oversight** estimates the cost per student reading at below basic and basic (in grades 3 through 6) at approximately \$1,647 (\$6,562,500/3,985).

Statewide - School Year 2019

Grade	Below Basic	Basic	Total
Third Grade	15,664	18,527	34,191
Fourth Grade	8,389	26,406	34,795
Fifth Grade	8,653	28,510	37,163
Sixth Grade	10,938	27,226	38,164
Total	43,644	100,669	144,313

Applying the \$1,647 to the statewide total of students reading at below basic and basic in grades 3 through 6, **Oversight** estimates a cost of \$237,683,511. Without additional information from school districts, Oversight is uncertain if other school districts would experience costs similar to those reported by the Springfield School District. Oversight assumes additional resources, namely additional teacher time, assessments and materials, will be required to implement these changes. Therefore, Oversight will show an unknown cost to school districts that could be significant.

Section 167.850 - Recovery High Schools

Officials from the **DESE** and the **Department of Mental Health** each assumed the provision would have no fiscal impact on their respective organizations.

Oversight received no responses from school districts estimating the fiscal impact of this provision, 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.

According to the [National Institute on Drug Abuse \(NIDA\)](#), 8.5 percent of Americans needed treatment for a problem related to illicit drug or alcohol use in 2014.

Oversight assumes if 8.5 percent of the 4,043 students currently enrolled in the Kansas City Public School District (grades 9 through 12) needed substance use treatment, this could result in approximately 344 students being eligible to attend a recovery high school. **Oversight** assumes this number could be higher as non-resident students are also eligible to attend.

Based on the study, [Recovery High Schools: A Descriptive Study of Programs and Students](#), **Oversight** notes students were primarily referred to recovery high schools by treatment programs, parents and the juvenile justice system. Of the schools in the study, most had small enrollments ranging from 12 to 25 students with a median capacity of 35 students. The study indicated students reported a reduction in the use of drugs, an increase in attendance and a reduction in repeated problems with the law.

Oversight assumes this provision states the sending district of an eligible student shall pay tuition to the recovery high school. However, public schools may not see a 1:1 reduction in the costs associated with those students transferring out. **Oversight** also notes that such students recovering from substance use or dependency may not regularly attend school, or may require more expensive attention from school. Because there are no responses, and several factors that may save or cost school districts or recovery high schools, this note will show an impact ranging from an unknown savings to an unknown cost net direct fiscal impact to school districts and recovery high schools.

Oversight notes this provision is permissive, therefore **Oversight** will range the fiscal impact from \$0 (a recovery high school is not established) to the range of potential fiscal impact.

Section 168.021 - Provisionally Certified Teachers & Visiting Scholars' Certificate

Officials from the **DESE** assumed the provision would have no fiscal impact on their organization. This provision modifies 168.021, which appears to change requirements that must be completed when having a provisional certification. Since that is still a certification attendance hours for students taught can still be claimed for state aid and has no fiscal impact.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for DESE for this provision.

Section 168.036 Substitute Teacher Certificates

Officials from **DESE** state this section allows the State Board of Education to grant a certificate to any highly qualified individual with certain expertise or experience in the Armed Forces, explained further in the bill, that may not meet any other qualifications if the school board of the seeking school district votes to approve that individual to substitute teach at that district. Doing so would require a new application and process for districts to recommend these individuals at which the department estimates a cost of \$40,000.

Officials from **DESE** state, currently, substitute certificates expire at the end of four years and may be renewed. The new language in this subsection would allow substitute certificates to expire at any point in time and will have a substantial fiscal impact to the department. The substitute certification process will need to be redesigned to comply with this language as well as a new reporting database will need to be created for districts to notify the department on substitute statuses. DESE estimates this will cost around \$70,000. The department also estimates an additional FTE for an Administrative Assistant \$27,960 annual salary, will be needed as well.

Oversight will show the costs as estimated by DESE.

Officials from **Public Schools and Education Employee Retirement Systems (PSRS/PEERS)** state this bill allows individuals who are receiving a retirement benefit from PSRS or PEERS to substitute teach on a part-time or temporary substitute basis in a covered school district without a discontinuance of the person's retirement benefit. The provisions in this bill only apply to part-time or temporary substitute teaching. As specified in this bill if an individual chooses to work for a covered employer after retirement under this provision they will not contribute to additional retirement benefits. This bill includes an emergency clause and the provisions of this bill will expire on July 1, 2025 when the current statutory language will resume.

In response to a similar proposal, Perfected HCS HB 2304 (2022), the **PSRS/PEERS**' actuaries noted that suspension of limitations on working after retirement for part time or temporary substitute teaching positions through June 30, 2025 could result in either no fiscal cost or a small fiscal cost for PSRS and PEERS, depending on the number of members who change their retirement behavior as a result. The cost could be significant if the suspension of limitations on working after retirement continues to be extended beyond June 30, 2025.

The current provisions for working after retirement in sections 169.560 and 169.660 strike a delicate balance between creating a pool of qualified individuals that can be employed to provide part-time or temporary substitute teaching or other services, but without permitting or incentivizing employers to hire multiple retired members on a part-time basis in lieu of full-time employees, or permitting or incentivizing active members to retire early, commence their

retirement allowance, and then return to work on a full-time basis in order to effectively receive two incomes. Such permission and behavior could have a significant impact on the cost of the Systems. The fiscal impact to the PSRS and PEERS will be based on actual behavior experienced by the Systems.

It is noted that a temporary suspension of certain statutes and regulations related to members working after retirement was included in the state of emergency order in 2020 in response to the Coronavirus pandemic. The suspension was intended to address an anticipated shortage of qualified substitute teachers and temporary employees that would be needed by school districts during the pandemic. The temporary suspension was in place through December 31, 2021. HCS for HB 2304 suspends the same provisions in statute through June 30, 2025, but only for part time or temporary substitute teaching positions.

The Systems' actuaries emphasized the importance of the temporary nature of the proposal (only through June 30, 2025 as currently proposed in HCS for HB 2304) and its application to only part time or temporary substitute teaching. Permanent increase or removal of these limitations would likely come with a significant fiscal cost and would go against the fundamental goal of a pension system to provide income in retirement, not during active employment.

The table below summarizes the estimated impact to the liabilities and the actuarially determined contribution rate of both PSRS and PEERS associated with possible behavior changes discussed in the attached cost statement from the Systems' actuaries. While the actuaries show two scenarios with a fiscal cost, they note that it is also possible for PSRS and PEERS to experience no fiscal cost related to these changes depending on whether or not active members and employers change their behavior as a result. To the extent there is little to no change in behavior, the results would be consistent with the baseline results shown below. It is important to review the attached cost statement in its entirety when reviewing the data noted below:

	Scenario A: No Change in Member or Employer Behavior BASELINE - June 30, 2021 Valuation	Scenario B: 10% of Members Retire 0.25 Years Earlier on Average for two years, 0.5% Decrease in Payroll <i>(approximately 30 more retirements per year)</i>	Scenario C: 25% of Members Retire 0.5 Years Earlier on Average for two years, 1% Decrease in Payroll <i>(approximately 150 more retirements per year)</i>
PSRS			
Present Value of Future Benefits	\$ 60,669,012,514	\$ 60,669,713,562	\$ 60,672,517,752
<i>Estimated Impact</i>		\$ 701,048	\$ 3,505,238
Actuarial Accrued Liability	\$ 52,834,296,831	\$ 52,836,259,740	\$ 52,844,111,376
<i>Estimated Impact</i>		\$ 1,962,909	\$ 9,814,545
Funded Percentage	85.24%	85.23%	85.22%
<i>Estimated Impact</i>		-0.01%	-0.02%
Actuarially Determined Contribution Rate	28.62%	28.76%	28.91%
<i>Estimated Impact</i>		0.14%	0.29%
PEERS			
Present Value of Future Benefits	\$ 7,829,203,953	\$ 7,829,294,361	\$ 7,829,655,994
<i>Estimated Impact</i>		\$ 90,408	\$ 452,041
Actuarial Accrued Liability	\$ 6,560,854,343	\$ 6,561,284,108	\$ 6,563,003,170
<i>Estimated Impact</i>		\$ 429,765	\$ 2,148,827
Funded Percentage	87.74%	87.73%	87.71%
<i>Estimated Impact</i>		-0.01%	-0.03%
Actuarially Determined Contribution Rate	13.64%	13.71%	13.78%
<i>Estimated Impact</i>		0.07%	0.14%

Oversight will show a range of impact for this provision of \$0 (no change in behavior) to an unknown cost that could exceed \$4,413,374 to member employers for increases in employer contributions (0.14% / 2 * \$5,039,838,429 PSRS covered payroll 2021) plus (0.07%/2 * \$1,758,535,339 PEERS covered payroll 2021).

Officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** state the proposed legislation could increase the state fee from \$20 up to \$50 depending on the number of background checks performed up to five, resulting in a net increase to the Criminal Record System (CRS) Fund. The range is calculated based on the current state fee and the proposed language that increases the state fee up to \$50.

On average, the Patrol processes approximately 11,000 criminal record checks specific to substitute teacher certification and employment, of which approximately 145 per year resulted in checks for the same individual for different school districts and completed in the same week. However, an increase for the fund could be noted for the potential increase in the state fee, depending on the number of background checks performed.

Regardless of the state fee structure, this proposal would require technical system changes to the Missouri Automated Criminal History System to be completed by the MSHP's Criminal History vendor. The estimated cost of \$165,000 is based on previous projects with a similar scope of work.

Oversight will show the cost for system modifications to the Missouri Automated Criminal History System and an unknown amount of revenue from the increased fees.

Section 168.037 - Substitute Teacher Survey and Data Collection

Officials from **DESE** assume this requires DESE to create and maintain a web-based survey for collecting anonymous information from substitute teachers in Missouri public schools. DESE estimates an initial costs that could exceed \$100,000 for the design, programming, and testing of a system that can collect real time information from substitute teachers that will be available anytime for schools and DESE to use to study. DESE also estimates annual maintenance and storage costs of \$10,000 annually.

Oversight assumes this provision requires DESE to create and maintain a web-based survey for collecting information related to substitute teachers. Oversight will show the costs as estimated by DESE.

Oversight also assumes this provision requires school districts and charter schools to provide data to DESE regarding certain information related to substitute teachers. Oversight will show a range of impact of \$0 (no additional cost or can be absorbed) to an unknown cost to collect the data for school districts and charter schools.

In response to a similar proposal, HB 608 (2021), officials from the **Affton 101 School District**, **High Point R-III School District** and the **Springfield R-XII School District** each assumed the proposal would have no fiscal impact on their respective organizations.

Section 168.205 - Superintendent Sharing

In response to a similar proposal, HCS HB 1753 (2022), officials from **DESE** stated because they are unsure of how many school districts will participate, DESE will provide a range for the estimated impact of \$1,440,000 to \$8,940,000. Shown below are the estimated impacts based on different levels of participation.

- Assuming only districts under 600 ADA participate it would cost an additional \$8,940,000.
- Assuming only districts under 350 ADA participate it would cost an additional \$6,510,000.
- Assuming only districts under 200 ADA participate it would cost an additional \$3,900,000.
- Assuming only districts under 100 ADA participate it would cost an additional \$1,440,000.

The calculation is based on 2020 average daily attendance (ADA) due to 2021 ADA being impacted by COVID 19.

ADA Under	Number of Districts	Cost
600 ADA	298	\$8,940,000.00
350 ADA	217	\$6,510,000.00
200 ADA	130	\$3,900,000.00
100 ADA	48	\$1,440,000.00

Funding for this increase would most likely be General Revenue as no other funding was specified to pay this additional cost.

Oversight notes, according to a DESE report, previously there was only one superintendent that was shared between school districts. The Malta Bend R-V School District and the Hardeman R-X School District had such an agreement (Paul Vaillencourt). These school districts no longer appear to share a superintendent.

Oversight will show a range of impact of \$0 (no districts sharing a superintendent) to an amount that could exceed \$60,000 in state funding based on two districts (2 x \$30,000 each) sharing a superintendent.

Section 168.500 and 168.515 - Career Ladders

In response to a similar proposal, HB 2493 (2022), officials from **DESE** stated due to the need to approve Teacher Career Plans in the proposed language, DESE estimates a need for 1.0 FTE at the Supervisor level to manage the program.

Oversight notes the need to approve Teacher Career Plans is language that exists in current law and is not a new requirement of this proposal. Therefore, **Oversight** will not show the cost for one additional FTE.

Officials from **DESE** state, in Fiscal Year 2011, \$37,467,000 was appropriated by the General Assembly for Career Ladder. That was the last time that the program was funded and DESE will base the fiscal impact on that amount. Because the language in this section (168.515.2) reverses the matching percentages and sets the state match at 60 percent and the local funding at 40 percent, the department estimates an impact of up to \$56,200,050. Because this amount is subject to appropriation the Department will show a range of \$0 - \$56,200,050 (plus FTE costs).

Oversight assumes current law already provides for funding at forty percent; however, this funding is not currently appropriated by the General Assembly. **Oversight** assumes the impact from this proposal is the difference between funding the Career Ladder program at forty percent (current law) versus funding at sixty percent (proposed law). **Oversight** will show a cost of \$0

(not appropriated) to a cost that could exceed \$18,733,050 (\$56,200,050 - \$37,467,000) as appropriated by the General Assembly.

In addition, **Oversight** assumes this proposal expands the career ladder criteria for admission and stage achievement and reduces the number of years needed for eligibility. Oversight assumes this provision could result in an increase in eligible teacher compensation if appropriated.

Oversight assumes these funds would transfer from General Revenue to the Excellence in Education Revolving Fund into the Career Ladder Forward Funding Fund before being distributed to qualify school districts. For simplicity, Oversight assumes all funds are utilized in the year they are received.

Section 169.596 - Public School Retirement System

Officials from the **Public Schools and Education Employee Retirement Systems** state they have an actuary firm, PricewaterhouseCoopers (PWC), that prepares actuarial cost statements on any proposed legislation as well as the annual actuarial valuation reports for the Systems. This legislation has been submitted to them for an actuarial statement. As soon as the actuarial statement is available, the retirement systems will be amending the fiscal response to include PWC's analysis.

This legislation makes changes to the critical shortage statute, 169.596 for the Public School Retirement System of Missouri (PSRS) and the Public Education Employee Retirement System (PEERS).

This proposal allows retirees to return to work under the Critical Shortage Exemption statute up to four years versus the current two-year restriction.

In response to a similar proposal, HB 2114 (2022), the actuarial cost estimate submitted by **PSRS/PEERS** stated:

Contributions to PSRS due to the critical shortage modifications would result in an actuarial gain, as no additional benefits would be accrued and since employer contributions would be made on all earnings for each retiree rehired under a critical shortage declaration. Therefore, they estimate the impact of the proposed critical shortage modifications to be an **insignificant fiscal gain** to PSRS.

Contributions to PEERS due to the critical shortage modifications would result in an actuarial gain, as no additional benefits would be accrued and since employer contributions would be made on all earnings for each retiree rehired under a critical shortage declaration. Therefore, PWC estimates the impact of the proposed critical shortage modifications to be an **insignificant fiscal gain** to PEERS.

Oversight assumes any fiscal impact resulting from this provision would be insignificant and therefore will reflect a zero fiscal impact in this fiscal note for this provision.

Section 170.014 - Reading Instruction Act

Oversight assumes there could be costs to school districts to expand reading programs through grade five. Currently, the reading programs are established for kindergarten through grade three.

Section 170.018 Computer Science Course

Officials from **DESE** assume this proposal would require updates to the June Core Data/MOSIS cycle to accommodate the bill's requirements:

Adding a field to the MOSIS collection for Computer Science course description: \$10,000 (one-time); \$3,000 maintenance (annual)

Adding a field to the MOSIS collection for Computer Science applicable standards: \$10,000 (one-time); \$3,000 maintenance (annual).

DESE projects programming for the annual report to be published to cost \$25,000 (one time cost) for a total cost of \$45,000 (\$10,000 + \$10,000 + \$25,000) and an ongoing cost of \$6,000 (\$3,000 + \$3,000).

The legislation also requires the department to add 1.0 FTE Computer Science Supervisor/Director (\$51,288).

Oversight does not have any information to the contrary. Therefore, Oversight will reflect the costs provided by DESE for fiscal note purposes.

In response to a previous version, officials from the **High Point R-III School District** assumed the proposal will have no fiscal impact on their organization.

Oversight assumes this proposal requires each school to offer at least one computer science course. Oversight is uncertain how many schools currently offer computer science courses. Oversight assumes there could be costs for those school districts that are not currently offering a computer science course; therefore, Oversight will show an unknown cost to school districts beginning in FY 2024.

Section 170.025 - Cursive Writing

Officials from the **DESE** assume the provision will 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 DESE for this section.

In response to a similar proposal, HB 108 (2021), officials from the **Bowling Green R-1 School District** state this proposal is redundant. This is already a communications arts standard in their state that requires students in 2nd and 3rd grade to write legibly (print, cursive).

In response to a similar proposal, HB 108 (2021), officials from the **Fordland R-III School District, High Point R-III School District** and the **Shell Knob 78 School District** each assumed the proposal would have no fiscal impact on their respective organizations.

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

Oversight notes the [English Language Arts Missouri Learning Standards](#) for K-5 include a standard for Grade 2 and Grade 3 to “write legibly (print, cursive)”.

Based on the cost estimate provided by the Springfield Public Schools and the district’s 4th and 5th grade enrollment numbers, **Oversight** estimates a per student cost of approximately \$21 (\$85,000/4,087).

The statewide total enrollment for Grade 4 and Grade 5 is 129,695 (for the 21-22 school year). Assuming a per student cost of \$21, **Oversight** estimates the cost to implement this provision at \$2,273,595. However, Oversight notes some districts indicated there would be no fiscal impact from this provision; therefore, Oversight will show a cost of less than \$2,273,595.

Section 170.036 Computer Science Task Force

Officials from **DESE** state the proposed legislation does not indicate who is responsible for any costs associated with the Computer Science Education Task Force. If DESE is financially responsible, the Department estimates a total of four meetings per year for the 13 member task force. This cost would cover a two year time span, for a total meeting cost of \$84,740.

Oversight will show the costs for two Task Force meetings at \$42,370 each as estimated by DESE beginning in FY 2023. Oversight assumes the Task Force is dissolved at the end of FY 2024.

In addition, **Oversight** will show a potential unknown cost for on-going evaluation and implementation of task force findings. Oversight assumes this cost would be dependent on the findings and recommendations of the task force.

Oversight notes, per the [Tennessee Computer Science State Education Plan](#), task force recommendations included regional trainings (\$30,713), grants to educators (\$300,000) and K-8 computer science standards and trainings (\$84,000). Based on these estimates, Oversight will

show a range of impact of \$0 (cost of implementing task force finding can be absorbed with existing appropriations) to an unknown cost that could exceed \$250,000.

In response to a similar proposal, SB 659 (2022), officials from the **Department of Higher Education and Workforce Development, Office of the Governor and Missouri House of Representatives** each assumed the proposal would 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.

Officials from the **Missouri State Senate** anticipate a negative fiscal impact to reimburse 2 senators for travel to task force meetings. It will cost approximately \$255.78 per meeting.

Oversight assumes the General Assembly could absorb the cost of the Task Force meetings within the current appropriation levels and will not reflect a fiscal impact.

Section 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 from 2020 (HCS for HBs 1820 & 1470), 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 SP 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 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.

Section 170.048 and 173.1200 - Pupil Identification Cards

In response to a similar proposal, HCS HB 2136 (2022), officials from **University of Central Missouri** assumed this proposal would have a minimal impact.

In response to a similar proposal from 2020 (HB 1820), 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 a similar proposal, HB 304 (2022), officials from **State Technical College of Missouri** stated this proposal would have a negative fiscal impact on the College. Their current student ID printer will not allow information to be printed on the back of the ID card.

In response to a similar proposal, officials from the **Missouri State University** assumed the proposal would have no fiscal impact on their organization.

In response to the previous version, officials from the **St. Charles Community College** assumed the proposal would have no fiscal impact on their organization.

Oversight assumes these provisions require school districts, charter schools and public institutions of higher education that issue pupil identification cards to have printed on the card a specific number that routes calls and text messages to the Suicide and Crisis Lifeline.

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 170.375 - One Class Period Devoted to Black Americans Throughout History

Oversight also assumes these requirements can be incorporated into existing lesson plans and, therefore, Oversight will not show a fiscal impact to school districts.

Section 171.033 - Inclement Weather

Officials from the **DESE** estimate a minimal impact from the proposed legislation as it would result in ITSD costs to modify edits in Web Applications (webpage school districts/charters use to submit data to the department).

OA-ITSD assumes every new IT project/system will be bid out because all ITSD resources are at full capacity. IT contract rates are estimated at \$95/hour. It is assumed modifications will require 120.96 hours for a cost of \$11,491 in FY 2023 with continuing costs of \$2,356 in FY 2024 and \$2,415 in FY 2025.

Per DESE's School Calendar Requirements publication, "A half-day Kindergarten or Prekindergarten program must provide a minimum of five hundred twenty-two hours of actual pupil attendance and shall also include thirty-six make-up hours for possible loss of attendance due to inclement weather." **Oversight** assumes that this provision would potentially reduce the number of hours required for makeup days on a proportional basis.

Oversight assumes this section could result in savings if it reduces transportation costs, hourly wages, food service costs, etc. Oversight will show a range of impact of \$0 (no impact) to an unknown savings to school districts from a reduction in the number of hours required.

Section 173.831 - Workforce Diploma Program

Officials from **DESE** assume they 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.

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. Because payments made to providers are to be made in accordance with a schedule set with the Department, **DESE** will make several assumptions for payment amounts based on previous versions of the bill.

Completion of each half unit of high school credit - \$250

Attaining an employability certificate - \$250

Attaining an industry recognized credential (50 hours) - \$250

Attaining an industry recognized credential (75 hours) - \$500

Attaining an industry recognized credential (100 hours) - \$250

Attaining a high school diploma - \$1,000

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

\$2,266,000 - \$6,799,000 for ½ unit of high school credit achievements

\$4,928,550 - \$14,787,825

Because this provision is subject to appropriation, the Department will show a range of \$0 (no money appropriated for the program) to \$14,857,084 starting in FY23.

At the time this fiscal note was presented, DESE had not yet provided salary, fringe and equipment costs for the necessary FTE. **Oversight** estimated the cost based on a similar proposal from the previous year, HB 733 (2021).

Oversight will show a range of impact of \$0 (not appropriated) to the costs as estimated by DESE as a transfer from General Revenue to the Workforce Diploma Program Fund.

Oversight will show the costs as estimated by DESE to the Workforce Diploma Program Fund for reimbursements to program providers. Oversight assumes funds will be used within the year they were received.

Officials from the **Office of the State Treasurer** assume the proposal will 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 agency.

Oversight assumes DESE is required to issue a request for interested program providers before September 1, 2022. 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 any time before September 2022 and after the effective date of this proposal August 28, 2022. Therefore, Oversight will show cost beginning in FY 2023.

Section 178.694 - Imagination Library of Missouri Program

Officials from **DESE** estimate the need for one (1) FTE Program Specialist at an annual salary of \$45,443. The Program Specialist would manage the contracts and/or communication with the non-profit ("Dolly Parton's Imagination Library Affiliate"), oversee the activities required, and be responsible for communication and collaboration with the school districts regarding the implementation of this program.

Beginning in school year 2023-24 and continuing in each subsequent school year, school districts shall, in partnership with the affiliate, give one reading selection to each eligible child in the school district in each month, beginning as early as the child's birth month through the month in which the child reaches five years of age. Subject to appropriation, the costs of giving such reading selections to eligible children shall be reimbursed to each school district from the "Imagination Library of Missouri Program Fund."

According to the CDC Vital Statistics Surveillance Report, there were approximately 70,000 children born in Missouri in 2020. Assuming a child could receive up to 60 books before turning five years of age and an average cost of \$30 per year per child, DESE estimates a cost of up to \$10,500,000.

Number of children ages 0 – 5:	350,000 (70,000 births/year * 5)
Cost per child/year:	\$30
Total yearly costs:	\$10,500,000

Because this amount is subject to appropriations DESE will show a range of \$0 - \$10,500,000.

In response to a similar proposal, HB 2567 (2022), officials from **Sikeston R-6 School District** state this would be a great program, but are concerned if Missouri would remain committed to reimbursing school districts this new financial expenditure. Districts would incur the cost of purchasing and shipping the books to the homes of families within the district. It would be beneficial if Missouri could provide a means for school districts to provide information prior to ordering the books and DESE provided the funds to purchase the books instead of a reimbursement process.

Oversight assumes this provision requires each school district to provide each child birth to five with one reading selection per month starting beginning in the 2023-2024 school year (FY 2024).

Oversight notes, per the U.S. Census Bureau [Missouri QuickFacts](#), persons under 5 years of age account for 6% of Missouri's population or 370,091. Per the Imagination Library [website](#), a \$25 dollar donation can provide a book to a child each month for a year. Oversight assumes the costs to school districts are estimated at \$9,252,275 per year (370,091 * \$25) beginning in FY 2024.

Oversight assumes school districts shall be reimbursed for this cost from the Imagination Library of Missouri Program Fund. Oversight assumes this provision requires the general assembly to appropriate at least \$5 million annually for this purpose. For simplicity, Oversight assumes all funds will be used within the year they are received.

If the costs of providing the reading selections exceeds the available appropriations, **Oversight** assumes the school districts will bear the remaining cost.

Section 186.080 - Literacy Advisory Council

Officials from **DESE** estimate ongoing annual meeting costs to maintain the Literacy Advisory Council at \$44,600.

Sections 302.010 and 304.060 - Other Vehicles for Transportation of Students

Officials from **Department of Revenue (DOR)** state section 302.010.21 changes the definition of school bus to mean any vehicle designed for carrying more than ten passengers used to transport students for educational purposes.

Section 304.060.1 gives school districts the authority to use vehicles other than school buses for the purpose of transporting school children. The state board of education may adopt rules and regulations governing the use of other vehicles used to transport school children, except vehicles operating under sections §387.400 to §387.440. The draft language further removes the requirement for drivers of such vehicles to meet the provisions of §302.272, thus removing the requirement to meet school bus endorsement testing, issuance, driver history and background check requirements. It also requires vehicles other than school buses to transport no more children than the manufacturer suggests appropriate, and meet any additional requirements of the school district.

The proposed change to remove the requirements of §302.272, may have an impact on the safety of students being transported in vehicles other than a commercial class school bus. Under current requirements drivers applying for a non-commercial Class E with a school bus endorsement are required to complete additional driver history and background checks and regular drug testing. This also includes the current mandatory annual skills provisions to ensure driving proficiency for those school bus endorsed drivers age 70 and over. School districts are required to report failed drug tests to the Department for suspension of school bus endorsements. Drivers without school bus endorsements may not be held to the same requirements.

Administrative Impact

To implement the proposed legislation, the DOR will be required to:

- Work with Missouri State Highway Patrol (MSHP) to update the Missouri Driver Guide to include the new information (online and printed versions).

FY23-Driver License Bureau

Research/Data Analyst 15 hrs. @ \$24.29 per hr. = \$364

Administrative Manager 10 hrs. @ \$26.37 per hr. = \$264

Total \$628

FY23-Personnel Services Bureau

Associate Research/Data Analyst 15 hrs. @ \$19.46 per hr. = \$292

Associate Research/Data Analyst 15 hrs. @ \$19.46 per hr. = \$292

Total \$584

Total Costs = \$1,212

The DOR anticipates being able to absorb these costs. However, until the FY23 budget is final, the Department cannot identify specific funding sources. If multiple bills pass that require Department resources, FTE/funding will be requested through the appropriations process.

The proposed legislation would require updates to the Missouri Driver Guide that could be absorbed. Decisions made during implementation could result in a requirement for destruction and replacement of current driver guide supplies and printing costs outside of normal reordering.

The printing costs of the driver guide are currently covered by the Missouri State Highway Patrol (MSHP).

Oversight assumes these costs are minimal and can be absorbed by the DOR and MSHP.

Officials from the DESE and **Department of Public Safety - Missouri Highway Patrol** each assume the proposal will have no fiscal impact on their respective organizations.

Oversight does not anticipate an impact to school districts.

Responses regarding the proposed legislation as a whole

Officials from **Attorney General's Office, Department of Mental Health, Office of the State Treasurer, Department of Higher Education and Workforce Development** and the **University of Missouri System** 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.

In response to a similar proposal, HCS HB 1753 (2022), officials from the **Office of Administration - Administrative Hearing Commission**, 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 this agency.

In response to a similar proposal, HCS HB 1753 (2022), officials from the **Joint Committee on Public Employee Retirement (JCPER)** state the JCPER has reviewed this proposal. The proposal has no fiscal impact to the Joint Committee on Public Employee Retirement. The JCPER's review of the proposal indicates that its provisions may constitute a "substantial proposed change" in future plan benefits as defined in section 105.660(10). It is impossible to accurately determine the fiscal impact of this legislation without an actuarial cost statement prepared in accordance with section 105.665. Pursuant to section 105.670, an actuarial cost statement must be filed with the Chief Clerk of the House of Representatives, the Secretary of the Senate, and the Joint Committee on Public Employee Retirement as public information for at least five legislative days prior to final passage.

In response to a similar proposal, HCS HB 1753 (2022), officials from the **Kansas City Election Board** stated if this legislation causes a School District election, the cost in the Kansas City portion of Jackson County would range from \$10,000 to \$250,000.

In response to a similar proposal, HCS HB 1753 (2022), officials from the **Jackson County Election Board, Platte County Election Board** and the **Gordon Parks Elementary Charter School** each assume the proposal will have no fiscal impact on their respective organizations.

In response to a similar proposal, Perfected HCS HB 1750 (2022), officials from the **University of Central Missouri** state there is an indeterminate fiscal impact due to uncertainty of application.

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.

Oversight only reflects the responses received from state agencies and political subdivisions; however, school districts were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

Rule Promulgation

Officials from the **Joint Committee on Administrative Rules** assume 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 SOS 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 the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes 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 the office can sustain with its core budget. Therefore, the SOS reserves 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 2023 (10 Mo.)	FY 2024	FY 2025
GENERAL REVENUE FUND			
<u>Cost – OA</u> Added Reporting Requirements to the Missouri Accountability Portal §37.850 - p. 3-4			
FTE Cost	(\$61,155)	(\$61,155)	(\$61,155)
ITSD Cost	(\$16,416)	(\$3,365)	(\$3,449)
<u>Total Cost – OA</u>	(\$77,571)	(\$64,520)	(\$64,604)
FTE Change – OA	1 FTE	1 FTE	1 FTE
Costs - DESE - develop and maintain new MOSIS data collection for ARPA report - §160.067 - p.4	(\$40,000)	\$0	\$0
<u>Costs – DSS - §160.261 - p.5</u>	\$0 to ...	\$0 to ...	\$0 to ...
Personnel Service	(\$43,756)	(\$53,032)	(\$53,563)
Fringe Benefits	(\$28,478)	(\$34,349)	(\$34,527)
Expense & Equipment	(\$11,439)	(\$7,991)	(\$8,191)
<u>Total Costs -</u>	(\$83,673)	(\$95,372)	(\$96,281)
FTE Change	1.12 FTE	1.12 FTE	1.12 FTE
<u>Costs - for meeting to develop a model policy - §160.516 - p.5-6</u>	(\$56,865)	\$0	\$0
<u>Costs - DESE - policy development and modifications to data collection system - §160.565 - p.6</u>	(\$35,000)	\$0	\$0
<u>Costs - DESE - §160.565 - p.6</u>	Could exceed...	Could exceed...	Could exceed...
Personal Service	(\$42,740)	(\$51,801)	(\$52,319)
Fringe Benefits	(\$26,012)	(\$31,400)	(\$31,589)
Expense & Equipment	(\$15,858)	(\$8,288)	(\$8,494)
<u>Total Costs</u>	(\$84,610)	(\$91,489)	(\$92,402)
FTE Change DESE	1 FTE	1 FTE	1 FTE
<u>Costs - meeting costs to align literacy instruction - §161.097 - p.7</u>	(\$40,140)	\$0	\$0

<u>Costs</u> - DESE - support for school districts implementing School Innovation Waivers - §161.214 - p.7	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> - DESE - §161.241 - p.7-8			
Personnel Service	(\$52,900)	(\$64,115)	(\$64,756)
Fringe Benefits	(\$29,704)	(\$35,875)	(\$36,108)
Expense & Equipment	(\$15,858)	(\$8,288)	(\$8,494)
<u>Total Costs</u> - DESE	(\$98,462)	(\$108,278)	(\$109,358)
FTE Change	1 FTE	1 FTE	1 FTE
<u>Costs</u> - to recruit and employ quality teacher trainers - §161.241 - p.7-8	\$0 to (Could exceed \$100,000)	\$0 to (Could exceed \$100,000)	\$0 to (Could exceed \$100,000)
<u>Transfer Out</u> - to the Evidence-Based Reading Instruction Program Fund - §161.241.9 - p.7-8	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> - DESE - develop a Holocaust curriculum - §161.700 - p.8	(\$22,300)	\$0	\$0
<u>Costs</u> - DESE - professional development framework - §161.700 p.8	(\$66,900)	\$0	\$0
<u>Cost Avoidance</u> - denial of non-special education costs - §162.974 p.14-15	Unknown	Unknown	Unknown
<u>Transfer Out</u> - to High Need Fund - §162.974 - p.14-15	(\$17,087 or Unknown)	(\$17,087 or Unknown)	(\$17,087 or Unknown)
<u>Transfer Out</u> - Increased formula funding to Gasconade County R-II, Maries County R-II, Bismarck R-V and the West St. Francois County R-IV school districts - §163.016 - p.15-16	\$0 to (\$2,165,902)	\$0 to (\$2,165,902)	\$0 to (\$2,165,902)

<u>Costs</u> - BRITE Act - orientation and mobility evaluations and eye reports - §167.225 - p.16-17	(\$20,600)	(\$20,600)	(\$20,600)
<u>Costs</u> - meeting costs to develop guidelines for the Office of Literacy - §167.268 - p.17	(\$44,600)	\$0	\$0
<u>Costs</u> - increased ADA for remediation hours - §167.640 & §167.645 p.17-19	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> - DESE - new application and process - §168.036.5 - p.20-23	(\$40,000)	\$0	\$0
<u>Costs</u> - DESE - new certification process and reporting database - §168.036.7 - p.20-23	(\$70,000)	\$0	\$0
<u>Costs</u> - DESE - §168.036.7 - p.20-23			
Personnel Service	(\$27,960)	(\$28,240)	(\$28,522)
Fringe Benefits	(\$22,737)	(\$22,838)	(\$22,941)
Expense & Equipment	(\$17,206)	(\$8,288)	(\$8,494)
<u>Total Costs</u> -	(\$67,903)	(\$59,366)	(\$59,957)
FTE Change	1 FTE	1 FTE	1 FTE
<u>Costs</u> - DESE - to create and maintain a web based survey - §168.037 - p.23	(Could exceed \$100,000)	(\$10,000)	(\$10,000)
<u>Costs</u> - GR payment to schools that share a superintendent - §168.205.2(2) - p.23-24	\$0	\$0 to (Could exceed \$60,000)	\$0 to (Could exceed \$60,000)
<u>Costs</u> - DESE - expansion of career ladder criteria for admission and stage achievement - §168.515.2 - p.24-25	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> - increased funding for Career Ladders program from forty percent to sixty percent - §168.515.2 - p.24-25	\$0 to (Could exceed \$18,733,050)	\$0 to (Could exceed \$18,733,050)	\$0 to (Could exceed \$18,733,050)

<u>Costs - DESE - §170.018 - p.26</u>			
Personal Service	(\$42,740)	(\$51,801)	(\$52,319)
Fringe Benefits	(\$26,012)	(\$31,400)	(\$31,589)
Expense & Equipment	<u>(\$15,858)</u>	<u>(\$8,288)</u>	<u>(\$8,494)</u>
<u>Total Costs</u>	<u>(\$84,610)</u>	<u>(\$91,489)</u>	<u>(\$92,402)</u>
FTE Change -- DESE	1 FTE	1 FTE	1 FTE
<u>Costs - DESE - updates to the June Core Data/MOSIS cycle - §170.018 - p.26</u>			
<u>Costs - DESE - task force meetings - §170.036 p.27-28</u>			
(\$42,370)	(\$42,370)	\$0	
<u>Costs - DESE- on-going evaluation and implementation of task force findings - §170.036 - p.27-28</u>			
\$0	\$0 or (Unknown)	\$0 or (Unknown)	
<u>Costs - DESE ITSD costs - §171.033 - p.28</u>			
(\$11,491)	(\$2,356)	(\$2,415)	
<u>Costs - DESE - establish and administer the Workforce Diploma Program - §173.831 - p.30-31</u>			
\$0 or ...	\$0 or ...	\$0 or ...	
Personal Service	(\$33,540)	(\$40,650)	(\$41,027)
Fringe Benefits	(\$21,270)	(\$25,659)	(\$25,797)
Equipment and Expense	<u>(\$14,949)</u>	<u>(\$7,403)</u>	<u>(\$7,588)</u>
<u>Total Costs</u>	<u>(\$69,759)</u>	<u>(\$73,712)</u>	<u>(\$74,442)</u>
FTE Change - DESE	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
<u>Transfer Out - DESE - to the Workforce Diploma Program Fund - §173.831 - p.30-31</u>	\$0 to (Unknown Could exceed \$4,928,550 to \$14,787,325)	\$0 to (Unknown Could exceed \$4,928,550 to \$14,787,325)	\$0 to (Unknown Could exceed \$4,928,550 to \$14,787,325)
<u>Costs - DESE - §178.694 - p. 30-32</u>			
Personnel Service	\$0	(\$45,894)	(\$46,356)
Fringe Benefits	\$0	(\$29,255)	(\$29,422)
Expense & Equipment	\$0	<u>(\$15,858)</u>	<u>(\$8,494)</u>
<u>Total Costs -</u>	<u>\$0</u>	<u>(\$91,010)</u>	<u>(\$84,272)</u>

FTE Change	0 FTE	1 FTE	1 FTE
<u>Transfer Out</u> - to the Imagination Library of Missouri Program Fund - §178.694 - p. 31-32	\$0	(\$5,000,000) to Could exceed (\$9,252,275)	(\$5,000,000) to Could exceed (\$9,252,275)
<u>Costs</u> - annual meetings for literacy advisory council - §186.080 - p.32	(\$44,600)	(\$44,600)	(\$44,600)
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	(\$1,065,509) to Could exceed (\$37,005,218)	(\$5,649,165) to Could exceed (\$45,916,801)	(\$5,603,697) to Could exceed (\$45,872,972)
Estimated Net FTE Change to the General Revenue Fund	5 FTE to Could exceed 7.12 FTE	6 FTE to Could exceed 8.12 FTE	6 FTE to Could exceed 8.12 FTE
EVIDENCE-BASED READING INSTRUCTION PROGRAM FUND			
<u>Transfer In</u> - from General Revenue - §161.241.9 - p.7-8	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Income</u> - from gifts, bequests or donations - §161.241.9 - p.7-8	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Transfer Out</u> - to School Districts and Charter Schools - for efforts to improve literacy - §161.241.9 - p.7-8	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON THE EVIDENCE-BASED READING INSTRUCTION PROGRAM FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

CRIMINAL RECORD SYSTEM FUND (0671)			
<u>Income</u> – MHP – potential increase in fees for multiple school designations - §168.036 p.22-23	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> - DPS-MHP - Missouri Automated Criminal History System modifications - §168.036 p.22-23	(\$165,000)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON CRIMINAL RECORD SYSTEM FUND	Up to (\$165,000)	\$0 or Unknown	\$0 or Unknown
IMAGINATION LIBRARY OF MISSOURI PROGRAM FUND			
<u>Transfer In</u> - from General Revenue - §178.694 - p.30-31	\$0	\$5,000,000 to Could exceed \$9,252,275	\$5,000,000 to Could exceed \$9,252,275
<u>Income</u> - from gifts, bequests, grants or donations - §178.694 - p.30-31	\$0	\$0 or Unknown	\$0 or Unknown
<u>Transfer Out</u> - to reimburse school districts - §178.694 - p.30-31	\$0	(\$5,000,000) to Could exceed (\$9,252,275)	(\$5,000,000) to Could exceed (\$9,252,275)
ESTIMATED NET EFFECT ON THE IMAGINATION LIBRARY OF MISSOURI PROGRAM FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

CAREER LADDER FORWARD FUNDING FUND			
<u>Transfer In</u> - from Revolving Fund - for expansion of career ladder eligibility criteria - §168.515.2 - p.24-25	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Transfer In</u> - from Revolving Fund - increased funding for Career Ladders program at sixty percent - §168.515.2 - p.24-25	\$0 to Could exceed \$18,733,050	\$0 to Could exceed \$18,733,050	\$0 to Could exceed \$18,733,050
<u>Transfer Out</u> - to School Districts - increased funding for Career Ladders program from forty percent to sixty percent - §168.515.2 - p.24-25	\$0 to (Unknown, Could exceed \$18,733,050)	\$0 to (Unknown, Could exceed \$18,733,050)	\$0 to (Unknown, Could exceed \$18,733,050)
ESTIMATED NET EFFECT ON THE CAREER LADDER FORWARD FUNDING FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
COLLEGE & UNIVERSITY FUNDS			
<u>Cost</u> – supplies and equipment to print cards to adhere to §173.1200 - p.29	\$0 or (Unknown)	\$0	\$0
ESTIMATED NET EFFECT ON COLLEGE & UNIVERSITY FUNDS	<u>\$0 or (Unknown)</u>	<u>\$0</u>	<u>\$0</u>

WORKFORCE DIPLOMA PROGRAM FUND			
<u>Transfer In</u> - from General Revenue - §173.831 - p.30-31	\$0 to Unknown Could exceed \$4,928,550 to \$14,787,325	\$0 to Unknown Could exceed \$4,928,550 to \$14,787,325	\$0 to Unknown Could exceed \$4,928,550 to \$14,787,325
<u>Income</u> - from gifts and bequests - §173.831 - p.30-31	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> - DESE - reimbursements to program providers for qualifying student milestones - §173.831 - p.30-31	\$0 to (Unknown Could exceed \$4,928,550 to \$14,787,325)	\$0 to (Unknown Could exceed \$4,928,550 to \$14,787,325)	\$0 to (Unknown Could exceed \$4,928,550 to \$14,787,325)
ESTIMATED NET EFFECT ON THE WORKFORCE DIPLOMA PROGRAM FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
FEDERAL FUNDS			
<u>Income</u> - DSS - §160.261 - p.5	\$0 to \$63,349	\$0 to \$72,035	\$0 to \$72,719
<u>Costs</u> - DSS - §160.261 - p.5	\$0 to ...	\$0 to ...	\$0 to ...
Personnel Service	(\$34,380)	(\$41,668)	(\$42,085)
Fringe Benefits	(\$22,375)	(\$26,988)	(\$27,128)
Expense & Equipment	(\$8,988)	(\$6,279)	(\$6,435)
<u>Total Costs</u> - DSS	<u>(\$65,743)</u>	<u>(\$74,935)</u>	<u>(\$75,648)</u>
FTE Change	.88 FTE	.88 FTE	.88 FTE
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Estimated Net FTE Change on Federal Funds	0 to .88 FTE	0 to .88 FTE	0 to .88 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
LOCAL POLITICAL SUBDIVISIONS			
<u>Cost</u> – locals reporting to the Missouri Accountability Portal §37.850 - p.3-4	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> - School Districts - for annual curriculum review - §160.516 - p.5-6	(Unknown)	(Unknown)	(Unknown)
<u>Costs</u> - School Districts - inform and assist students/parents who want to participate in extended learning opportunities - §160.565 - p.6	\$0	(Unknown)	(Unknown)
<u>Costs</u> - School Districts - to implement School Innovation Waivers (improve student readiness and job training, increase teacher compensation, improve teacher recruitment and development) - §161.214 - p.7	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Revenue</u> - School Districts - distributions to support school districts implementing School Innovation Waivers - §161.214 - p.7	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Transfer In</u> - from the Evidence-Based Reading Instruction Program Fund to School Districts - §161.241.9 - p.7-8	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> - School Districts - to keep records of incidents and inform parents §161.1050 - p.9	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> - School Boards/School Districts - to implement community engagement policies and add agenda items from residents of a district - §162.058 - p.9	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

<u>Costs</u> - School Districts - to notify parents of performance scores and goals - §162.084 p.9	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Costs</u> - Election Authorities - for redistricting and conducting elections - §162.563 - p.10	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost</u> - School Districts - requirement to establish gifted programs - §162.720 - p.10-13	\$0	\$0	\$0 to could exceed (\$6,888,675)
<u>Costs</u> - School Districts - additional costs for shifting the burden of proof and production - §162.961 - p.12-14	(Unknown)	(Unknown)	(Unknown)
<u>Loss</u> - School Districts - denial of non-special education costs - §162.974 - p.14-15	(Unknown)	(Unknown)	(Unknown)
<u>Revenue</u> - School Districts - increase in eligible costs - §162.974 - p.14-15	\$25,503 or Unknown	\$25,503 or Unknown	\$25,503 or Unknown
<u>Transfer In</u> - Increased formula funding to Gasconade County R-II, Maries County R-II, Bismarck R-V and the West St. Francois County R-IV school district from other school districts or GR - §163.016 - p.15	\$0 to \$2,165,902	\$0 to \$2,165,902	\$0 to \$2,165,902
<u>Costs</u> - School Districts - orientation and mobility evaluations and instruction, eye reports, duplicative accessible assistive technology - §167.225 - p.14	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Revenue Gain</u> - School Districts - increased call to the foundation formula for remediation hours outside of the traditional school day - §167.640 - p.17-19	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

<u>Costs</u> - School Districts - reading success plans and reading intervention for students - §167.640 & §167.645 - p.17-19	(Unknown, Potentially significant)	(Unknown, Potentially significant)	(Unknown, Potentially significant)
<u>Cost avoidance</u> - School Districts - savings from transferring students now to attend recovery high schools - §167.850 - p.16-17	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> - School Districts - payments to recovery high schools - §167.850 - p.19-20	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> - Recovery High Schools - cost to educate students - §167.850 - p.19-20	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Revenue</u> - Recovery High School - payments from public schools and/or other state(s) - §167.850 - p.19-20	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs/Savings</u> - School Districts/Community Colleges - from an unknown impact on employer contribution rates - §168.036.6 - p.20-21	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown	\$0 or (Unknown) to Unknown
<u>Costs</u> - School Districts & Charter Schools - substitute teacher data collection - §168.037 - p.23	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Revenue Gain</u> - School Districts - state payment to schools that share a superintendent - §168.205.2(2) - p.23-24	\$0	\$0 to Could exceed \$60,000	\$0 to Could exceed \$60,000
<u>Revenue Gain</u> - School Districts - for expansion of career ladder eligibility criteria - §168.515.2 - p.24-25	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown

<u>Revenue Gain</u> - School Districts - increased funding for Career Ladders program from forty percent to sixty percent - §168.515.2 -p.24-25	\$0 to Could exceed \$18,733,050	\$0 to Could exceed \$18,733,050	\$0 to Could exceed \$18,733,050
<u>Costs</u> - School Districts - to expand reading programs to grade five - §170.014 - p.26	(Unknown)	(Unknown)	(Unknown)
<u>Costs</u> - School Districts - to offer computer science course - §170.018 - p.26	\$0	(Unknown)	(Unknown)
<u>Costs</u> - School Districts - materials, assessments and teacher time to implement cursive writing - §170.025 p.27	(Less than \$2,739,933)	(Less than \$2,739,933)	(Less than \$2,739,933)
<u>Cost</u> - School Districts - supplies and equipment to print cards to adhere to §170.048 - p.29	\$0 or (Unknown)	\$0	\$0
<u>Savings</u> - School Districts - from reduce transportation costs, hourly wages or food service costs - §171.033 - p.29-30	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Transfer In</u> - School Districts - from the Imagination Library of Missouri Program Fund - §178.694 - p.31-32	\$0	\$5,000,000 to Could exceed \$9,252,275	\$5,000,000 to Could exceed \$9,252,275
<u>Costs</u> - School Districts - to provide reading selections to children birth to five - §178.694 - p.31-32	\$0	(Could exceed \$9,252,275)	(Could exceed \$9,252,275)
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	(Unknown, Potentially significant)	(Unknown, Potentially significant)	(Unknown, Potentially significant)

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This proposal modifies provisions relating to elementary and secondary education, with an emergency clause for a certain section.

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

Attorney General's Office

Department of Elementary and Secondary Education

Department of Public Safety - Missouri Highway Patrol

Office of Administration

Department of Social Services

Administrative Hearing Commission

Office of the State Courts Administrator

Office of the State Treasurer

Department of Mental Health

Joint Committee on Public Employee Retirement

Office of the Secretary of State

Joint Committee on Administrative Rules

Missouri Senate

Missouri House of Representatives

Office of the Governor

Public Schools and Education Employee Retirement Systems

City of St. Louis

Jackson County Election Board

Platte County Election Board

St. Louis County Election Board

Kansas City Election Board

City of Claycomo

City of O'Fallon

Sedalia School District 200

Southeast Missouri State University - Charter School Sponsor

Gordon Parks Elementary

Sikeston R-6 School District

Fordland School District

High Point R-III School District

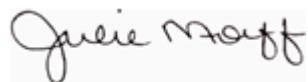
Springfield Public Schools

Lee's Summit R-7 School District

Wellsville-Middletown R-I School District

Fayette R-III School District

Shell Knob School District
Hurley R-I School District
Taneyville R-II School District
Republic School District
Dallas County R-I School District
Affton 101 School District
Marquand-Zion R-VI School District
Malta Bend R-V School District
Park Hill School District
Bowling Green School District
Phelps County Sheriff
Kansas City Police Department
St. Louis County Police Department
Gasconade County R-II School District
Missouri State University
Northwest Missouri State University
State Technical College of Missouri
University of Central Missouri
St. Charles Community College
Normandy Schools Collaborative



Julie Morff
Director
April 25, 2022



Ross Strope
Assistant Director
April 25, 2022