

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4133S.14S
Bill No.: CCS No. 2 for HCS for SS for SCS for SB Nos. 681 & 662
Subject: Education, Elementary and Secondary, Elementary and Secondary Education,
Department of: Buses: Children and Minors
Type: Original
Date: May 9, 2022

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue	(\$5,093,622) to Could exceed (\$41,055,631)	(\$7,325,870) to Could exceed (\$50,251,880)	(\$6,787,661) to Could exceed (\$49,699,092)
Total Estimated Net Effect on General Revenue	(\$5,093,622) to Could exceed (\$41,055,631)	(\$7,325,870) to Could exceed (\$50,251,880)	(\$6,787,661) to Could exceed (\$49,699,092)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Budget Stabilization Fund	(\$27,000,000)	\$0 or (Unknown)	\$0 or (Unknown)
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 \$27,173,416)	(Could exceed \$8,416)	(Could exceed \$8,416)

*Transfers in and distributions net to zero.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
Federal*	\$0 or Could exceed (\$22,300)	\$0 or (Unknown)	\$0 or (Unknown)
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0 or Could exceed (\$22,300)	\$0 or (Unknown)	\$0 or (Unknown)

*Includes Income and expenses (of approximately \$65,000) that net to zero.

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue	12 FTE to could exceed 14.12 FTE	13 FTE to could exceed 17.12 FTE	13 FTE to could exceed 17.12 FTE
Federal Funds	0 to .88 FTE	0 to .88 FTE	0 to .88 FTE
Total Estimated Net Effect on FTE	12 to 15 FTE	13 to 18 FTE	13 to 18 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

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

§160.077 – Get the Lead Out of School Drinking Water Act

In response to a similar proposal, HCS SB 984 (2022), officials from the **Department of Health and Senior Services (DHSS)** assumed the following regarding this proposal:

Section 160.077 of the proposed legislation would create the “Get the Lead Out of School Drinking Water Act” which would create lead testing requirements for certain schools, including early childhood education programs that receive state funding.

Section 160.077.4(8) would require school districts to submit annual testing results to the Department of Health and Senior Services.

Section 160.077.5 would make DHSS responsible for determining the entities that may conduct testing and analyze the results.

Section 160.077.6 would require the Department of Natural Resources (DNR) make apportionments available to school districts, with assistance from DHSS and the Department of Elementary and Secondary Education (DESE).

Section 160.077.7 would require DHSS to publish a biennial report on the findings from water testing as reported to DHSS under Section 160.077.4(8), which would be published on DNR’s website.

Section 160.077.8 would require DHSS to ensure public schools comply with the provisions of the Act.

Section 160.077.11 would allow DHSS to promulgate rules.
To administer the provisions of the legislation DHSS would need to establish a new program, requiring:

- Three (3) Environmental Program Analysts to enforce the provisions of the legislation as required by subsection eight, to provide schools technical assistance on testing and interpreting results, and provide any needed trainings to schools and school staff. Each position would have an estimated annual salary of \$50,213 based on the average annual salary of an Environmental Program Analyst in the Division of Community and Public Health (DCPH) as of March 2022.
- Four (4) Public Health Program Specialists to receive and process data, provide outreach and education about the program, and assist schools with communicating results to the public. Each position would have an estimated annual salary of \$47,616 based on the average annual salary of a Public Health Program Specialist in the DCPH as of March 2022.
- One (1) Environmental Program Supervisor to oversee the program and supervise staff, with an estimated annual salary of \$67,256 based on the average annual salary of an Environmental Program Supervisor in the DCPH as of March 2022.
- One (1) Administrative Support Assistant to provide support to the program, including managing phone calls, letter communications, and travel arrangements. This position would have an estimated annual salary of \$32,573 based on the average annual salary of an Administrative Support Assistant in the DCPH as of March 2022.

As the proposed legislation requires DNR to make apportionments available to schools, DHSS assumes that the funds apportioned to schools would be an expense within DNR rather than DHSS, and any needed fiscal staff would be within DNR.

Oversight does not have information to the contrary and therefore, Oversight will reflect the estimates as provided by the DHSS.

In response to a similar proposal, HCS SB 984 (2022), officials from the **Department of Natural Resources (DNR)** stated the following:

To meet the requirements of 160.077.6, additional FTEs are anticipated in the Financial Assistance Center. However, without knowing the size of the appropriation or how many schools would require funding, the Department is unable to estimate the exact number of FTEs that will be needed at this time and currently have no established funding for these activities. Positions will be needed to develop a new grant program, solicit and review applications, oversee the award of grant funds to recipients, issue grant payments, and to coordinate with staff in the Public Drinking Water Branch and regional offices who handle monitoring, compliance and field responses related to the law.

Oversight will reflect an “Unknown” cost to DNR for implementation of the grant program.

In response to a similar proposal from 2022 (HCS for HB 2532), officials from the **Department of Elementary and Secondary Education and Office of Administration - Administrative**

Hearing Commission 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.

In response to a similar proposal from 2022 (HCS for HB 2532), officials from the **Kansas City Public Schools (KCPS)** indicated they did 290 samples over 38 sites at a cost of \$133 per sample last year. This was for lead and copper. This was doing an average of 7.6 tests at 38 locations. Not every outlet was tested. KCPS paid an average of approximately \$1,025 per location for the testing only. To test every outlet the cost per location would be about \$2,700 per location. For all locations for KCPS that would cost \$102,500 each testing round.

Remediation costs will vary by building with older/larger buildings coming at a higher cost. Replacement of lines is one remediation. There will not be issues in buildings constructed after 1986. That is when the mandate for lead free solder was put in place. If the lines are too costly to replace, a school district could filter at that line.

Oversight assumes this proposal requires school districts to test drinking water outlets for lead levels and to engage in remediation efforts if elevated lead levels are discovered. Oversight assumes this proposal provides additional funding for school districts to fund the filtration, testing, and remediation of drinking water systems, subject to appropriation.

In addition, this proposal allows school districts to seek federal funds for reimbursement for compliance incurred under this proposal. **Oversight** will show a range of impact to Federal Funds of \$0 (none available) to an unknown negative transfer from Federal Funds to school districts.

Oversight notes, per a report by the U.S. Government Accountability Office (GAO) titled [Lead Testing of School Drinking Water Would Benefit from Improved Federal Guidance](#):

“In our survey, the median amount spent by school districts to test for lead in school drinking water during the past 12 months varied substantially, depending on the number of schools in which tests were conducted (see table 1). School districts may have paid for services such as collecting water samples, analyzing and reporting results, and consultants. For example, an official in a small, rural school district—with three schools housed in one building—told us his district spent \$180 to test all eight fixtures. In contrast, officials in a large, urban school district told us they spent about \$2.1 million to test over 11,000 fixtures in over 500 schools. Some school districts, especially larger ones, incurred costs to hire consultants to advise them and help design a plan to take samples, among other things.

Based on this information, **Oversight** estimates the cost of the testing ranges from \$23 to \$191 per fixture. There are 518 school districts in Missouri with 2,357 public and charter school buildings, plus an estimated 650 private schools. Assuming a cost of \$100 per test x 10 drinking water outlets per building x 3,007 school buildings total testing costs would be over \$3 million per year.

Oversight notes, per a [local news report](#), a school district in Lancaster County, Pennsylvania, “installed around 100 filters throughout the school, which cost about \$200,000.” Based on this, **Oversight** estimates the cost per filter at approximately \$2,000.

Per the GAO report, approximately 37% of school districts tested found elevated lead levels. **Oversight** assumes if 37% of school buildings in Missouri were required to install three filters the cost is estimated at \$4,735,260. In addition, **Oversight** assumes there would be annual maintenance costs.

Ultimately, **Oversight** is uncertain how many school districts currently test for lead levels or how many would have elevated lead levels. Additionally, **Oversight** is uncertain what type of remediation efforts would be used to address elevated lead levels.

Oversight will show an unknown cost to school districts that could be substantial.

In addition, per section 160.077.9 (2), **Oversight** assumes school districts could incur penalties for non-compliance.

Section 160.261 Discipline & Abuse Procedures

In response to the previous version, officials from the **Department of Elementary and Secondary Education (DESE)** assumed the provision would have no fiscal impact on their organization.

In response to the previous version, officials from from **Department of Social Services (DSS) - Division of Youth Services** stated 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 provision would have no fiscal impact on their respective organizations.

Sections 160.560 Show Me Success Diploma Program

In response to a similar proposal, HB 624 (2021), officials from the **Office of the State Treasurer (STO)** stated they are estimating anywhere from no fiscal impact up to two FTEs. The overall impact to the State Treasurer's Office will depend on negotiation with the state's 529 program manager to implement these provisions. The STO assumed a possible need for two (2) FTE Analysts, each at \$39,708 annually plus fringe benefits and other expense and equipment.

Oversight notes that subsection 160.560.8 states the Office of the State Treasurer shall provide guidance and assist with the creation, maintenance, and use of an account that has been established under sections 166.400 to 166.455 (MOST program).

Oversight will range the fiscal impact "Up to" the 2 FTE estimated by the STO starting in FY 2023 depending upon the activity and complexity additional accounts.

Oversight assumes this program is optional (may) for school districts. Oversight also assumes school districts would continue to receive state funding for students that utilize this educational path. Therefore, Oversight will assume the provision will not materially fiscally impact local school districts.

Oversight assumes if a student receives a show-me success diploma and enrolls in a postsecondary educational institution, the state will continue to count this student in their funding calculation, and this will not result in a material difference in state aid. Therefore, Oversight will not reflect a fiscal impact to the foundation formula for this provision.

Sections 160.2700 & 160.2705 - Adult High Schools

In response to the previous version, officials from the **DESE** and **DSS** each assumed 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

In response to the previous version, officials from **DESE** estimated a one-time meeting cost to align literacy and reading instruction in teacher preparation programs at \$40,140.

Section 161.214 School Innovation Waiver

In response to the previous version, officials from the **DESE** assumed the provision would have no fiscal impact on their organization. **Oversight** does not have any information to the contrary.

Therefore, Oversight will reflect a zero impact in the fiscal note for this 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

In response to the previous version, officials from **DESE** stated 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.

Per the Truly Agreed To and Finally Passed CCS SS SCS HCS HB 3002 (2022), **Oversight** notes there is an appropriation from the Budget Stabilization Fund (0522) to the Evidence-based Reading Instruction Program Fund for \$25,000,000 for FY 2023 (2.047). Oversight will show this impact to the Budget Stabilization Fund in FY 2023.

In addition, **Oversight** will show a \$0 to unknown cost to General Revenue for FY 2024, FY 2025 and beyond for potential future appropriations.

161.380, 161.385 & 162.1255 Competency Based Education

In response to a similar proposal, HB 1956 (2022), officials from **Department of Elementary and Secondary Education (DESE)** stated this provision requires DESE to facilitate the creation, sharing, and development of assessments and curriculum and training for teachers, and best practices for the school districts that offer competency-based education courses. Costs for development of competency-based assessments will vary depending upon the number of courses/content domains necessary. The department estimates \$1,000,000 costs* for each course/content domain. The department has projected these costs across two fiscal years along with \$25,000 annually for the Competency Task Force support until the work is complete.

*This includes: \$100,000 for test specifications/blueprint review, \$50,000 for passage review, \$100,000 for item writing, \$100,000 for item review, \$100,000 for forms creation, \$300,000 for field testing, and \$300,000 for establishing mastery standards.

DESE projects Section 162.1255.2 may have additional costs to school districts/charter schools and to the vendors they used to determine and report the appropriate attendance hours to DESE.

In response to a similar proposal, HB 1956 (2022), officials from the **Office of the Governor** and the **Missouri House of Representatives** each assumed the provision 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.

In response to a similar proposal, HB 1956 (2022), officials from the **Missouri Senate** stated they anticipated a negative fiscal impact to reimburse 2 Senators for travel to Task Force meetings. It will cost approximately \$256 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.

Oversight assumes there could be costs to implement Competency-based Education programs in school districts and charter schools such as costs determine and report the appropriate attendance hours to DESE.

Oversight assumes this provision creates the Competency-Based Education Grant Program Fund. The fund shall consist of moneys appropriated by the General Assembly or from gifts, bequests or donations. For simplicity, Oversight assumes on the money in the Fund will be used within the year it is received.

Per the Truly Agreed To and Finally Passed CCS SS SCS HCS HB 3002 (2022), **Oversight** notes an appropriation from the Budget Stabilization Fund (0522) to the Competency-Based Education Grant Program Fund for \$2,000,000 for FY 2023. Oversight will show a \$0 to unknown impact in the remaining years.

In addition, Oversight will show a \$0 to unknown impact to General Revenue for FY 2024 and FY 2025 and beyond.

Section 161.700 - Holocaust Education

In response to a similar proposal, SCS HCS HB 2000 (2022), officials from **DESE** stated 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 on the Holocaust for school districts participating in the pilot program 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 162.084 - Notifications

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 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

In response to the previous version, officials from the **DESE** assumed the provision would 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 provision would have no fiscal impact on their organization.

In response to the previous version, officials from the **St. Louis County Election Board** stated 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 provision 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 provision 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

In response to the previous version, officials from the **DESE** assumed the provision would have no fiscal impact on their organization.

In response to a similar proposal, Perfected HCS HB 1750 (2022), officials from **Sikeston R-6 School District** assumed the provision 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 provision 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 provision 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 provision 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 provision 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 provision 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 $((.067 \times 883,703) - 5,199$ identified gifted students) more

students as gifted. Furthermore, to provide gifted services to every currently identified and unidentified gifted student would cost \$21,907,684 ((11,335 estimated unidentified gifted students + 5,199 identified gifted students) x \$1,325 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 162.974 - High Need Fund

In response to the previous version, officials from **DESE** assumed 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

In response to the previous version, officials from **DESE** stated 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 167.151 - Property Owner Student Transfers

Oversight assumes this provision would allow any person who owns real residential or agricultural property and pays a school tax in any district other than the district of residence to send their children to a public school in the district where that persons pays such school tax.

Oversight notes the student will count towards average daily attendance at the district of choice. Therefore, Oversight notes this provision allows students to transfer beginning in the 2023-2024 school year (FY 2024). Oversight cannot estimate number of transfers and the amount of state funding is district-specific (can vary from under \$1,000 per student to over \$8,000 per student, depending upon the school district). Therefore, this note will reflect a potential unknown cost (if students transfer into districts that receives more state aid) to an unknown positive impact (if students generally transfer into districts that receive less state aid) for both general revenue and school districts. Oversight assumes that some districts would see a net negative direct fiscal impact, while others would see a net positive direct fiscal impact.

Oversight is uncertain if this provision would reach a revenue impact of \$250,000. Oversight notes if the difference in funding between districts is \$1,000 (assumed) and approximately 250 students transferred under this provision it would result in a revenue impact of \$250,000. Oversight notes a change of 250 ADA is approximately a 0.03% change in total ADA (250/843,650); therefore, Oversight assumes it is possible the impact could exceed \$250,000.

Section 167.225 BRITE Act

In response to the previous version, officials from the **DESE** stated 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

In response to the previous version, officials from **DESE** estimated a one-time meeting cost to develop DESE guidelines for the Office of Literacy at \$44,600.

Section 167.625 - Will's Law

In response to a similar proposal, SB 710 (2022), officials from the **Department of Elementary and Secondary Education, Department of Health and Senior Services** and the **Department of Social Services** each assumed the provision would have no fiscal impact on their respective organizations.

Officials from the above listed agencies each assume the provision 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 for this provision.

In response to a similar proposal, SB 187 (2021), officials from the **High Point R-III School District** assumed the provision would not fiscally impact their district.

In response to a similar proposal, SB 187 (2021), officials from **Fordland R-III School District** stated the provision would require an additional position to administer.

Oversight will reflect a potential cost to school districts for additional staff training and administration of the requirements established in the bill.

Sections 167.640 and 167.645 - Reading Remediation

In response to a similar proposal, HCS HB 1556 (2022), **DESE** stated the provision 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 provision 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

In response to the previous version, 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 a 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

In response to the previous version, 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

In response to the previous version, officials from **DESE** stated 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.

In response to the previous version, officials from **DESE** stated, 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.

In response to the previous version, officials from **Public Schools and Education Employee Retirement Systems (PSRS/PEERS)** stated 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).

In response to the previous version, officials from the **Department of Public Safety - Missouri Highway Patrol (MHP)** stated 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

In response to the previous version, officials from **DESE** assumed this provision required 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 provision 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 provision. Therefore, Oversight will not show the cost for one additional FTE.

In response to the previous version, officials from **DESE** stated, 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 provision 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 provision 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 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

In response to the previous version, officials from **DESE** assumed this provision 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 provision will have no fiscal impact on their organization.

Oversight assumes this provision 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 170.036 Computer Science Task Force

In response to a previous version, officials from **DESE** stated 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 provision 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

In response to the previous version, officials from the **DESE** assumed the provision would 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 provision 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 provision 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 - Pupil Identification Cards

Oversight assumes these provisions require school districts and charter schools 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 170.307 - Mental Health Instruction

In response to a similar proposal, SB 1057 (2022), officials from **DESE** stated, while some of this work is currently funded through a CDC grant, should that source be withdrawn, the programs described here would create an expenditure impact for DESE. If DESE contracted with outside entities for the programs described, there would still be personnel and administrative costs incurred, as well as costs for developing any resources to support educators. Meeting costs associated with potential curriculum development estimated at \$22,300.

Oversight assumes DESE may be able to utilize federal monies to fund the requirements so the program.

Oversight has ranged the fiscal impact to General Revenue from \$0 (may be able to be covered by existing federal funding) to the costs provided by DESE for meeting costs for curriculum development.

Oversight has ranged the fiscal impact to Federal Funds from \$0 (federal funding not available) to the costs provided by DESE for meeting costs for curriculum development.

Oversight assumes the mental health instruction shall be included in the district's existing health or physical education curriculum. The instruction is to be based on the curriculum developed by DESE; therefore, Oversight does not anticipate a fiscal impact to school districts.

Section 171.033 - Inclement Weather

In response to the previous version, officials from the **DESE** estimated 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

In response to the previous version, officials from **DESE** assumed 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.

In response to the previous version, officials from the **Office of the State Treasurer** assumed the provision will have no fiscal impact on their organization.

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 provision August 28, 2022. Therefore, Oversight will show cost beginning in FY 2023.

Per the Truly Agreed To and Finally Passed CCS SS SCS HCS HB 3002 (2022), **Oversight** notes an appropriation from General Revenue for a Workforce Diploma Program for \$2,000,000 for FY 2023. Oversight will show a \$0 to unknown impact in the remaining years.

§173.1352 – Advance Placement Exams

In response to a similar proposal, HCS HB 1683 (2022), officials from the **University of Central Missouri (UCM)** stated the estimated loss to UCM would be approximately \$5,800. This is based on 8 students who this fall scored a 3 in areas that currently require a 4 on the Advanced Placement Exam. 8 students x 3 credit hours =24 course credits.

Oversight does not have any information to the contrary. Oversight notes changes to this version of the provision have removed the fiscal impact that other colleges and universities had expected to incur. Therefore, Oversight assumes the potential loss to UCM would be absorbable within current funding levels and will present no fiscal impact for this agency for fiscal note purposes.

In response to a similar proposal, HCS HB 1683 (2022), officials from the **Department of Elementary and Secondary Education**, the **Department of Higher Education and Workforce Development**, the **University of Missouri** and **Missouri State University** each assume the provision 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 for this section.

In response to a similar proposal, HB 1683 (2022), officials from **St. Charles Community College** assumed the provision would have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for this agency for this section.

Section 178.694 - Imagination Library of Missouri Program

In response to the previous version, officials from **DESE** estimated 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

In response to the previous version, officials from **DESE** estimated 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

In response to a previous version, officials from **Department of Revenue (DOR)** stated 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.

In response to the previous version, officials from the **DESE** and **Department of Public Safety - Missouri Highway Patrol** each assume the provision 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

In response to the previous version, 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 provision 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 provision 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 provision. The provision has no fiscal impact to the Joint Committee on Public Employee Retirement. The JCPER's review of the provision 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 provision 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 provision. 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>Costs - DNR – implementation of program §160.077 p. 4-7</u>	(Unknown)	(Unknown)	(Unknown)
<u>Costs – DHSS §160.077 p. 4-7</u>			
Personal services	(\$367,443)	(\$445,341)	(\$449,795)
Fringe benefits	(\$227,849)	(\$275,021)	(\$276,640)
Expense and equipment	(\$157,267)	(\$87,352)	(\$89,535)
<u>Total Costs – DHSS</u>	(\$752,559)	(\$807,714)	(\$815,970)
FTE Change – DHSS	9 FTE	9 FTE	9 FTE
<u>Costs – reimburse public and private schools to test water (roughly 3,000 school buildings x 10 water sources each x \$100 per test) annually §160.077 p. 4-7</u>	(Could exceed \$3,000,000)	(Could exceed \$3,000,000)	(Could exceed \$3,000,000)
<u>Costs – to school districts for funding for filtration and other remediation efforts - §160.077.6 (1) p. 4-7</u>	(Unknown)	(Unknown)	(Unknown)
<u>Costs – DSS - §160.261 p. 7-8</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 - STO - 160.560.8 p. 8</u>		Up to....	Up to....
Personnel Service	\$0	(\$80,210)	(\$81,012)
Fringe Benefits	\$0	(\$49,664)	(\$49,908)
Expense & Equipment	\$0	(\$28,500)	(\$11,236)
<u>Total Costs – STO</u>	\$0	(\$158,374)	(\$142,156)
FTE Change	0	Up to 2 FTE	Up to 2 FTE

<u>Costs</u> - meeting costs to align literacy instruction - §161.097 p. 8	(\$40,140)	\$0	\$0
<u>Costs</u> - DESE - support for school districts implementing School Innovation Waivers - §161.214 p. 9	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> - DESE - §161.241 p. 9			
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. 9	\$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. 9	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> – DESE – Competency-Based Education Task Force - 161.385 p. 10	(\$25,000)	(\$25,000)	(\$25,000)
<u>Costs</u> – DESE – development of competency-based assessments (PER COURSE/CONTENT DOMAIN) p. 10	(\$500,000 to Unknown)	(\$500,000 to Unknown)	\$0
<u>Transfer Out</u> – to the Competency-Based Education Grant Program Fund – unknown number and amount of grants 161.380.3 p. 10	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Cost</u> – DESE – potential cost to foundation formula associated with students taking competency-based courses 162.1255.2 & 3 p. 10	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Costs</u> - DESE - develop a Holocaust curriculum - §161.700 p. 11	(\$22,300)	\$0	\$0

<u>Costs</u> - DESE - professional development framework §161.700 p. 11	(\$66,900)	\$0	\$0
<u>Cost Avoidance</u> - denial of non-special education costs - §162.974 p. 12-14	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 or Cost Avoidance</u> – Difference in state funding for resident district and nonresident district for transferring students §167.151 p 16-17	\$0	(Unknown) or Unknown	(Unknown) or Unknown
<u>Costs</u> - BRITE Act - orientation and mobility evaluations and eye reports - §167.225 p. 17	(\$20,600)	(\$20,600)	(\$20,600)
<u>Costs</u> - meeting costs to develop guidelines for the Office of Literacy - §167.268 p. 18	(\$44,600)	\$0	\$0
<u>Costs</u> - increased ADA for remediation hours - §167.640 & §167.645 p. 18-19	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> - DESE - new application and process - §168.036.5 p. 21	(\$40,000)	\$0	\$0
<u>Costs</u> - DESE - new certification process and reporting database - §168.036.7 p. 21	(\$70,000)	\$0	\$0

<u>Costs</u> - DESE - §168.036.7 p. 21-22			
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> -	<u>(\$67,903)</u>	<u>(\$59,366)</u>	<u>(\$59,957)</u>
FTE Change	1 FTE	1 FTE	1 FTE
<u>Costs</u> - DESE - to create and maintain a web based survey - §168.037 p. 24	(Could exceed \$100,000)	(\$10,000)	(\$10,000)
<u>Costs</u> - GR payment to schools that share a superintendent - §168.205.2(2) p. 24-25	\$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. 25-26	\$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. 25-26	\$0 to (Could exceed \$18,733,050)	\$0 to (Could exceed \$18,733,050)	\$0 to (Could exceed \$18,733,050)
<u>Costs</u> - DESE - §170.018 p. 27			
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>	<u>(\$84,610)</u>	<u>(\$91,489)</u>	<u>(\$92,402)</u>
FTE Change - DESE	1 FTE	1 FTE	1 FTE
<u>Costs</u> - DESE - updates to the June Core Data/MOSIS cycle - §170.018 p. 26-27	(\$45,000)	(\$6,000)	(\$6,000)
<u>Costs</u> - DESE - task force meetings - §170.036 p. 27-28	(\$42,370)	(\$42,370)	\$0
<u>Costs</u> - DESE- on-going evaluation and implementation of task force findings - §170.036 p. 27-28	\$0	\$0 or (Unknown)	\$0 or (Unknown)

<u>Costs</u> - meeting and administrative costs - §170.307 p. 28-29	\$0 or (\$22,300)	\$0	\$0
<u>Costs</u> - DESE ITSD costs - §171.033 p. 29	(\$11,491)	(\$2,356)	(\$2,415)
<u>Costs</u> - DESE - establish and administer the Workforce Diploma Program - §173.831 p. 29	\$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	(\$14,949)	(\$7,403)	(\$7,588)
<u>Total Costs</u>	(\$69,759)	(\$73,712)	(\$74,442)
FTE Change – DESE	0 or 1 FTE	0 or 1 FTE	0 or 1 FTE
<u>Transfer Out</u> - DESE - to the Workforce Diploma Program Fund - §173.831 p. 29-31	\$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>Costs</u> - DESE - §178.694 p. 32			
Personnel Service	\$0	(\$45,894)	(\$46,356)
Fringe Benefits	\$0	(\$29,255)	(\$29,422)
Expense & Equipment	\$0	(\$15,858)	(\$8,494)
<u>Total Costs</u> -	\$0	(\$91,010)	(\$84,272)
FTE Change	0 FTE	1 FTE	1 FTE
<u>Transfer Out</u> - to the Imagination Library of Missouri Program Fund - §178.694 p. 32-33	\$0	(\$2,500,000) to Could exceed (\$9,252,275)	(\$2,500,000) to Could exceed (\$9,252,275)
<u>Costs</u> - annual meetings for literacy advisory council - §186.080 p. 33	(\$44,600)	(\$44,600)	(\$44,600)
ESTIMATED NET EFFECT TO THE GENERAL REVENUE FUND	(\$5,093,622) to Could exceed (\$41,055,631)	(\$7,325,870) to Could exceed (\$50,251,880)	(\$6,787,661) to Could exceed (\$49,699,092)
Estimated Net FTE Change to the General Revenue Fund	12 FTE to could exceed 14.12 FTE	13 FTE to could exceed 17.12 FTE	13 FTE to could exceed 17.12 FTE

BUDGET STABILIZATION FUND (0522)			
<u>Transfer Out</u> - to the Evidenced-based Reading Instruction - §161.241 p. 9-10	(\$25,000,000)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Transfer Out</u> - to the Competency-based Education Grant Program Fund - §161.380	(\$2,000,000)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON THE BUDGET STABILIZATION FUND	(\$27,000,000)	\$0 or (Unknown)	\$0 or (Unknown)
EVIDENCE-BASED READING INSTRUCTION PROGRAM FUND			
<u>Transfer In</u> - from General Revenue - §161.241.9	\$0	\$0 or Unknown	\$0 or Unknown
<u>Transfer In</u> - from Budget Stabilization Fund - §161.241.9	\$25,000,000	\$0 or Unknown	\$0 or Unknown
<u>Income</u> - from gifts, bequests or donations - §161.241.9 p. 10	\$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	Could exceed (\$25,000,000)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON THE EVIDENCE-BASED READING INSTRUCTION PROGRAM FUND	\$0	\$0	\$0

COMPETENCY-BASED EDUCATION GRANT PROGRAM FUND			
Transfer In – from General Revenue - 161.380	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
<u>Transfer In - from the Budget Stabilization Fund §161.380</u>	<u>(\$2,000,000)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
Income – gifts, contributions, grants and/or bequests - 161.380	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Cost – Grants to School Districts – 161.380	Could exceed (\$2,000,000)	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
ESTIMATED NET EFFECT TO THE COMPETENCY-BASED EDUCATION GRANT PROGRAM FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
LOTTERY FUND			
<u>Cost Avoidance - denial of non-special education costs - §162.974 p. 19</u>	Unknown	Unknown	Unknown
<u>Transfer Out - to High Need Fund - §162.974 p. 19</u>	<u>(\$8,416 or Unknown)</u>	<u>(\$8,416 or Unknown)</u>	<u>(\$8,416 or Unknown)</u>
ESTIMATED NET EFFECT ON LOTTERY FUND	<u>(\$8,416 or Unknown)</u>	<u>(\$8,416 or Unknown)</u>	<u>(\$8,416 or Unknown)</u>

HIGH NEED FUND			
<u>Transfers In</u> - from General Revenue - §162.974	\$17,087 or Unknown	\$17,087 or Unknown	\$17,087 or Unknown
<u>Transfer In</u> - from Lottery Fund - §162.974	\$8,416 or Unknown	\$8,416 or Unknown	\$8,416 or Unknown
<u>Savings</u> - denial of non-special education costs - §162.974	Unknown	Unknown	Unknown
<u>Cost</u> - increase in eligible costs - §162.974	(\$25,503 or Unknown)	(\$25,503 or Unknown)	(\$25,503 or Unknown)
ESTIMATED NET EFFECT ON HIGH NEED 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	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> - DPS-MHP - Missouri Automated Criminal History System modifications - §168.036	(\$165,000)	\$0	\$0
ESTIMATED NET EFFECT ON CRIMINAL RECORD SYSTEM FUND	<u>Up to (\$165,000)</u>	<u>\$0 or Unknown</u>	<u>\$0 or Unknown</u>

CAREER LADDER FORWARD FUNDING FUND			
<u>Transfer In</u> - from Revolving Fund - for expansion of career ladder eligibility criteria - §168.515.2	\$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	\$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	\$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>
WORKFORCE DIPLOMA PROGRAM FUND			
<u>Transfer In</u> - from General Revenue - §173.831	\$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	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> - DESE - reimbursements to program providers for qualifying student milestones - §173.831	\$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>

IMAGINATION LIBRARY OF MISSOURI PROGRAM FUND			
<u>Transfer In</u> - from General Revenue - §178.694	\$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	\$0	\$0 or Unknown	\$0 or Unknown
<u>Transfer Out</u> - to reimburse school districts - §178.694	\$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>
FEDERAL FUNDS			
<u>Transfer Out</u> - to school districts for funding for filtration, testing, and other remediation efforts - §160.077.6 (2)	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Income</u> – DSS - §160.261	\$0 to \$63,349	\$0 to \$72,035	\$0 to \$72,719
<u>Costs</u> - DSS - §160.261	\$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	(\$65,743)	(\$74,935)	(\$75,648)
FTE Change	.88 FTE	.88 FTE	.88 FTE
<u>Costs</u> - meeting costs §170.307	\$0 or (\$22,300)	\$0	\$0

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ESTIMATED NET EFFECT ON FEDERAL FUNDS	\$0 or Could exceed <u>(\$22,300)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</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>Transfer In</u> - from General Revenue §166.077	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Transfer In</u> - from Federal Funds §166.077	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> - penalties for non-compliance - §160.077.9 (2)	\$0	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> - to school districts for lead filtration, testing, and other remediation efforts - §160.077	(Unknown, could be substantial)	(Unknown, could be substantial)	(Unknown, could be substantial)
<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	\$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	\$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	\$25,000,000	\$0 or Unknown	\$0 or Unknown
<u>Income</u> - grants from DESE - §161.380	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> - implementing competency- based education program - §161.380	\$2,000,000	\$0 or (Unknown)	\$0 or (Unknown)

<u>Costs</u> - School Districts - to notify parents of performance scores and goals - §162.084	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
<u>Costs</u> - Election Authorities - for redistricting and conducting elections - §162.563	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Cost</u> - School Districts - requirement to establish gifted programs - §162.720 -	\$0	\$0	\$0 to could exceed (\$6,888,675)
<u>Loss</u> - School Districts - denial of non-special education costs - §162.974 -	(Unknown)	(Unknown)	(Unknown)
<u>Revenue</u> - School Districts - increase in eligible costs - §162.974	\$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	\$0 to \$2,165,902	\$0 to \$2,165,902	\$0 to \$2,165,902
<u>Nonresident Districts</u> - additional State funding for non-resident transfers but also additional costs to educate those students - §167.151	\$0	Unknown or (Unknown)	Unknown or (Unknown)
<u>Resident Districts</u> – reduced state funding, but also possible reduction in costs to educate those students - §167.151	\$0	(Unknown) or Unknown	(Unknown) or Unknown
<u>Costs</u> - School Districts - orientation and mobility evaluations and instruction, eye reports, duplicative accessible assistive technology - §167.225	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)

<u>Costs</u> – to train employees and to administer the provisions of Will’s Law - §167.625	\$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	\$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 -	(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	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> - School Districts - payments to recovery high schools - §167.850 -	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs</u> - Recovery High Schools - cost to educate students - §167.850	\$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	\$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	\$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	\$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)	\$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	\$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	\$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	(Unknown)	(Unknown)	(Unknown)
<u>Costs</u> - School Districts - to offer computer science course - §170.018	\$0	(Unknown)	(Unknown)
<u>Cost</u> - School Districts - supplies and equipment to print cards to adhere to §170.048	\$0 or (Unknown)	\$0	\$0
<u>Savings</u> - School Districts - from reduce transportation costs, hourly wages or food service costs - §171.033	\$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	\$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	\$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

Oversight assumes there could be a fiscal impact to small businesses as a result of this proposal.

FISCAL DESCRIPTION

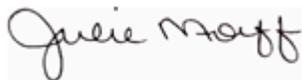
This proposal modifies provisions relating to elementary and secondary education, with an emergency clause for a certain section (168.036).

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
 Budget and Planning
 Accounting Division
 Information Technology
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
Department of Public Safety
 Missouri Highway Patrol
 Director's Office
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
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
Phelps County Sheriff
Kansas City Police Department
St. Louis County Police Department
Kansas City Public Schools
North Kansas City School District



Julie Morff
Director
May 9, 2022



Ross Strobe
Assistant Director
May 9, 2022