COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0642S.01I
Bill No.: SB 266
Subject: Education, Elementary and Secondary; Department of Elementary and Secondary Education
Type: Original
Date: February 23, 2025

Bill Summary: This proposal establishes provisions relating to assessment of virtual school students.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	More or less than ($829,822)	More or less than ($658,822)	More or less than ($658,822)
Total Estimated Net Effect on General Revenue	**More or less than ($829,822)**	**More or less than ($658,822)**	**More or less than ($658,822)**

***Oversight notes that the proposal states that any virtual school or program **may** administer any statewide assessment required pursuant to the provisions of section 160.518 in a virtual setting that aligns with the student's regular academic instruction.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on Other State Funds	**$0**	**$0**	**$0**

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on All Federal Funds	**$0**	**$0**	**$0**

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on FTE	**0**	**0**	**0**

☒ 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 2026	FY 2027	FY 2028
Local Government	**$0**	**$0**	**$0**

FISCAL ANALYSIS

ASSUMPTION

Section 161.670 - Statewide assessment of students enrolled in virtual school

Officials from **Department of Elementary and Secondary Education (DESE)** state Section 161.670 would allow the virtual administration of the statewide assessment of students enrolled in virtual school.

The Missouri Technical Advisory Committee for Assessment recommends that the Department of Elementary and Secondary Education (DESE) create a separate test form to meet the requirements as outlined and to limit the exposure of the item bank used for all assessments.

Data Recognition Corporation (DRC) currently is contracted to do similar work and DESE assumes would be responsible for the development of forms (tests), scoring, and reporting either through a contract amendment or a new contract. Based on the current contract costs, fourteen forms will need to be developed for grade levels: 3-8 English Language Arts, 3-8 Mathematics, 5 & 8 Science ($73,941 year one) and ten forms will need to be developed for end-of-course English 1 & 2, Algebra 1 & 2, Geometry, Government, Biology, Physical Science, American History, and Personal Finance ($69,978 year one).

This development includes the creation of forms dedicated to virtual administration, online administration, reporting, dedicated IT services, psychometric services, validity study of virtual administration, program coordination and manual production for virtual administration. Annual costs for this would be:

1. $443,822, plus;
2. $200,000 annually for data forensics and test security.

3. $214,800 for camera and communication devices necessary for remote test administration. DESE assumes the state would be responsible for providing these to vendors with an estimated cost per camera = $30 per x 6,200 unduplicated count of students enrolled in MoCAP 203-24 academic year = $186,000. This equipment would be returned to vendors with an estimated annual need to replace a minimum number. Annual replacement cost is estimated at $15,000.

Oversight notes after further inquiry with DESE the assumed total stated in their response was incorrect. Oversight notes the total cost for cameras and communication devices for remote test administration should be $186,000 as calculated by DESE.

Oversight notes that the proposal states that any virtual school or program may administer any statewide assessment required pursuant to the provisions of section 160.518 in a virtual setting that aligns with the student's regular academic instruction. Oversight is unable to determine how many virtual schools or programs will decide to administer virtual assessments.

In addition, the cost of camera and communication devices necessary for remote test administration could potentially vary depending on compatibility with specific devices as well as the required wide degree angle of view in order to meet the requirements of the proposal.

Therefore, Oversight will reflect a $0 (no participation in virtual assessment) to a fiscal impact that could exceed the estimate provided by DESE in the fiscal note.

In response to similar legislation, HB 220 (2025), officials from **Hume R-VIII School District** assumed MOCAAP already cost their district a lot of money.

In response to similar legislation SB 1049 (2024), officials from the **Concordia R-II School District** assumed the proposal would have no fiscal impact on their organization.

In response to similar legislation SB 1049 (2024), officials from the **Henry County R-1 School District** assumed the proposal would have a fiscal impact on their organization.

Oversight does not anticipate a fiscal impact to school districts. However, Oversight received limited responses from school districts related to the fiscal impact of this proposal. Oversight has presented this fiscal note on the best current information available. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek 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.

FISCAL IMPACT – State Government	FY 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE			
Costs – DESE – Student technology for test administration §161.670 p.3	$0 or Could exceed ($186,000)	$0 or Could exceed ($15,000)	$0 or Could exceed ($15,000)
Costs – DESE – Data Forensics/Test Security §161.670 p.3	($200,000)	($200,000)	($200,000)
Costs – DRC for development/scoring/reporting §161.670 p.3	($443,822)	($443,822)	($443,822)
ESTIMATED NET EFFECT ON GENERAL REVENUE	**More or less than ($829,822)**	**More or less than ($658,822)**	**More or less than ($658,822)**

FISCAL IMPACT – Local Government	FY 2026 (10 Mo.)	FY 2027	FY 2028
	$0	**$0**	**$0**

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This act provides that any virtual school or program that is part of the Missouri Course Access and Virtual School Program may administer any statewide assessment virtually. The act outlines requirements for such virtual assessments, including the monitoring of students via a camera and the maintaining of a student-to-proctor ratio that is targeted at 10-1 or lower.

This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Henry County R-1 School District
Concordia R-II School District
Hume R-VIII School District

Julie Morff
Director
February 23, 2025

Jessica Harris
Assistant Director
February 23, 2025