

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1329S.01I
Bill No.: SB 542
Subject: Attorney General; Education, Elementary and Secondary; Department of
Elementary and Secondary Education; General Assembly; Governor and
Lieutenant Governor
Type: Original
Date: March 24, 2025

Bill Summary: This proposal repeals provisions relating to the statewide assessment system.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue	Could exceed \$15,000	Could exceed \$15,000	Could exceed \$15,000
Total Estimated Net Effect on General Revenue	Could exceed \$15,000	Could exceed \$15,000	Could exceed \$15,000

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>Other</u> 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 <u>All</u> 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*	Could exceed (\$17,020,000)	Could exceed (\$17,020,000)	Could exceed (\$17,020,000)

*Oversight assumes this proposal requires schools to use national norm-referenced assessments which range in cost from \$37-\$65 per student and administered to approximately 460,000 students.

FISCAL ANALYSIS

ASSUMPTION

§§135.714, 160.410, 160.518, 160.510, 160.526, 160.720, 161.855, 161.1085, 161.1090, 161.1100, 163.023, 168.749 and 170.017 - Statewide Assessment System

Officials from the **Department of Elementary and Secondary Education (DESE)** assume that all state and federally required assessments will continue under current law. DESE assumes the assessments are not supplanting the requirements of Every Student Succeeds Act (ESSA). Existing assessment funding will need to continue to meet ESSA requirements to assess state academic standards, identify proficiency rates, and identify schools. This change to allow nationally norm-referenced assessments at the local education agency (LEA) level could allow for LEAs to choose from multiple vendors. DESE assumes costs would be the responsibility of individual LEAs.

DESE provided the costs for the newly required nationally norm-referenced assessments will be realized at the LEA level. DESE also noted this bill would require the national norm-referenced assessments to meet state statute 160.518. DESE assumes the vendor cost ranges from \$37- \$65 (Example: Current cost identified on website for Stanford 10 is \$45.00/student, for TerraNova3 is \$33.00/student with extra reports and training available for purchase). DESE noted that there are no vendor assessments that currently meet all state and federal requirements. This would result in additional costs for the local education agencies. DESE estimates these assessments must be administered to approximately 460,000 students per year in grades 3-8 and once in high school (Junior class).

Oversight notes §160.526.2 repeals a provision that requires the State Board of Education to contract to enlist the assistance of national experts. Currently, DESE has a contract with national experts pertaining to the statewide assessment. Based on information provided by DESE the current contract agreement for five advisory members is \$5,000/meeting for 3 face-to-face meetings and \$325/hour for ad-hoc meetings. Oversight notes with the shift to vendor assessments DESE would save the contracting fees stated above. Therefore, Oversight will reflect savings to DESE that could exceed \$15,000.

Oversight assumes DESE will continue to administer their own assessments to meet state and federal standards. Oversight notes §160.518.1 states “Consistent with the provisions contained in section 160.526, the state board of education shall ensure that local school districts test students' academic achievement using nationally norm-referenced assessments that determine the degree to which students in the public schools of the state are proficient in the knowledge, skills, and competencies adopted by such board pursuant to section 160.514”. Therefore, Oversight assumes that the cost for the national norm-referenced assessments would be on the LEA's.

Oversight notes school enrollment is always changing, and the proposal allows LEAs to choose from an multiple vendors that provide national norm-referenced assessments. Therefore,

Oversight has estimated a potential cost to LEAs that could exceed \$17,020,000 (\$37/per student vendor cost * 460,000 students) based on data provided by DESE.

Officials from **Richland R-IV School District** assume the financial impact would be \$10,000 for the first year for additional training for staff on the new assessment.

Oversight assumes there could be additional cost to LEAs for staff training on the new assessments. Oversight has no way to determine how many new assessments will be used to meet state and federal standards. Therefore, Oversight will reflect an unknown cost in FY 2026 to LEAs in the fiscal note.

Officials from the **Office of Attorney General (AGO)** assume any potential litigation costs arising from this proposal can be absorbed with existing resources. The AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation costs.

Oversight does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

Officials from the **Department of Higher Education and Workforce Development, Department of Mental Health, Missouri House of Representatives, Missouri Senate, Department of Social Services, Office of the Governor, and Office of the State Treasurer** each assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **University of Missouri, the Northwest Missouri State University and the University of Central Missouri** each assume the proposal will have no fiscal impact on their organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

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

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 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE			
<u>Savings</u> – DESE – national expert contracts - §160.526 p.4	Could exceed <u>\$15,000</u>	Could exceed <u>\$15,000</u>	Could exceed <u>\$15,000</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	Could exceed <u>\$15,000</u>	Could exceed <u>\$15,000</u>	Could exceed <u>\$15,000</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
LOCAL EDUCATION AGENCIES			
<u>Costs</u> – national norm-referenced assessments – §160.518 p.3	Could exceed (\$17,020,000)	Could exceed (\$17,020,000)	Could exceed (\$17,020,000)
<u>Costs</u> – staff training for national norm-referenced assessments – §160.518 p.3	(Unknown)	\$0	\$0
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	Could exceed <u>(\$17,020,000)</u>	Could exceed <u>(\$17,020,000)</u>	Could exceed <u>(\$17,020,000)</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

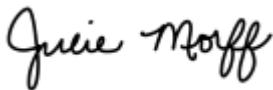
This act repeals provisions of law requiring the State Board of Education to develop a statewide assessment system. Instead, school districts shall use nationally norm-referenced assessments, rather than the Missouri Assessment Program, to test students' knowledge and skills.

This act shall become effective only upon notification to the Revisor of Statutes by an opinion by the Attorney General of Missouri, a proclamation by the Governor of Missouri, or the adoption of a concurrent resolution by the Missouri General Assembly that the United States Department of Education has been abolished or dismantled by an act of the United States Congress.

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 Higher Education and Workforce Development
Department of Mental Health
Department of Social Services
Office of the Governor
Office of the Secretary of State
Office of the State Treasurer
University of Missouri
Northwest Missouri State University
University of Central Missouri
Richland R-VI School District
Joint Committee on Administrative Rules
Missouri House of Representatives
Missouri Senate



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March 24, 2025



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March 24, 2025