

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1037-04
Bill No.: HCS for SB 319 with HA 1 and HA 3
Subject: Education, Elementary and Secondary: Assessments
Type: Original
Date: May 10, 2001

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	Less than \$934,000	Less than \$984,000	Less than \$984,000
State School Moneys	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> State Funds	Less than \$834,000	Less than \$884,000	Less than \$884,000

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
School Districts	(\$500,000)	(\$500,000)	(\$500,000)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

FISCAL ANALYSIS

ASSUMPTION

Official from the **Office of the State Treasurer** indicated this proposal would have no fiscal impact on their agency.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the removal of testing requirements would reduce costs to the state by \$1,804,000.

DESE would require a new dis-aggregated form at the school district level to track the number of limited English proficient students until they have been in an English speaking school for three years. There will be a one-time \$50,000 fee to set up this form. There would also be some tracking of student expenses, but those would be minimal.

DESE officials estimate a \$500,000 impact to local school districts for designing a reading improvement plan; 30 hours of additional reading instruction or practice outside the regular school day during the 4th grade; subsequent assessments; and increased enrollment in summer school. There may be some additional state aid going to districts due to a potential increase in summer school enrollments; however, an amount is not known. On a statewide basis, the amount would likely be in excess of \$100,000, but DESE officials indicated the precise amount could not be estimated. (For example 400 additional students would cause about \$108,000 in additional aid.) This would affect the State Schools Moneys Fund.

Reimbursement to school districts for additional personnel costs incurred in the implementation and execution of thirty hours of additional reading instruction would depend upon the level of implementation by school districts; therefore, a cost cannot be determined.

Making available information regarding students receiving remediation would have minimal fiscal impact to the districts; they would need to track this information (if they don't already) and incur printing costs.

Subject to appropriation, beginning in FY 03, the "After School Retreat Reading and Assessment Grant Program Fund" shall be administered by DESE to award grants to school districts for the development and implementation of after-school programs consistent with the terms of the proposal.

Officials from the **Department of Elementary and Secondary Education (DESE)**, in response to the "After-School Retreat Reading and Assessment Grant Program", assume they would need 1.0 FTE Supervisor and 1.0 FTE Adm. Asst. to establish grant criteria, provide copies of criteria to all school districts, promulgate grant application forms, review proposals, award grants, and administer the program. Cumulative costs to develop grant application forms, print copies of

ASSUMPTION (continued)

grant criteria and distribute to all school districts, and acquire grant reader services should be less than \$100,000. The **Oversight Division** assumes that until an appropriation amount is estimated and the number of potential grant applications is determined, the personnel cost cannot be calculated, but that certain personnel costs and related expenses would be incurred.

The grant amounts to be distributed by the program are not specified. For the program to be significant the amount to be appropriated for this purpose is assumed to be in excess of \$100,000; however an unknown cost is assumed by DESE.

This bill creates an After School Retreat Reading and Assessment Grant Program. Officials with the **Office of Secretary of State (SOS)** assume the Department of Elementary and Secondary Education (DESE) will promulgate rules to implement this bill. Based on experience with other divisions, the rules, regulations and forms issued by DESE could require as many as approximately 8 pages in the Code of State Regulations. For any given rule, roughly half again as many pages are published in the Missouri Register as in the Code because cost statements, fiscal notes and the like are not repeated in Code. These costs are estimated. The estimated cost of a page in the Missouri Register is \$23.00. The estimated cost of a page in the Code of State Regulations is \$27.00. The actual costs could be more or less than the numbers given. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules filed, amended, rescinded and withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

<u>FISCAL IMPACT - State Government</u>	FY 2002	FY 2003	FY 2004
GENERAL REVENUE			
<u>Savings</u> - Removal of Testing Requirements	\$1,084,000	\$1,084,000	\$1,084,000
<u>Cost</u> - Increased Transfers to State School Moneys Fund	(Greater than \$100,000)	(Greater than \$100,000)	(Greater than \$100,000)
<u>Cost</u> - Department of Elementary and Secondary Education (DESE) Development of Tracking Form for Limited English Proficient students	(\$50,000)		

<u>FISCAL IMPACT - State Government</u>	FY 2002	FY 2003	FY 2004
Cost - DESE - After-School Retreat Reading and Assessment Grant Program Personnel and Related Costs	(Unknown)	(Unknown)	(Unknown)
Cost - Appropriation to the After School Retreat Reading and Assessment Grant Program	Greater than (\$100,000)	Greater than (\$100,000)	Greater than (\$100,000)
ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	<u>Less than</u> <u>\$834,000</u>	<u>Less than</u> <u>\$884,000</u>	<u>Less than</u> <u>\$884,000</u>
 AFTER SCHOOL RETREAT READING AND ASSESSMENT GRANT PROGRAM			
Income - DESE Appropriation from General Revenue	Greater than \$100,000	Greater than \$100,000	Greater than \$100,000
Cost - DESE After School Retreat Reading and Assessment Grant Program	Greater than (\$100,000)	Greater than (\$100,000)	Greater than (\$100,000)
ESTIMATED NET EFFECT ON AFTER SCHOOL RETREAT READING AND ASSESSMENT GRANT PROGRAM	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
 STATE SCHOOL MONEYS FUND			
<u>Income</u> - Transfers from General Revenue Fund	Greater than \$100,000	Greater than \$100,000	Greater than \$100,000
<u>Cost</u> - Increased Distributions to School Districts	Greater than (\$100,000)	Greater than (\$100,000)	Greater than (\$100,000)
ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2002	FY 2003	FY 2004
SCHOOL DISTRICTS			
<u>Income</u> - Increased State Aid for Summer School	Greater than \$100,000	Greater than \$100,000	Greater than \$100,000
<u>Income</u> - After-School Retreat Reading and Assessment Grant Program	Greater than \$100,000	Greater than \$100,000	Greater than \$100,000
<u>Cost</u> - Reading Improvement Plan Development, Remediation, Assessments	(\$500,000)	(\$500,000)	(\$500,000)
<u>Cost</u> - Summer School	Greater than (\$100,000)	Greater than (\$100,000)	Greater than (\$100,000)
<u>Cost</u> - After School Retreat Reading and Assessment Grant Program	Greater than (\$100,000)	Greater than (\$100,000)	Greater than (\$100,000)
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	<u>(\$500,000)</u>	<u>(\$500,000)</u>	<u>(\$500,000)</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This legislation Revises 167.645, RSMo, which was passed during the 1999 regular session. Currently, this language says no student shall be promoted to the next grade level if they are reading at or above one grade level below the student's grade level. Existing language applies to all grade levels. The proposal deletes this language and replaces it with language creating reading level assessments for public school students in the 3rd grade. Remediation is required if the pupil is determined to be deficient in reading skills. Assessments and remediation are to continue until the 6th grade or until acceptable reading standards are achieved. Each school district shall be required to offer summer school reading instruction to any student with a reading improvement plan.

This legislation provides that assessment scores of students for whom English is a second language (ESL) shall not be counted until the student has been educated in this state for three full years.

House Amendment 1 - Section 167.680

Beginning with the 2002-2003 school year, this bill establishes a competitive grant program for development of after-school reading and assessment programs. The Department of Elementary

DESCRIPTION (Continued)

and Secondary Education will establish criteria for the award of grants, with preference given to districts having a higher percentage of at-risk students. If the amount appropriated, along with other available funds for the grants, is not sufficient to fund all approved grants, the grant amounts will be prorated.

House Amendment 3 - Section 160.518.6

The score on any assessment tests (developed pursuant to this section) of students receiving special education shall not be counted.

This proposal contains an emergency clause.

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

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Office of Secretary of State
Office of the State Treasurer



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Director
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