

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0824S.03I
 Bill No.: SB 33
 Subject: Education, Elementary and Secondary; Elementary and Secondary Education,
 Department of; Teachers
 Type: Original
 Date: January 25, 2021

Bill Summary: This proposal establishes the competency-based education grant program and competency-based education task force, and allows school districts and charter schools to receive funding for high school students taking competency-based credits.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue	Could greatly exceed (\$525,000)	Could greatly exceed (\$525,000)	Could greatly exceed (\$25,000)
Total Estimated Net Effect on General Revenue	Could greatly exceed (\$525,000)	Could greatly exceed (\$525,000)	Could greatly exceed (\$25,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Competency-Based Education Grant Program Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Appropriations from General Revenue and grants to school districts net to \$0.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
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.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from **Department of Elementary and Secondary Education (DESE)** state the proposal has the following impact:

Section 161.380, 161.385 & 162.1255

SB 33 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.

Section 162.1255.2

The department 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.

Oversight does not have any information to the contrary, so will reflect DESE's amounts with the footnote that the \$1,000,000 cost is PER COURSE/CONTENT DOMAIN.

Officials from the **Department of Social Services**, the **Office of the State Treasurer**, the **Missouri House of Representatives** and the **Office of the Governor** each assume the proposal would not fiscally impact their respective agencies.

Officials from the agencies listed above each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **Missouri Senate** state they anticipate a negative fiscal impact to reimburse 2 Senators for travel to Task Force meetings. It will cost approximately \$190 per meeting if meetings are held in Jefferson City during the interim.

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.

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** notes many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office 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 Secretary of State's office for Administrative Rules is less than \$5,000. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, they also recognize 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 our office can sustain with our core budget. Therefore, they reserve 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.

Officials from the **High Point R-III school District** assume the proposal would not fiscally impact their agency.

Oversight has requested fiscal impact statements from other school districts and charter schools; however only one has responded. If additional responses are received, Oversight will determine if

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE			
<u>Costs</u> – DESE – 161.385 Competency-Based Education Task Force	(\$25,000)	(\$25,000)	(\$25,000)
<u>Costs</u> – DESE – development of competency-based assessments (PER COURSE/CONTENT DOMAIN)	(\$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	\$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	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT TO GENERAL REVENUE	Could greatly exceed (\$525,000)	Could greatly exceed (\$525,000)	Could greatly exceed (\$25,000)

COMPETENCY-BASED EDUCATION GRANT PROGRAM FUND			
Transfer In – from General Revenue	\$0 to Unknown	\$0 to Unknown	\$0 to Unknown
Income – gifts, contributions, grants and/or bequests	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
Costs – Grant awards to local school districts	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)
ESTIMATED NET EFFECT TO THE COMPETENCY-BASED EDUCATION GRANT PROGRAM FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
SCHOOL DISTRICTS			
<u>Income</u> – grants from DESE	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> – implementing competency-based education program	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>	<u>\$0 or (Unknown)</u>
ESTIMATED NET EFFECT TO SCHOOL DISTRICTS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</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 establishes the Competency-Based Education Grant Program. By application, the Department of Elementary and Secondary Education shall award grants from the fund to eligible school districts for the purpose of providing competency-based education programs. The Department shall facilitate the creation, sharing, and development of course assessments, curriculum, training and guidance for teachers, and best practices for the school districts that offer competency-based education courses.

This act establishes the Competency-Based Education Task Force to study and develop competency-based education programs in public schools. The Task Force shall conduct interviews and at least three public hearings to identify promising competency-based education programs and obstacles to implementing such programs. Before December 1 of each year, the Task Force shall present its findings and recommendations to the Speaker of the House of Representatives, the President Pro Tempore of the Senate, the Joint Committee on Education, and the State Board of Education.

Under this act, school districts and charter schools shall receive state school funding under the foundation formula for high school students who are taking competency-based courses offered by their school district or charter school.

Attendance of a student enrolled in a competency-based course shall equal the product of the district or charter school's prior year average attendance percentage multiplied by the total number of attendance hours normally allocable to a non-competency-based course of equal credit value.

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

L.R. No. 0824S.03I

Bill No. SB 33

Page 8 of 8

January 25, 2021

SOURCES OF INFORMATION

Department of Elementary and Secondary Education

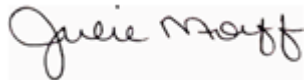
Department of Social Services

Missouri Senate

Missouri House of Representatives

Office of the Secretary of State

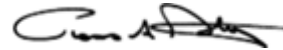
Joint Committee on Administrative Rules



Julie Morff

Director

January 25, 2021



Ross Strobe

Assistant Director

January 25, 2021