

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4478-05
Bill No.: CCS for SCS for SB 638
Subject: Education, Elementary and Secondary
Type: Original
Date: May 12, 2016

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
General Revenue*	(Could exceed \$6,778,837)	(Could exceed \$9,369,861)	(Could exceed \$19,273,046)	(Could exceed \$17,541,985)
Total Estimated Net Effect on General Revenue	(Could exceed \$6,778,837)	(Could exceed \$9,369,861)	(Could exceed \$19,273,046)	(Could exceed \$17,541,985)

***Oversight notes that DESE and the Office of Administration's Division of Budget and Planning were not able to provide Oversight with a projection of when the foundation formula may be fully funded. This proposal has several provisions (\$160.400 and \$163.031) that may not have a fiscal impact until such time as the formula is fully funded. Oversight, for fiscal note purposes, is showing the impact of those provisions.**

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 30 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
State School Moneys Fund*	\$0	\$0	\$0	\$0
Trauma-Informed Schools Pilot Program Fund*	\$0	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0	\$0

* Transfers in from General Revenue and transfers to school districts net to zero.

ESTIMATED NET EFFECT ON FEDERAL FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
Federal Funds	\$0	\$0	\$0	\$0
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
General Revenue	1 FTE	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE	1 FTE

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS				
FUND AFFECTED	FY 2017	FY 2018	FY 2019	Fully Implemented (FY 2020)
Local Government	(Could exceed \$200,000)	(Could exceed \$300,000)	(Could exceed \$605,160)	(Could exceed \$477,732)

FISCAL ANALYSIS

ASSUMPTION

§160.400, §160.403 and §160.405 Charter School Expansion and Funding

Officials at the **Department of Elementary and Secondary Education (DESE)** assume §160.400.18 indicates that “The state, charter sponsor, or resident district shall not be liable for any outstanding liability or obligations of the charter school.” Therefore, no new cost to the department is anticipated from this provision.

DESE assumes in §160.405.4(5) that this provision expands the range of instruction to include early childhood for charter schools. Expanding early childhood education to the charter schools currently existing in Kansas City and St. Louis school districts could have a cost of \$6,443,408 due to the increase in average daily attendance since charter school ADA is based on current attendance estimates. This is a \$6.4 million cost does not account for the expansion which will likely occur in future years.

It is unlikely that the formula will be funded during the scope of the fiscal note. Until the formula is fully funded, this amount would decrease the share of funds for all other districts.

Oversight notes this proposal in §160.400 expands the number of school districts that may be eligible to have a charter school. The projection provided by DESE for §160.405 only includes the current charter schools located in Kansas City and St. Louis expanding to include early childhood education. Oversight will show the fiscal impact as Could exceed the estimate provided by DESE.

Oversight notes that DESE and the Office of Administration's Division of Budget and Planning were not able to provide Oversight with a projection of when the foundation formula may be fully funded. This proposal has a provision that may not have a fiscal impact until such time as the formula is fully funded. Oversight for fiscal note purposes is showing the impact of that provision as if the formula were fully funded.

§160.405.16 Committee on Facility Access and Affordability

Officials at the **Missouri Senate** assume there is no fiscal impact from this proposal.

In response to similar legislation filed this year, HB 1451, officials at the **Missouri House of Representatives** assumed there was no fiscal impact from this proposal.

ASSUMPTION (continued)

Oversight notes this proposal requires, in §160.405.16, the Joint Committee on Education to create a committee to investigate facility access and affordability for charter schools. This committee is required to report its findings by December 31, 2016. In similar legislation filed this year, this committee was to be created by DESE. DESE estimated \$20,000 in committee expenses. Oversight will show the \$20,000 in expenses for FY 2017.

§160.545 A+ Program

In response to similar legislation filed this year, HB 2693, officials at the **Department of Higher Education (DHE)** assumed census data for Missouri shows that 1,099,136 students from ages 5 to 18 live within the state. Students enrolled in public schools in Missouri for this same age range of 5 to 18 is 887,368. This leaves 211,766 students that are either attending private schools or are home schooled. Assuming the students are spread evenly across all age groups, that would mean 16,290 students are seniors and could potentially be eligible for the A+ scholarship.

Based on the DHE experience with administration of the A+ scholarship program, it is assumed that, once fully implemented, approximately half of the graduating class would be eligible to participate in the A+ program. Of those that are eligible, it is assumed approximately one-third would actually receive a payment under the program. Cost estimates are based on the average award during the 2014-2015 academic year of \$2,533 per student. The average award is then inflated by five percent annually to reflect projected tuition and fee increases during the intervening years.

Because this legislation would not be enacted until after the end of the current academic year, it is assumed no students in either the undesignated public or the private high schools would be able to gain eligibility for the program during the first year of the estimate (FY 2017). In FY 2018, it is assumed only one-quarter of the graduating class would be eligible and that one third of those would receive a payment. The inflated average award would be \$2,932 for FY 2018. The cost to add non-public graduates to the A+ program would be $\$3,940,608$ ($16,290 * 0.25 = 4,072.5 * 0.33 = 1,344 * \$2,932$).

DHE assumes the program would be fully functional by FY 2019. The inflated average A+ award would be \$3,079. This would result in a total cost of \$8,273,273 for FY 2019 ($16,290 * 0.5 = 8,145 * 0.33 = 2,687 * \$3,079$).

Oversight notes that the A+ Program provides tuition reimbursements to eligible graduates of designated high schools to attend public community colleges, public vocational or technical schools or private two year vocational or technical schools that meet certain criteria. There are 533 designated high schools. The actual expenditures for the last three fiscal years has been

ASSUMPTION (continued)

\$28,840,018 in FY 2013, \$32,248,624 in FY 2014 and \$33,564,303 in FY 2015.

Table 1- Total First Time A+ Eligible High School Graduates

	FY 2013		FY 2014		FY 2015	
	Students	Total Grants	Students	Total Grants	Students	Total Grants
Public 2 Year	7,036	\$16,238,840	7,575	\$18,504,138	7,581	\$18,896,142
Area Technical	236	\$952,292	130	\$465,591	146	\$514,246
Private 2 Year	36	\$133,290	41	\$144,279	53	\$192,906
Total First Time Recipients	7,308	\$17,324,422	7,746	\$19,114,008	7,780	\$19,603,294

Source: Department of Higher Education

Officials at the **DESE** assume there is no fiscal impact from this proposal.

Oversight notes that the A+ program was transferred from the DESE to the DHE.

§161.217 Early Learning Quality Assurance Report

Oversight notes this proposal requires the DESE, Department of Mental Health (DMH), Department of Health and Senior Services (DHSS) and the Department of Social Services (DSS) to collaborate to develop a voluntary early learning quality assurance report. This program is to be a three year pilot program.

Officials at the **DESE** assume that year 1 would require the convening of stakeholders in a two-day work session to provide feedback and recommendations to the draft voluntary early learning quality assurance report. Additionally, convening stakeholders in a two-day work session to take public comment information and incorporate changes to the draft voluntary early learning quality assurance report. DESE assumes this would be 100 people meeting 4 times. Per person costs of \$261.50 per person for hotel, meals, and mileage. This would result in a cost of \$104,600 in the first year for the meetings.

ASSUMPTION (continued)

DESE assumes in year 2 they would need to train early learning professionals to administer classroom observational measurements with fidelity. They assume \$4,000 per early learning professional and estimate 5 early learning professionals would be required at a cost of \$20,000.

DESE assumes in year 2 they would begin onsite classroom observational measurements to be included in the information for the voluntary early learning quality assurance report. DESE assumes in year 2 they would need software licenses for classroom observational measurement documentation and hardware at a cost of \$7,480. With 5 early learning professionals required this would cost \$37,400.

Travel to conduct observations is estimated to be \$92.50 (250 mile trip @.37 per mile) per observation. DESE estimates 25 programs at a cost of \$2,312.50 (\$92.50 x 25). This would result in a total cost of \$59,712.50 in year 2.

DESE assumes in year 3 they would continue onsite classroom observational measurements to be included in the information for the voluntary early learning quality assurance report. The software license for classroom observational measurement documentation would cost \$6,480 for each of the 5 early learning professionals required for a total of \$32,400.

Travel to conduct observations would continue to be \$92.50 (250 mile trip @.37 per mile). With 25 programs the cost would be \$2,312.50. DESE assumes the year 3 total costs would be \$34,712.50.

In response to similar legislation filed this year, HB 2566, officials at the **DHE**, the **DHSS**, the **DMH** and the **DSS** each assumed there was no fiscal impact from this proposal.

§161.1050 Trauma Informed Schools Initiative

Oversight notes this proposal creates the Trauma-Informed Schools Initiative within the DESE. DESE is to consult with the DMH and the DSS in creating information for a trauma-informed approach for school districts.

Oversight notes this proposal requires DESE to create a website about the trauma-informed approach. This proposal requires the school districts to provide the website address to all parents of their students. Oversight assumes the website information can be included with other information sent to parents before school starts; and therefore notifying parents would have no additional expense. Oversight will show an unknown impact to General Revenue for the website construction and maintenance.

ASSUMPTION (continued)

Oversight notes this proposal requires DESE to offer training to school districts on the trauma-informed approach. Oversight notes this training is optional for a school district. If a school district chooses to participate in the training, they would be required to pay all fees associated with the training. Oversight will not show an impact to the school district from this training.

Officials at the **DESE** assume that developing a website about the trauma-informed initiative will result in unknown costs.

Providing information to all school districts and offering training on the trauma-informed approach will likely become tasks of the one FTE manager.

Officials at the **Department of Mental Health** assume there is no fiscal impact from this proposal.

In response to a similar proposal (HCS for HB Nos. 2565 & 2564), officials at the **DHSS** and the **DSS** each assumed there is no fiscal impact from this proposal to their respective departments.

§161.1055 Trauma Informed Schools Pilot Program

Oversight notes this proposal requires the DESE to create the Trauma-Informed Schools Pilot Program. This proposal requires five school districts located in specific areas of the state to participate in this pilot program. The chosen schools are to receive training in the trauma-informed approach. The schools are to receive funding to implement the trauma-informed approach.

Oversight notes this proposal creates the Trauma-Informed Schools Pilot Program Fund. The Fund is to receive appropriations from General Revenue to fund the Pilot Program. Oversight assumes that all funds received by the Fund will be used in the year in which it is received.

Oversight assumes that since the Fund is to pay the expenses of the school district's implementation of this proposal, there would be no net fiscal impact to the districts.

Officials at the **DESE** assume this will require one FTE manager with expertise in trauma-informed practices. To develop metrics for evaluation, conduct the evaluation, and report to the general assembly: \$15,000.

Section 161.055.4(2) requiring DESE to provide the schools with funds to implement the trauma-informed approach will result in unknown costs.

ASSUMPTION (continued)

Officials at the **Office of the State Treasurer** assume there is no fiscal impact from this proposal.

§162.073 and §162.261 Vacancies in School Boards

In response to similar legislation filed this year, HB 1602, officials at the **DESE** assumed there was no fiscal impact from this proposal.

In response to similar legislation filed this year, HB 1602, officials at the **Brentwood, Chilhowee R-IV, East Newton, Eldon, Everton R-III, Fredericktown R-I, Hawthorn Leadership, Hillsboro R-III, Kansas City, Kearney R-I, Kennett #39, Macon County R-IV, New Haven, Parkway, Pettis County R-XII, Riverview Gardens, Sarcoxie R-II, Seymour R-II, Shelby County R-IV, Shell Knob, Smithville R-II, St. Charles, St. Elizabeth, Warren County R-III, Webster Groves, West Plains** and the **Wright City R-II School Districts** each assumed there was no fiscal impact from this proposal to their respective districts.

§162.531 and §162.541 Surety Bonds

Oversight notes this proposal would change the bonding requirements for the treasurer of a school board. Oversight assumes this would not fiscally impact the school districts. It would require only one surety for a treasurer instead of the current two sureties. Oversight assumes this would not fiscally impact the state or school districts.

Officials at the **DESE** assume there was no fiscal impact from this proposal. They defer to local school districts to determine a fiscal impact.

§162.720 and §163.031 Gifted Education Penalty

Officials at the **DESE** assume that based on the most recent complete data, school districts that have a gifted program would have a penalty of \$1,214,480 for not maintaining at least 80% of their gifted enrollment for the previous year. This would result in a loss to the local school districts that had the penalty levied against them. These penalties would be redistributed to all other school districts.

Oversight notes that DESE and the Office of Administration's Division of Budget and Planning were not able to provide Oversight with a projection of when the foundation formula may be fully funded. This proposal contains a provision that will require DESE to levy penalties against school districts that do not maintain their gifted programs. Since the foundation formula is not fully funded, the penalty money may be redistributed to other school districts. Oversight, for the purpose of the fiscal note only, is showing the impact to the State as if the foundation formula were fully funded.

ASSUMPTION (continued)

Oversight notes this proposal would exempt from this gifted penalty any school with less than 350 enrolled students.

§167.241 Transportation to Charter Schools

Officials at the **DESE** assumes §167.241 indicates that the unaccredited district would have to provide transportation costs to all “approved charter schools”. In the St. Louis district area (Normandy and Riverview Gardens) could be paying for transporting students to 9 Charter LEAs (16 school sites). The charter LEAs would be: City Garden Montessori, North Side Community, St. Louis Language Immersion, Premier, Grand Center Arts, Gateway, Kipp, Vernare and Tessara.

There would be no new cost to the department. However, unaccredited districts would have significant new transportation costs. The amount of those costs is entirely dependent on the degree of and pattern of enrollment in the various charter schools.

Oversight notes that in §167.241 Normandy and Riverview Gardens would be impacted. Oversight did not receive a response from Riverview Gardens as to the impact of this proposal on their district. Oversight notes that the Normandy School District does not participate in Oversight’s fiscal note response system. Oversight will show an impact as Could exceed \$100,000 for the transportation to charter schools.

In response to similar legislation filed this year, HB 1451, officials at the **Carondelet Leadership Academy** assumed there was no fiscal impact from this proposal.

§167.903 and §167.905 Personal Plan of Study

Oversight notes in §167.903, a student with help from the school guidance counselor can create a personal plan of study to help the student reach their goal of postsecondary education or career readiness.

Oversight notes in §167.905, each school district must develop a policy and implement a measurable system for identifying students at risk of not being ready for college or careers. This policy and system must be in place by July 1, 2018. **Oversight** notes that school districts will have costs associated with the implementation of the policies required under this proposal. Oversight will show the impact to all school districts as Unknown over \$100,000.

Officials at the **DESE** assumed no significant fiscal impact. DESE defers to school districts for any fiscal impact.

ASSUMPTION (continued)

In response to similar legislation filed this year, HB 2379, officials at the **DHE** assumed there was no fiscal impact from this proposal.

§167.950 Dyslexia Screening and Treatment

Oversight notes this proposal would require the DESE to develop guidelines for the screening of students for dyslexia and related disorders. Oversight assumes that DESE can create the guidelines using their existing resources.

Oversight notes this proposal requires each school district, during the 2018-2019 (FY 2019) school year, to screen each student for dyslexia and related disorders at an appropriate time established by DESE. Additionally, each school district must provide for reasonable support for any student determined to have dyslexia or a related disorder.

Oversight notes that according to the Yale Center for Dyslexia and Creativity, the Dyslexia Research Institute, and DyslexiaHelp at the University of Michigan approximately 20% of people have dyslexia or a related disorder. DESE notes there are 617,727 kids in grades K-8 and 268,696 kids in grades 9-12 or 886,423 in Missouri public schools. Therefore, as many as 177,285 (886,423 X 20%) could have dyslexia or a related disorder and would need support by the school districts.

Officials at the **DESE** assume the extent of the cost will depend upon the number of children requiring instruction and accommodation. The Department assumes school districts and charter schools will incur costs, however, the Department defers to the districts for those costs.

Officials at the **Office of the State Courts Administrator** assume there is no fiscal impact from this proposal.

Oversight notes that unless a school district already has a Dyslexia Specialist on staff that could do the testing and treatment a school district would need to purchase the Dyslexia Screening Instrument for \$123 and additional Teacher Rating Forms (\$28.50 for 25 forms). Oversight, for fiscal note purposes, will show a one-time impact to schools for purchase of the Dyslexia Screening Instrument of \$63,714 (\$123 x 518 school districts). Oversight notes due to the size of school districts, most would need to purchase more than one Dyslexia Screening Instrument. Oversight will show the impact as Unknown greater than two Dyslexia Screening Instruments per district \$127,428 (\$123 x 2 X 518).

ASSUMPTION (continued)

Oversight notes that one Teacher Rating Form will need to be completed per student annually. Oversight assumes it will cost \$1,010,525 (886,423 students/25 forms in a pack x \$28.50 per pack) for the Teacher Rating Forms in FY 2019. After the initial screening of all existing students only new students would need screening. Therefore only 68,186 (886,423/13) would need to be screened annually. The Teacher Ratings Forms expenses for future fiscal years would be \$77,732 (68,186/25 x \$28.50).

Oversight notes that this proposal requires school districts to provide support to any student determined to have dyslexia or related disorders. Due to the numerous types of dyslexia and the severity at which a person may have it, it is impossible to determine at this time what kind of support school districts would be required to provide. Oversight will show the impact to schools as Unknown over \$100,000 for the support.

Oversight notes the screening would determine which students would need additional testing to identify if they have one of the types of dyslexia and the appropriate treatment. Oversight assumes that the school districts would notify parents of the findings and parents would be responsible for any additional testing. Oversight will not show a fiscal impact from notifying parents as the school districts could chose which method of notification is best.

Officials from the **Department of Social Services (DSS)** did not respond to Oversight's request for fiscal impact on this version of SB 638.

In response to similar legislation filed this year, SB 635 (LR4769-03) DSS stated §167.950.1 states that by December 31, 2017, DESE shall develop guidelines for appropriate screening for dyslexia and related disorders and the necessary classroom support for students with dyslexia and related disorders. For the 2018-2019 school year and subsequent years, each public school shall conduct dyslexia screenings for students. The school board of each district and the governing board of each charter school shall provide reasonable support for any student determined to have dyslexia or a related disorder. Subsection 2 states practicing teacher assistance programs shall include two hours of in-service training provided by each local school district for all practicing teachers in such district regarding dyslexia and related disorders. Subsection 3 defines terminology. Subsection 4 states the state board of education shall promulgate rules and regulations for each public school to screen students for dyslexia and related disorders. Subsection 5 states nothing in this section shall require MHD to expand services it provides.

In October of 2015, there were 414,016 children ages 5-18 receiving MO HealthNet benefits. Out of those children, there were 6,130 with an IEP. The MO HealthNet Division (MHD) assumes that every child will need to be screened the first year. The total number of screenings

ASSUMPTION (continued)

the first year is 407,886 (414,016 – 6,130). MHD assumes each public school will bear the cost for each screening. Per the Michigan Dyslexia Institute, Inc., the prevalence of dyslexia is estimated to range from five to 17 percent among school children. Therefore, MHD estimates that 20,395 ($407,886 * 5\%$) children will require testing. MO HealthNet reimburses up to four hours of annual psychological testing per child; DESE also estimates a full diagnostic assessment to last about 4 hours. While MO HealthNet authorizes reimbursement for psychologists (\$60/hr.) and psychiatrists (\$66/hr.) for this testing, MHD assumes psychologists would provide 90% of the testing with psychiatrists providing only 10% of the testing service. The one-time cost to test these children is estimated at \$4,943,748 ($20,395 * \$60.60 * 4 \text{ hrs.}$). MHD acknowledges that the most frequently utilized intervention for a child with dyslexia would be educational supports which cannot be reimbursed by MO HealthNet. However, MHD estimates 6,798 children testing positive for dyslexia ($20,395 * 1/3$) will require additional supports such as speech therapy. MHD reimburses speech therapists at \$40/hr. MHD estimates it will cost \$1,520 for annual speech therapy (\$40/hour for 1 hour per week for 38 weeks). The total annual cost for treatment is \$10,333,467 ($6,798 * \$1,520$). The total estimated cost for SFY 19 is \$15,277,215 ($\$4,943,748$ one-time costs + $\$10,333,467$ treatment costs).

It is assumed that for the following years that only children in kindergarten will need to be screened because the children in the other grades have already been screened. To calculate the number of children who will receive screenings the following years, an average was calculated per grade. The average number of children per grade is 31,848 ($414,016 / 13$). The same methodology was used to calculate the number of children with an IEP. The average number of children with an IEP is 472 ($6,130 / 13$). The total number of screenings is 31,376 ($31,848 - 472$) for FY 20. MHD estimates that 1,569 ($31,376 * 5\%$) children will require testing. The cost to test these new children will be \$380,326 ($1,569 * \$60.60 * 4 \text{ hrs.}$). The total cost for SFY 20 is \$10,713,792 ($\$380,326$ one-time costs + $\$10,333,467$ in annual treatment).

Oversight notes, based on discussions with DSS officials, that while children are only “screened” one time, annual treatment (i.e. speech therapy) is not limited to one time. DSS assumes that once it is determined that treatment is needed, the number of children receiving treatment for 28 weeks each year will remain the same (approximately 6,800 children annually).

DSS officials provide that the proposed legislation states that the rules are to be promulgated by the state board of education. How the rules are written will determine if the services will be included in the IEP and therefore, the amount of federal match. If services are not written in the IEP, MHD could receive claims from community providers offering psychiatric testing, speech therapy, and/or behavioral health based on the results of the school district screening. For services written into the IEP, school districts are required to cover the state share while MHD can

ASSUMPTION (continued)

reimburse for the federal share. If services are not billed through the IEP and are provided outside of the school, MHD could be billed for the full cost (state and fed). Therefore, the GR impact has been stated as a range.

Year	GR	Federal	Total
FY 2019	\$0 to \$5,617,737	\$9,659,477	\$9,659,477 to \$15,277,215
FY 2020	\$0 to \$3,939,676	\$6,774,117	\$6,774,117 to \$10,713,792

DYS: The Division of Youth Services (DYS) is a local education agency (LEA) that operates accredited schools at each of its sites. Enactment of this bill may create costs for the division, depending on rules promulgated by the state board of education. DYS largely deals with youth 13-17 years of age. It is not likely that promulgated rules and regulation would require screenings for dyslexia to occur this late in a young person's education. In the case that rules did require DYS to screen students, DYS would need screening kits for each of its educational groups.

Screening Costs – provided by existing DYS education personnel

One Time Costs

- DYS operates 78 educational groups statewide
- 1 Dyslexia Screening Instrument (DSI) Complete Kit through Pearson PsychCorps = \$123
- \$123 x 78 groups = \$9,594

Temporary On-Going Costs

- Additional DSI Teacher Rating Forms (package of 25) = \$28.50/pkg
- \$28.50 x 78 groups = \$2,223 annually

Because the rules and regulation surrounding the "appropriate times" for screening remain undefined the range of fiscal impact to DYS is \$0 to \$9,594.

DYS has special education resources in place to provide instruction and accommodation to youth in care with learning disabilities. The division currently provides service to 33 youth with reading-related learning disabilities. Categories include Reading Fluency, Reading Comprehension and Basic Reading Skills. DYS also provides several trainings for education staff annually. DYS may choose to focus training efforts on screening/testing/instruction and accommodation of dyslexia and related disorders. These related training costs can be absorbed in the existing budget.

ASSUMPTION (continued)

Officials at the **Chilhowee School District** assume this would cost the services of a qualified professional. Estimated to be \$50 - \$100 per student.

Officials at the **East Newton School District** assume \$6,000 annually.

Officials at the **Everton School District** assume \$75,000 for personnel, training and supplies for assessment development.

Officials at the **Fair Play School District** assume this would cost \$20,000.

Officials at the **Forsyth R-III School District** assume the cost of training staff and the cost of testing would be \$5,000 annually.

Officials at the **Kansas City Public Schools** assume it is difficult to know the impact until DESE promulgates the rules for the screening. The District estimates the cost could exceed \$200,000.

Officials at the **Pettis County R-XII School District** assume a cost of \$50,000.

Officials at the **Seymour R-II School District** assume \$3,500 for annual training costs.

Officials at the **St. Elizabeth School District** assume \$250 for professional development and \$400 for screening materials.

Officials at the **Webster Groves School District** assume the professional development cost would be \$6,000 for training. Additionally they would need a reading specialist to perform assessments at \$70,000 annually.

Officials at the **West Plains School District** assume an estimated \$15,000 to \$30,000 annually depending on the support needed.

Officials at the **Special School District of St. Louis** assume costs of \$49,949,648 annually for screenings and treatment of students in St. Louis County. They assume estimated treatment costs:

2015 St Louis county K-12 enrollment	139,159
estimated 20% students with dyslexia characteristics	<u>0.20</u>
# of students	27,832
Assume group size of 7	<u>7</u>
# of groups	3,976

ASSUMPTION (continued)

Assume 7 groups a day	<u>7</u>
FTE needed to provide Tier II Interventions	568
Average SSD Teacher salary w/ benefits	<u>69,094</u>
Estimated cost to fund the instructional costs	\$39,245,110

Additionally they assume estimated screening costs:

2015 St Louis county K-12 enrollment	139,159
divide by 13 grade	<u>13</u>
# of students in each grade	10,705
# of tests each year (1 before K and 1 before 3rd)	<u>2</u>
# of students to be tested each year	21,409
Estimated cost of test	<u>\$500</u>
Estimated cost of tests each year	\$10,704,538.46
Estimated cost to SSD	\$49,949,648.45

Officials at the **Malta Bend School District** assume there is no fiscal impact from this proposal.

Oversight notes this proposal would no longer require that in the 2018-2019 all twelve grades of students be tested. It allows DESE to determine the year in which students be tested and to start with only that grade or grades (such as 1ST or 2nd graders). This would reduce the number that would be screened, tested and provided treatment in the first year. Therefore the number of students to be screened yearly would be 68,186 (886,423/13).

This would reduce the cost of the teacher rating forms to \$77,732 (68,186/25 x \$28.50) annually. Additionally, this would change the amount MHD would pay for testing and treatment.

Oversight will show only one grade being tested and treated per year.

§170.011 American Civics Courses

Oversight notes the original version of this proposal required the public higher education institutions to provide courses in American civics. This proposal no longer impacts the public higher education institutions. Therefore, Oversight assumes they will not be fiscally impacted.

Officials at the **State Technical College of Missouri** and **University of Central Missouri** each assume there is no fiscal impact from this proposal.

In response to a previous version of this proposal, officials at the **Department of Higher Education, Missouri State University, Missouri Western State University** and the **University of Missouri** each assumed there is no fiscal impact from this proposal.

ASSUMPTION (continued)

§170.310 CPR Requirement for Graduation

Oversight notes this proposal requires high school students to receive thirty minutes of instruction in cardiopulmonary resuscitation in order to graduate. This proposal starts with the 2017-2018 (FY 2018) school year. Currently school districts have the option of providing this instruction. Oversight can not determine how many schools may currently teach this class.

Oversight assumes school districts per this proposal, would include this instruction in their required health or physical education courses. Oversight assumes that since it is only thirty minutes of instruction it can be added to the existing health and physical education classes. Therefore, Oversight will not show an impact from this proposal.

Officials at the **DESE** assume there is no fiscal impact from this proposal. School districts may be impacted by the proposal. DESE defers to the school districts for impact.

§170.345 Missouri Civics Education Initiative

Oversight notes this proposal requires any student entering ninth grade after July 1, 2017 (FY 2018), as a condition for graduation shall pass an examination on the principles of American civics. The exam can be included in other exams administered.

Oversight notes this proposal requires the civics test given by the school districts to use similar questions used by the United States Citizenship and Immigration Service (USCIS). Oversight contacted the USCIS about the availability of school districts using their existing test. Oversight received a response from the USCIS that stated school districts would not be allowed to use their test for free or for a fee. Additionally, copies of the test are not allowed to be distributed to school districts. School Districts would be required to create their own tests.

Oversight will show an impact for all school districts of Could exceed \$100,000 to create and administer this test yearly starting in FY 2018.

Officials at the **DESE** assume this proposal requires DESE to certify that a student has taken and received a passing grade on the test. Costs are significant but unknown (could exceed \$100,000). At a minimum, schools will be required to enter student scores for every graduating student. This might involve self-reporting data on a district-made assessment.

To have it certified, requires DESE to design a state-wide, online assessment that could be administered multiple times as needed to a student until that student scored over 60%. It would have to be an online platform where the data could dump directly into MOSIS. (significant unknown costs).

ASSUMPTION (continued)

Oversight will show an impact to DESE of Could exceed \$100,000 in FY 2017.

In response to the previous version, officials at the **Brentwood School District** assumed \$384 for curriculum development.

In response to the previous version, officials at the **Cassville School District** assumed a cost of \$6,500.

In response to the previous version, officials at the **Chilhowee School District** assumed the costs would be for curriculum development and assessment. Costs are unknown at this time.

In response to the previous version, officials at the **Eldon School District** assumed \$25,000 for curriculum development, \$100 per student to purchase curriculum and \$1,000 per instructor for training.

In response to the previous version, officials at the **Hawthorn Leadership** assumed costs of \$5,000 for professional development and curriculum development.

In response to the previous version, officials at the **Kennett School District** assumed if additional courses are required then there will be a cost which is unknown at this time.

In response to the previous version, officials at the **New Haven School District** assumed the costs would be similar to other standardized tests of \$2 per student x 50 students (senior class) per year = \$100 per year.

In response to the previous version, officials at the **Parkway School District** assumed \$5,046 in initial costs and \$2,108 in annually costs thereafter. The initial costs include the creation of the test and curriculum development. The on-going costs are for the printing, the scantron machines and people for scoring.

In response to the previous version, officials at the **Riverview Gardens School District** assumed a cost of \$56,000 which includes a teacher's salary and benefits as well as materials for the classroom.

In response to the previous version, officials at the **Shell Knob** assumed an impact that is unknown at this time.

Officials at the **St. Elizabeth School District** assume \$100 in test protocols and materials.

ASSUMPTION (continued)

In response to the previous version, officials at the **Mexico School District** responded to Oversight's request but did not indicate an impact.

Officials at the **East Newton, Everton, Forsyth, Macon County R-IV, Malta Bend, Middle Grove, Seymour R-II, West Plains** and the **Wright City R-II** school districts each assume there is no fiscal impact from this proposal to their respective districts.

In response to the previous version, officials at the **Carondelet Leadership, Fredericktown R-I, Kansas City, Kearney, Parkway, Pettis County R-XII, Sarcoxie R-II, Shelby County R-IV, Smithville R-II, St. Charles** and the **Warren R-III** school districts each assumed there was no fiscal impact from this proposal to their respective districts.

§170.350 Constitution Project

Oversight notes that this proposal allows school districts to adopt a policy recognizing student participation in the Constitution Project. Oversight assumes that this proposal would not have a direct fiscal impact.

Officials at the **DESE** and **DHE** each assume there is no fiscal impact from this proposal.

§171.021 Pledge of Allegiance

Oversight notes this proposal requires the Pledge of Allegiance to be recited at least once per day in all schools supported with public funds. Oversight assumes this would not fiscally impact school districts.

In response to similar legislation filed this year, HB 1750, officials at the **DESE** assumed there was no fiscal impact from this proposal.

§633.420 Dyslexia Task Force

Oversight notes this proposal creates the Legislative Task Force on Dyslexia. The task force shall make recommendations on matters concerning dyslexia and education. The task force shall terminate on August 31, 2018. Oversight will show partial costs in FY 2019 as the Task Force wraps up its work.

In response to similar legislation filed this year, SB 827, officials at the **DESE** assumed the cost estimate of the task force expenses is approximately \$5,000. Cost estimate for the task force contract is approximately \$25,000.

ASSUMPTION (continued)

In response to similar legislation filed this year, SB 827, officials at the **Missouri House of Representatives** assumed the House can absorb the expense of two House members serving on the task force.

Officials at the **Missouri Senate** assume no fiscal impact beyond existing appropriations.

<u>FISCAL IMPACT -</u> <u>State Government</u>	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2020)
GENERAL REVENUE				
<u>Savings - DESE</u> §163.031 - penalties levied against schools not maintaining their gifted programs	\$0	\$1,214,480	\$1,214,480	\$1,214,480
<u>Transfer Out - State School Money Fund early childhood education §160.400</u>	(Could exceed \$6,443,408)	(Could exceed \$6,443,408)	(Could exceed \$6,443,408)	(Could exceed \$6,443,408)
<u>Cost - DHE - Expansion of the A+ Scholarships §160.545</u>	\$0	(\$3,940,608)	(\$8,273,273)	(Could exceed \$8,273,273)
<u>Cost - Facility Access committee expenses §160.405</u>	(\$20,000)	\$0	\$0	\$0

<u>FISCAL IMPACT -</u> <u>State Government</u> (continued)	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2020)
GENERAL REVENUE (continued)				
<u>Cost - DESE -</u> creation of early learning quality assurance program §161.217	(\$104,600)	(\$59,713)	(\$34,713)	\$0
<u>Transfer Out - to</u> Trauma-Informed Schools Pilot Program Fund §161.1055	\$0	(Unknown)	(Unknown)	\$0
<u>Cost - DESE</u> §161.1055 website construction and maintenance	(Unknown)	(Unknown)	(Unknown)	(Unknown)
Evaluation	\$0	(\$15,000)	\$0	\$0
Personal Service	(\$50,580)	(\$61,303)	(\$61,916)	(\$62,721)
Fringe Benefits	(\$22,228)	(\$26,840)	(\$27,007)	(\$27,227)
Equipment and Expenses	(\$8,021)	(\$7,469)	(\$7,655)	(\$7,846)
<u>Total Cost - DESE</u>	(Unknown greater than \$80,829)	(Unknown greater than \$110,612)	(Unknown greater than \$96,578)	(Unknown greater than \$97,794)
FTE Change - DESE	1 FTE	1 FTE	1 FTE	1 FTE
<u>Cost - DESE</u> computer programming §170.345	(Could exceed \$100,000)	\$0	\$0	\$0

<u>FISCAL IMPACT -</u> <u>State Government</u> (continued)	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2020)
GENERAL REVENUE (continued)				
<u>Costs - DSS - Youth Services</u> §167.950				
Purchase of Screening Instrument	\$0	\$0	(\$9,594)	\$0
Additional Teacher Rating Forms	<u>\$0</u>	<u>\$0</u>	<u>(\$2,223)</u>	<u>(\$2,223)</u>
<u>Total Costs - DSS</u>	<u>\$0</u>	<u>\$0</u>	<u>(\$11,817)</u>	<u>(\$2,223)</u>
 <u>Cost - DSS - §167.950 MoHealthNet Testing and treatment of the kids on medicaid</u>	 \$0	 \$0	 (\$0 to \$5,617,737)	 (\$0 to \$3,939,767)
 <u>Cost - DESE - task force expenses and contract</u> §633.420	 <u>(\$30,000)</u>	 <u>(\$30,000)</u>	 <u>(\$10,000)</u>	 <u>\$0</u>
 ESTIMATED NET EFFECT ON GENERAL REVENUE	 (Could exceed <u>\$6,778,837</u>)	 (Could exceed <u>\$9,369,861</u>)	 (Could exceed <u>\$19,273,046</u>)	 (Could exceed <u>\$17,541,985</u>)
 ESTIMATED FTE CHANGE ON GENERAL REVENUE	 1 FTE	 1 FTE	 1 FTE	 1 FTE

***Oversight notes that DESE and the Office of Administration's Division of Budget and Planning were not able to provide Oversight with a projection of when the foundation formula may be fully funded. This proposal has several provisions (§160.400 and §163.031) that may not have a fiscal impact until such time as the formula is fully funded. Oversight, for fiscal note purposes, is showing the impact of those provisions.**

<u>FISCAL IMPACT -</u> <u>State Government</u> (continued)	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2020)
 STATE SCHOOL MONEYS FUND				
<u>Transfer In - from</u> General Revenue	Could exceed \$6,443,408	Could exceed \$6,443,408	Could exceed \$6,443,408	Could exceed \$6,443,408
<u>Transfer Out -</u> school districts for early childhood education §160.405	(Could exceed <u>\$6,443,408</u>)	(Could exceed <u>\$6,443,408</u>)	(Could exceed <u>\$6,443,408</u>)	(Could exceed <u>\$6,443,408</u>)
 ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND	 <u>\$0</u>	 <u>\$0</u>	 <u>\$0</u>	 <u>\$0</u>

FISCAL IMPACT - State Government (continued)	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2020)
TRAUMA- INFORMED SCHOOLS PILOT PROJECT FUND				
<u>Transfer In</u> - from General Revenue Fund §161.1055	\$0	Unknown	Unknown	\$0
<u>Transfer Out</u> - to Local School Districts §161.1055	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON TRAUMA- INFORMED SCHOOLS PILOT PROJECT FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
FEDERAL FUNDS				
<u>Revenue</u> - program reimbursement	\$0	\$0	\$0 to \$9,659,477	\$0 to \$6,774,117
<u>Costs</u> - testing and treatment of the kids on medicaid §167.950	<u>\$0</u>	<u>\$0</u>	(\$0 to <u>\$9,659,477</u>)	(\$0 to <u>\$6,774,117</u>)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2020)
LOCAL SCHOOL DISTRICTS FUNDS				
<u>Transfer In</u> - State Money Fund §160.400	Could exceed \$6,443,408	Could exceed \$6,443,408	Could exceed \$6,443,408	Could exceed \$6,443,408
<u>Cost</u> - School Districts - early childhood education §160.400	(Could exceed \$6,443,408)	(Could exceed \$6,443,408)	(Could exceed \$6,443,408)	(Could exceed \$6,443,408)
<u>Cost</u> - School Districts - implementing plan to identify at risk kids §167.903	(Unknown over \$100,000)	(Unknown over \$100,000)	(Unknown over \$100,000)	(Unknown over \$100,000)
<u>Cost</u> - School Districts- Purchase of Screening Instrument	\$0	\$0	(Unknown greater than \$127,428)	\$0
Teacher Ratings Forms	\$0	\$0	(Unknown greater than \$77,732)	(Unknown greater than \$77,732)
Treatment	<u>\$0</u>	<u>\$0</u>	(Unknown over \$100,000)	(Unknown over \$100,000)
<u>Transfer In</u> - from Trauma-Informed Schools Pilot Project Fund§161.1055	\$0	Unknown	Unknown	\$0

FISCAL IMPACT - Local Government (continued)	FY 2017 (10 Mo.)	FY 2018	FY 2019	Fully Implemented (FY 2020)
LOCAL SCHOOL DISTRICTS FUNDS (continued)				
<u>Cost - School Districts for training and implementation of trauma informed approach §161.1055</u>				
	\$0	(Unknown)	(Unknown)	\$0
<u>Cost - Riverview Gardens and Normandy Schools - transportation to charter schools</u>				
	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
<u>Cost - School Districts -creation and administering of the civics test §170.345</u>				
	<u>\$0</u>	<u>(Could exceed \$100,000)</u>	<u>(Could exceed \$100,000)</u>	<u>(Could exceed \$100,000)</u>
ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICT FUNDS	(Could exceed <u>\$200,000</u>)	(Could exceed <u>\$300,000</u>)	(Could exceed <u>\$605,160</u>)	(Could exceed <u>\$477,732</u>)

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill changes the laws regarding charter schools. (§160.400)

Requires the Joint Committee on Education to create a committee, comprised of equal members of the charter school sector and the public school sector, to investigate facility access and affordability for charter schools and to report the findings to the General Assembly by December 31, 2015. (§160.405.16)

This bill allows a qualifying student of a nonpublic school to be eligible for reimbursement of post secondary education through the A+ program, as specified in the bill. (§160.545)

This bill establishes an early learning quality assurance report three year pilot program in collaboration with the Missouri Head Start Collaboration Office, the Departments of Health and Senior Services, Mental Health, and Social Services. The program is voluntary for any licensed, license-exempt, or certified early learning providers that are center-based or home based and providing services for children from any age up to kindergarten. This bill also repeals the quality rating system for early childhood education. (§161.217)

This bill establishes the "Trauma-Informed Schools Initiative". Accordingly, the Department of Elementary and Secondary Education shall provide information regarding the trauma-informed approach to all school districts, and offer training on recognizing and responding to trauma. (§161.1050)

This bill also establishes the "Trauma-Informed Schools Pilot Program." The Department of Elementary and Secondary will choose five Missouri schools (according to criteria specified in the proposal) to receive intensive trauma-informed training regarding how to recognize and respond to signs of trauma in students, teachers and staff. The program will end August 28, 2019, and the Department will report the results of the pilot program to the General Assembly before December 31, 2019. (§161.1055)

This bill allows each student during his or her seventh grade year at a public school or charter school to develop a personal plan of study with help from the school's guidance counselors that must be reviewed at least annually by school personnel and the student's parent or guardian and updated based on the needs of the student and requires, no later than January 1, 2017, the DESE to develop a process for recognition of a school district's program for developing personalized plans of study for all students entering ninth grade. (§167.903)

The bill requires each school district to develop a policy and implement a system by July 1, 2018, for identifying students in their ninth grade year who are at risk of not being ready for

FISCAL DESCRIPTION (continued)

college-level work or for entry-level career positions. (§167.905)

This bill requires each public school to screen students for dyslexia and related disorders at appropriate times in accordance with rules established by the State Board of Education. The school board of each district and governing board of each charter school must provide for the support of any student determined to have dyslexia or a related disorder. "Related disorders" are defined as disorders similar to or related to dyslexia, such as developmental auditory imperception, dysphasia, specific developmental dysgraphia, and developmental spelling disability. (§167.950)

This act creates the "Missouri Civics Education Initiative." This act requires the subject of American civics to be included in the exam required for graduation from any public or private school, other than private trade schools. (§170.011)

Any student entering ninth grade after July 1, 2017, who is attending a public, charter, or private school, except for private trade schools, shall pass an examination on the provisions and principles of American civics. The test will consist of one hundred questions similar to the one hundred questions used by the United States Citizenship and Immigration Services. Each district must adopt a policy permitting a student with a disability to receive a waiver from the basic civics test requirement if the student's IEP committee recommends it. (§170.345)

This act creates the Legislative Task Force on Dyslexia. The Task Force will advise and make recommendations to the Governor, General Assembly, and relevant state agencies. The Task Force will consist of seventeen members, as described in the act. Except for four legislative members and the Commissioner of Education, the members will be appointed by the President Pro Tempore of the Senate and the Speaker of the House of Representatives. The task force will make recommendations for a statewide system for identification, intervention, and delivery of supports for students with dyslexia, as described in the act. The Task Force will hire or contract for hire specialist services to support the work of the Task Force as necessary with appropriations or from other available funding. The Task Force will terminate on August 31, 2018, unless reauthorized. (§633.420)

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

Brentwood School District
Carondelet Leadership Academy
Cassville School District
Chilhowee School District
Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Higher Education
Department of Mental Health
Department of Social Services
 Division of Youth Services
 MoHealthNet Division
East Newton School District
Eldon School District
Everton School District
Fair Play School District
Forsyth School District
Fredericktown R-I School District
Hawthorn Leadership
Hillsboro School District
Kansas City Public Schools
Kearney School District
Kennett School District
Macon County R-IV School District
Malta Bend School District
Mexico School District
Middle Grove School District
Missouri House of Representatives
Missouri Senate
Missouri State University
Missouri Western State University
New Haven School District
Office of the State Courts Administrator
Office of the State Treasurer
Parkway School District
Pettis County R-XII School District
Riverview Gardens School District
Sarcoxi R-II School District
Seymour R-II School District

SOURCES OF INFORMATION (continued)

Shelby County R-IV School District
Shell Knob School District
Smithville R-II School District
Special School District of St. Louis
State Technical College of Missouri
St. Charles School District
St. Elizabeth School District
University of Central Missouri
University of Missouri
Warren County R-II School District
Webster Groves School District
West Plains School District
Wright City R-II School District



Mickey Wilson, CPA
Director
May 12, 2016

Ross Strobe
Assistant Director
May 12, 2016