

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 5880-09
Bill No.: HCS for SS for SCS for SB Nos. 894 & 921
Subject: Elementary and Secondary Education; Science and Technology
Type: Original
Date: April 12, 2018

Bill Summary: This proposal establishes a statewide STEM career awareness program and enacts new provisions of law related to computer science.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	(Could exceed \$350,000)	(Could exceed \$350,000)	(Could exceed \$350,000)
Total Estimated Net Effect on General Revenue	(Could exceed \$350,000)	(Could exceed \$350,000)	(Could exceed \$350,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Computer Science Education Fund*	\$0	\$0	\$0
STEM Career Awareness Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Funds net to zero.

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 9 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on FTE	0	0	0

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 2019	FY 2020	FY 2021
Local Government	Could exceed \$100,000	Could exceed \$100,000 to (Unknown)	Could exceed \$100,000 to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

§161.261 STEM Career Awareness Program

Officials from the **Department of Elementary and Secondary Education (DESE)** assume the request for proposal (RFP) would be issued for the amount available in the STEM Career Awareness Program Fund. Any cost to the state would be assumed by this fund. It is a supplementary online exploratory program for middle school students. DESE doesn't have anything comparable on which to base an estimate. Therefore, the cost is unknown; however, it has the potential to exceed \$100,000.

Oversight assumes this section requires DESE to implement an online statewide program which meets certain requirements for grades six through eight beginning in the 2019-2020 school year. Oversight notes this section requires DESE, on or before January 1, 2019 (FY 2019), to solicit proposals and select an online provider for the online course.

Oversight assumes this section creates the STEM Career Awareness Program Fund which consists of appropriations, gifts, bequest and donations to be used for establishing and supporting the STEM Career Awareness Program. Oversight notes, per section 2.027 in appropriation bill HCS for HB 2002, an appropriation of \$250,000. Therefore, Oversight will reflect an appropriation of \$250,000 from general revenue to the STEM Career Awareness Program. Oversight assumes that all money will be used by the Fund in the year in which it is received.

§170.018 Computer Science

Officials from **DESE** assume this provision will result in a fiscal impact; however, DESE does not expect it to exceed \$100,000 in administrative costs. DESE defers to local school districts.

§170.018.1 (2) Computer Science Graduation Policy

Oversight notes this provision requires DESE to create a policy to allow one unit of academic credit with a district-approved computer science course to fulfill one unit of academic credit for any math, science or practical arts unit required for graduation. Currently, computer science courses are allowed to count as a practical art (of which a student needs 1 unit) or as an elective (of which a student needs 7 units).

§170.018.2 Computer Science Work Group

Oversight assumes this provision requires the state board of education to convene a work group to develop academic standards relating to computer science. Oversight notes this provision requires the state board of education to adopt and implement academic performance standards relating to computer science.

ASSUMPTION (continued)

§170.018.3 Teacher Endorsement

Oversight assumes this provision requires the state board of education to develop a procedure for a teacher who holds a certificate of license to teach and demonstrate sufficient content knowledge of computer science to receive a special endorsement on his or her license.

§170.018.4 Computer Science Education Fund

Oversight assumes this provision creates the Computer Science Education Fund which shall consist of appropriations and other moneys for the purpose of providing teacher professional development programs relating to computer science. Oversight assumes that all money will be used by the Fund in the year in which it is received.

Oversight notes in other fiscal notes for similar proposals, this fund was estimated to have an impact of less than \$100,000. However, upon further inquiry, DESE has noted there is no way to estimate the moneys that may be appropriated to this fund. Oversight will show an impact as could exceed \$100,000 in appropriations for the grant funding program.

Bill as a whole

Officials from the **Office of the State Treasurer, Department of Higher Education, Missouri State University** and **State Technical College of Missouri** assume the proposal will have no fiscal impact on their organization.

In response to a similar proposal, HB 921 (LR 5885-01), officials from the **University of Central Missouri** assumed there would be a positive impact for the university.

In response to a previous version, SS for SCS for SB Nos. 894 & 921 (LR 5880-08), officials from the **Kirkville R-III School District** assumed this proposal would have a limited negative fiscal impact on the district.

In response to a previous version, SS for SCS for SB Nos. 894 & 921 (LR 5880-08), officials from the **Summersville R2 School District** assumed there is a negative fiscal impact.

In response to a similar proposal, HB 921 (LR 5885-07), officials from the **Wellsville-Middletown R-1 School District** assumed there won't be a noticeable negative fiscal impact on the district.

In response to a previous version, SS for SCS for SB Nos. 894 & 921 (LR 5880-08), officials from the **Missouri Western State University** assume the proposal will have minimal fiscal impact on their organization.

ASSUMPTION (continued)

In response to a similar proposal, HB 921 (LR 5885-01), officials from the **Northwest Missouri State University** assumed the proposal will have no fiscal impact on their organizations.

In response to a previous version, SS for SCS for SB Nos. 894 & 921 (LR 5880-08), officials from the **Joint Committee on Administrative Rules** assumed this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

In response to a previous version, SS for SCS for SB Nos. 894 & 921 (LR 5880-08), officials from the **Office of the Secretary of State (SOS)** stated 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 \$2,500. 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 the 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.

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.

Oversight assumes there could be costs associated with developing a computer science course for school districts that currently do not offer one. Oversight will show the cost to school districts as unknown.

Officials at the following school districts: Arcadia Valley R-2, Avilla R-13, Bakersfield, Belton, Benton County R-2, Bismark R-5, Bloomfield R-14, Blue Springs, Bolivar R-I, Bowling Green R-1, Branson, Brentwood, Bronaugh R-7, Campbell R-2, Carrollton R-7, Caruthersville, Central R-III, Chilhowee R-4, Chillicothe R-II, Clarkton C-4, Cole R-I, Columbia, Concordia R-2, Crawford County R-1, Crocker R-II, Delta C-7, East Carter R-2, Eldon R-I, Everton R-III, Fair Play, Fayette R-3, Forsyth R-3, Fox C-6, Fredericktown R-I, Fulton, Grain Valley, Hancock Place, Hannibal, Harrisonburg R-8, Harrisonville, Hillsboro R-3, Hollister R-5, Humansville R-4, Hurley R-1, Independence, Jefferson City, Kansas City Public Schools, Kearney R-1, Kennett #39, King City R-1, Kingston 42, Kirbyville R-VI, Lee Summit, Leeton R-10, Lewis County C-1, Lincoln R-II, Lindbergh, Lonedell R-14, Macon County R-1, Malta Bend, Mehville,

ASSUMPTION (continued)

Meramec Valley R-3, Mexico, Middle Grove C-1, Midway R-1, Milan C-2, Moberly, Monroe City R-I, Morgan County R-2, New Haven, Nixa, North Kansas City, North St. Francois Co. R-1, Northeast Nodaway R-5, Odessa R-VII, Oregon-Howell R-III, Orrick R-11, Osborn R-0, Parkway, Pattonville, Pettis County R-12, Pierce City, Plato R-5, Princeton R-5, Raymore-Peculiar R-III, Raytown, Reeds Springs R-IV, Renick R-5, Republic R-III, Richards R-V, Richland R-1, Richmond R-XVI, Riverview Gardens, Salisbury R-4, Sarcoxie R-2, Scotland County R-I, Sedalia, Seymour R-2, Shell Knob #78, Sikeston, Silex, Smithville R-2, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, St. Charles, St. Elizabeth R-4, Sullivan, Valley R-6, Verona R-7, Warren County R-3, Warrensburg R-6, Waynesville, Webster Groves, Wentzville, West Plains, Westview C-6 and the Wright City R-2 school districts did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
GENERAL REVENUE			
<u>Cost - DESE computer science work group, policy and standards (§170.018.2)</u>	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
<u>Transfer Out - Computer Science Education Fund (§170.018.4)</u>	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
<u>Transfer Out - STEM Career Awareness Fund (§161.261)</u>	<u>(\$250,000)</u>	<u>(\$250,000)</u>	<u>(\$250,000)</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Could exceed <u>\$350,000</u>)	(Could exceed <u>\$350,000</u>)	(Could exceed <u>\$350,000</u>)

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
COMPUTER SCIENCE EDUCATION FUND			
<u>Transfer In</u> - from General Revenue	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Transfer In</u> - from gifts, bequests or donations	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Cost</u> - grants for professional development in computer science (§170.018)	(Could exceed <u>\$200,000</u>)	(Could exceed <u>\$200,000</u>)	(Could exceed <u>\$200,000</u>)
ESTIMATED NET EFFECT ON THE COMPUTER SCIENCE EDUCATION FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
STEM CAREER AWARENESS FUND			
<u>Transfer In</u> - from General Revenue	\$250,000	\$250,000	\$250,000
<u>Transfer In</u> - from gifts, bequests or donations	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Cost</u> - online STEM Career Awareness program (§161.261)	Could exceed <u>(\$350,000)</u>	Could exceed <u>(\$350,000)</u>	Could exceed <u>(\$350,000)</u>
ESTIMATED NET EFFECT ON THE STEM CAREER AWARENESS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
LOCAL SCHOOL DISTRICT FUNDS			
<u>Revenue</u> - from the state's Computer Science Fund - grants for professional development in computer science	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Cost</u> - computer science course	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL SCHOOL DISTRICTS	Could exceed <u>\$100,000</u>	Could exceed \$100,000 to <u>(Unknown)</u>	Could exceed \$100,000 to <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 requires that before July 1, 2019, the Department of Elementary and Secondary Education (DESE) develop a high school graduation policy that allows a student to fulfill one unit of academic credit with a district-approved computer science course for any math, science, or practical arts unit required for high school graduation.

Additionally, before July 1, 2019, the State Board of Education shall convene a work group to develop and recommend academic performance standards relating to computer science. These standards shall be adopted and implemented beginning in the 2019-2020 school year. The Board shall also develop a procedure by which any licensed teacher who demonstrates sufficient content knowledge of computer science shall receive a special endorsement on his or her license signifying this specialized knowledge.

This act creates the "Computer Science Education Fund" for the purpose of providing teacher professional development programs relating to computer science. The Board shall award grants from the fund to eligible entities, as defined in the act, who have submitted an application to DESE, as specified in the act.

Subject to appropriation, DESE shall create the "STEM Career Awareness Program Fund" to increase STEM career awareness among students in grades six through eight. The statewide program shall introduce students to a wide variety of STEM careers and technology through an

FISCAL DESCRIPTION (continued)

online-based STEM curriculum. Before January 1, 2019, DESE shall solicit proposals and select a provider for the online program using specified criteria or choose a third-party nonprofit entity to implement the program, solicit proposals, and select a provider. The program shall be supported by the "STEM Career Awareness Program Fund" and shall be implemented beginning with the 2019-2020 school year.

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
Department of Higher Education
Office of the State Treasurer
Joint Committee on Administrative Rules
Office of the Secretary of State
University of Central Missouri
Missouri State University
State Technical College of Missouri
Northwest Missouri State University
Missouri Western State University
Summersville R2 School District
Kirksville R-III School District

Ross Strope



Acting Director
April 12, 2018