

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 7118S.04C
 Bill No.: SCS for SB Nos. 1653 & 1194
 Subject: Elementary and Secondary Education; Department of Elementary and Secondary Education
 Type: Original
 Date: March 30, 2026

Bill Summary: This proposal establishes new accountability measures for public schools, charter schools, and school districts.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue*	(Up to \$2,001,129)	(Up to \$593,258)	(Up to \$604,549)
Total Estimated Net Effect on General Revenue	(Up to \$2,001,129)	(Up to \$593,258)	(Up to \$604,549)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS

FUND AFFECTED	FY 2027	FY 2028	FY 2029
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 2027	FY 2028	FY 2029
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)

FUND AFFECTED	FY 2027	FY 2028	FY 2029
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

- 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 2027	FY 2028	FY 2029
Local Government*	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§160.522 – Accountability Measures for Elementary and Secondary Schools

Officials from the **Department of Elementary and Secondary Education (DESE)** assume this section calls for the creation of an annual accountability "report card" separate from the existing Annual Performance Report card to be completed by DESE or a private entity contracted by the state board of education to score all public-school districts, public schools, and charter schools on a rating scale of 0-100. This report card would require considerable changes and additions to DESE's current data reporting system. These changes would require ITSD programming for a total cost of \$2,419,162 (three year total). DESE would also require an additional Research Analyst FTE-\$83,134 with the associated salary, fringe, expenses and equipment to handle the visualization, analysis, and reporting data required for the report card.

DESE assumes 2 meetings of stakeholders from across the state will be needed to create the report card and estimates these meetings to cost \$69,600.

This section also calls for DESE to use a growth to proficiency standard, in addition to the existing normative value-added growth measure to measure student success. This growth to proficiency measure shall evaluate for each student with two consecutive years of Missouri assessment program performance levels whether that student has made sufficient academic progress to put such student on a trajectory to reach grade-level proficiency within three years or by grade ten, whichever comes first. After further discussion, DESE believes the development of this measure will cost \$40,000 per year for file generation and review. This cost is based on current vendor contracts DESE uses with the University of Missouri for growth measures and on meetings with several technical groups that would be responsible for developing the growth measure. However, if for some reason DESE must use another vendor to complete this work costs could increase but DESE assumes these costs would not be over \$100,000 per year.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect an impact as estimated by DESE in the fiscal note for their agency.

Oversight notes §160.524.12 states public school districts, public schools, and public charter schools shall report for high schools the number of graduates who within six months of graduation attend postsecondary education or training programs, serve in the military, serve in national or community service, or are employed in a skilled workforce position. Oversight notes Missouri high schools already report post-graduation outcomes through the Missouri High School Graduates Performance Report. Therefore, Oversight will assume this section would cause no additional cost to the school districts.

Officials from the **Department of Higher Education and Workforce Development** and the **University of Missouri** both 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 this agency.

Officials from the **Northwest Missouri State University** and **University of Central Missouri** 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 this agency.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other colleges, universities, and school districts were requested to respond to this proposed legislation but did not. 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. A general listing of political subdivisions included in our database is available upon request.

<u>FISCAL IMPACT – State Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
GENERAL REVENUE			
<u>Cost – DESE (§160.522) p.3</u>			
Personal Service	(\$69,278)	(\$84,797)	(\$86,493)
Fringe Benefits	(\$41,477)	(\$50,441)	(\$51,123)
Expense & Equipment	(\$11,269)	(\$7,572)	(\$7,724)
<u>Total Costs – DESE</u>	<u>(\$122,024)</u>	<u>(\$142,810)</u>	<u>(\$145,340)</u>
FTE Change – DESE	1 FTE	1 FTE	1 FTE
<u>Cost – DESE/ITSD (§160.522)</u>			
Programming cost p.3	(\$1,709,505)	(\$350,448)	(\$359,209)
<u>Cost – DESE/ITSD (§160.522)</u>			
Stakeholders meetings p.3	(\$69,600)	\$0	\$0
<u>Cost – DESE (§160.522) File</u>			
Generation & review p.3	(Up to \$100,000)	(Up to \$100,000)	(Up to \$100,000)
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Up to \$2,001,129)	(Up to \$593,258)	(Up to \$604,549)
Estimated Net FTE Change on General Revenue	1 FTE	1 FTE	1 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2027 (10 Mo.)	FY 2028	FY 2029
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

This act repeals provisions relating to annual report cards for elementary and secondary schools and establishes new accountability measures for all public schools, charter schools, and school districts. In addition to providing information about student performance, the report cards shall be designed to satisfy federal reporting requirements and shall be presented in a standardized, clear, and easily accessible form so that they can be easily understood by parents, taxpayers, school personnel, legislators, and the media.

The State Board of Education may assign duties specified in the act to the Department of Elementary and Secondary Education (DESE) or contract with a third party under state law. By September 15 of each year, the State Board of Education shall provide a confidential version of the school accountability report cards to each school district, public school, and charter school. Within 36 hours of the delivery of the embargoed report cards, the report cards shall be published on the DESE website in a clear and easily accessible location, and by September 30 of each year, the report cards shall be published in a clear and easily accessible location on each school or district website.

The State Board of Education shall assign each school district, public school, and charter school a letter grade rating of A-F based on a 0-100 scale, where an "A" rating represents excellent student outcomes, a "B" rating represents more than satisfactory outcomes, a "C" rating represents satisfactory outcomes, a "D" rating represents less than satisfactory outcomes, and an "F" rating represents a failure to produce adequate outcomes. A school district, public school, or charter school that does not test at least 95% of its students in the annual summative assessment shall have its rating lowered by one level.

DESE shall use a criteria-referenced growth measure, called "growth to proficiency", in addition to the existing normative value-added growth measure. Growth to proficiency shall evaluate for each student with two consecutive years of Missouri Assessment Program performance levels whether that student has made sufficient academic progress to put such student on a trajectory to reach grade-level proficiency within three years or by 10th grade, whichever comes first.

The act describes the factors that shall be used in determining a school's or a school district's A-F rating. These factors include students' academic achievement status, academic growth, and, for

high schools, the four-year graduation rate and a success ready graduate measure to be calculated by DESE based upon factors including students' achievement of Advanced Placement scores of 3 or higher, International Baccalaureate scores of 4 or higher, dual enrollment course completions with a "C" grade or higher, and career and technical education certificates, as provided in the act. For schools serving students in grades below 9th grade, academic achievement level shall represent 40% of the rating, value-added growth shall represent 30% of the rating, and growth to proficiency shall represent 30% of the rating. For high schools, academic achievement level shall represent 25% of the rating, value-added growth shall represent 25% of the rating, growth to proficiency shall represent 25% of the rating, the success ready graduate measure shall represent 15% of the rating, and the student four-year graduation rate shall represent 10% percent of the rating.

School districts, public schools, and charter schools shall also report, for high schools, the number of graduates who, within six months of graduation, attend postsecondary education or training programs, serve in the military or in national or community service, or are employed in a skilled workforce position as determined by a governmental agency or non-governmental organization with expertise in such positions.

DESE shall additionally develop a statewide report card that provides the percentages of students attending schools with each grade rating and student performance on the MAP test relative to student performance on the National Assessment of Educational Progress.

The A-F grading scale for schools shall automatically increase to ensure rigor in the calculation such that when success is achieved, the following school year, expectations are raised so performance does not stagnate. Specifically, when 65% percent of schools earn an A or a B, the following school year, the school grading scale shall increase by five percentage points to earn an A, B, C, and D.

A special school district or state-operated school in which all of the students enrolled are students with disabilities shall be exempt from state requirements relating to school accountability report cards.

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 and Workforce Development
University of Missouri
Northwest Missouri State University
University of Central Missouri



Julie Morff
Director
March 30, 2026



Jessica Harris
Assistant Director
March 30, 2026