

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3444-01
Bill No.: HB 1036
Subject: Education, Elementary and Secondary: Elementary and Secondary Education
Dept; Science and Technology
Type: Original
Date: January 30, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator** assume there will be no fiscal impact on the Courts.

Officials from the **Department of Elementary and Secondary Education (DESE)** stated there would be no fiscal impact to their agency. DESE provided assumptions regarding fiscal impact to local school districts. Staff in the DESE Telecommunications section indicated the current charge for encoding media with closed-captioning is \$80/hour. The amount of time required to perform the closed-caption process is generally two and one-half times the length of the program. Therefore, based on these cost estimates; the cost to close-caption an hour-length program for school instruction would be approximately \$200. Officials from DESE assume this represents a one-time charge to create a master which could subsequently be copied and distributed as a product for use in schools. Depending upon the number of copies to be distributed and sold, this \$200 capital cost does not appear significant in terms of inflating the individual product cost. Even if private sector charges for closed-caption services are three times that of the Telecommunications section, DESE assumes the overall cost to school districts in the form of higher product fees would be minimal.

Officials from the **Parkway School District** indicated they could increase the cost of products purchased in their district, but had no way to estimate potential costs at this time.

ASSUMPTION (continued)

Officials from the **Columbia School District (CSD)** state that when hearing impaired students are identified, the district has provided closed captioned media and equipment in that student's classroom. At the district level CSD only purchases medium that is closed captioned.

Oversight assumes that since some school districts are already providing closed captioned instructional materials and the cost to provide materials in closed caption format is minimal, school districts should be able to absorb costs with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposed legislation requires closed captioning on electronic video instructional materials, as defined in the proposal, designed for elementary and secondary school level users beginning January 1, 2009. Exceptions are made for certain materials. If a publisher knowingly fails to comply with the requirements, the entity that paid for the materials may receive damages of ten times the amount paid to have them captioned.

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 State Courts Administrator
School Districts
 Parkway
 Columbia

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA
Director
January 30, 2006