

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4943-03  
Bill No.: HCS for HB 1250  
Subject: Education, Elementary and Secondary; Elementary and Secondary Education  
Department  
Type: Original  
Date: March 7, 2014

---

Bill Summary: This proposal establishes guidelines for statewide student assessments.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	(Up to \$50,231,378)	(\$118,832)	(\$120,050)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Up to \$50,231,378)</b>	<b>(\$118,832)</b>	<b>(\$120,050)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 8 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
General Revenue	2 FTE	2 FTE	2 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>2 FTE</b>	<b>2 FTE</b>	<b>2 FTE</b>

☐ Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

☒ Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2015	FY 2016	FY 2017
<b>Local Government</b>	<b>(Unknown - Could exceed \$100,000)</b>	<b>(Unknown - Could exceed \$100,000)</b>	<b>(Unknown - Could exceed \$100,000)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** state that the following schedule represents estimated costs necessary to meet the requirements of the proposal:

\$29,000,000	Development, administration, scoring, and reporting assessments
\$ 4,200,000	Standard setting
\$10,000,000	Paper version of assessments
\$ 2,000,000	K-3 competency based instruction/promotion
\$ 2,000,000	20 contracted staff at a mean cost for salary and benefits of \$100,000 each
<u>\$ 2,930,000</u>	Indirect (allowable administrative costs)
<u>\$50,130,000</u>	

**Oversight** assumes that since a statewide assessment system is already in place (§160.518 and §160.526), it is unknown if already existing components could be included in the new statewide assessment system. For fiscal note purposes only, Oversight will assume a cost of (Up to \$50,130,000) for the new system.

DESE states 2.0 FTE supervisors will be required to support the system as described.

**Oversight** has, for fiscal note purposes only, adjusted the starting salaries of the positions requested to that of the current salary posted on DESE web site vacancy notices for similar positions. Oversight has also not calculated travel expense for these positions.

DESE assumes the language of the proposal, as written, does not ensure that the assessment system is a state summative assessment system that is compliant with the requirements of No Child Left Behind/Elementary and Secondary Education Act (NCLB/ESEA); therefore, approximately \$550 million in federal educational funds may be at risk.

**Oversight** assumes the NCLB/ESEA compliance issue is speculative and, for fiscal note purposes only, will assign no fiscal impact on federal funds.

ASSUMPTION (continued)

Officials from the **Kansas City Public School District (KCPS)** state they cannot determine fiscal impact until such time as the Department of Elementary and Secondary Education has promulgated rules. KCPS does believe there will be program, technology update, and training costs associated with any implementation of the proposed legislation. Potential impact may be in the hundreds of thousands of dollars.

Officials from the **Fulton School District (FSD)** assume the actual plan, when completed, would determine the fiscal impact on their school district. FSD assumes they have adequate resources budgeted that would be reallocated to the new plan.

The following schools provided responses to the introduced version of this bill:

Officials from the **Francis Howell School District** assumed no impact to their district.

Officials from the **Blue Springs School District** assume that, if passed, this proposal would cost their school district approximately \$280,000.

Officials from the **Nixa School District** indicated this proposal would have a large cost in both time and money.

Officials from the following school districts: Branson, Caruthersville, Charleston R-I, Cole R-I, Columbia, Fair Grove, Fulton, Harrison R-IX, Independence, Jefferson City, Johnson County R-7, Kirksville, Kirbyville R-V, Lee's Summit, Malden R-I, Malta Bend, Mexico, Monroe City R-I, Parkway, Pattonville, Raymore-Peculiar R-III, Raytown, Riverview Gardens, Sedalia, Sikeston, Silex, Special School District of St. Louis County, Spickard R-II, Springfield, St Joseph, St Louis, St. Charles, Sullivan, Warren County R-III, and Waynesville did not respond to **Oversight's** request for fiscal impact.

<u>FISCAL IMPACT - State Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>GENERAL REVENUE</b>			
<u>Costs</u> - DESE - Development of Statewide Student Assessment System			
Personal Services	(\$63,280)	(\$76,695)	(\$77,462)
Fringe Benefits	(\$32,276)	(\$39,118)	(\$39,509)
Equipment and Expense	(\$5,822)	(\$3,019)	(\$3,079)
Statewide Assessment System	(Up to \$50,130,000)	\$0	\$0
Total DESE Costs	(Up to \$50,231,378)	(\$118,832)	(\$120,050)
FTE Change - DESE	2 FTE	2 FTE	2 FTE
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>(Up to \$50,231,378)</b>	<b>(\$118,832)</b>	<b>(\$120,050)</b>
Estimated Net FTE Change for General Revenue	2 FTE	2 FTE	2 FTE
<u>FISCAL IMPACT - Local Government</u>	FY 2015 (10 Mo.)	FY 2016	FY 2017
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Costs</u> - School Districts - Implementation of Statewide Student Assessment System	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)
<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b>(Unknown - Could exceed \$100,000)</b>	<b>(Unknown - Could exceed \$100,000)</b>	<b>(Unknown - Could exceed \$100,000)</b>

FISCAL IMPACT - Small Business

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

## FISCAL DESCRIPTION

This bill revises the law on student assessment as follows:

### §160.517.1

Prohibits the state and the Department of Elementary and Secondary Education (DESE) from contracting with an out-of-state company to develop and implement statewide assessments after June 30, 2017, unless the in-state request for proposal for assessment is greater than the amount appropriated.

Requires DESE to create a question database for each grade-level standards from suggestions submitted by teachers and to develop a process for soliciting and reviewing submissions.

Nothing in this subsection shall be construed to prevent the required use of the ACT assessment or other existing assessment of college and career readiness.

### §160.517.2

Requires DESE to move towards administering statewide assessments online throughout the year rather than at the end of the course or the end of school year after June 30, 2017. Until that goal is achieved, DESE must ensure that alternative assessment methods remain available.

### §160.517.3

Restricts the number of end-of-course assessments used in determining an annual performance report or accreditation status to no more than five.

### §160.517.4

Restricts the amount and scope of student data collected in the assessment process to that of the 2013-14 school year.

### §160.517.5

School districts shall implement competency-based instruction and promotion policies and procedures for in kindergarten through third grade in the 2015-16 school year.

DESE shall establishes policies and procedure on the subject which districts may adopt.

FISCAL DESCRIPTION (continued)

§160.518

Revises the existing law on assessment to:

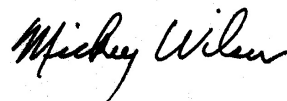
- Require the updating of the assessment system;
- Delete the restriction on the use of the assessment system to only comparison of a school's current performance to its past performance;
- Eliminate the Outstanding Schools Waiver; and
- Delete the obsolete requirements for yearly testing and waivers of the resource and process standards.

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  
School Districts

Kansas City  
Fulton  
Francis Howell  
Blue Springs  
Nixa



Mickey Wilson, CPA  
Director  
March 7, 2014

L.R. No. 4943-03  
Bill No. HCS for HB 1250  
Page 8 of 8  
March 7, 2014

Ross Strobe  
Assistant Director  
March 7, 2014

LMD:LR:OD