

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1661-01  
Bill No.: HB 1216  
Subject: Education, Elementary and Secondary; General Assembly  
Type: Original  
Date: April 21, 2017

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Bill Summary: This proposal requires the Joint Committee on Education to undertake additional duties related to oversight of the state education system.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
General Revenue	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(Could exceed \$100,000)</b>	<b>(Could exceed \$100,000)</b>	<b>(Could exceed \$100,000)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<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 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<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 2018	FY 2019	FY 2020
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials at the **Department of Elementary and Secondary Education (DESE)** assume there is no fiscal impact from this proposal.

Officials at the **Missouri House of Representatives** assume this would be no impact on the House. The Joint Committee expenses are typically covered by the Senate's Joint Contingent Expenses appropriation.

Officials at the **Joint Committee on Education (JCED)** assume the following provisions may have fiscal impact:

<b>Lines</b>	<b>Change</b>	<b>Anticipated Costs</b>
16-17	Provide the state board of education with input on any candidates for the office of the commissioner of education in the event of a vacancy in such office.	Provision does not provide specificity. If this is intended to be a full blown background investigation costs could be associated with such input, if just comments are required then the cost is assumed to be zero.
18-19	Review for alignment to Missouri Constitution and statutes, vote on, and monitor policies developed by the state board of education; "	At this time the JCED does not have a staff attorney to analyze the legality of policies adopted by the state board of education regarding alignment with the Missouri Constitution or existing statute. An attorney may be needed.
32-35	(8) Hold public hearings when the state board of education considers the establishment, revision, or modification of performance measures as required by [section] sections 160.518 and 173.1006 and report on their [establishment] findings to the governor and the general assembly;	"public hearings" imply more than one hearing which might be held at locations throughout the state in order to seek input from as many stakeholders as possible. If this is the case, the costs of travel, food and possible lodging for JCED members may be substantial. On the other hand, if the hearings where held in the capitol building the costs may be minimal or negligible.

52 -56	"(14) Maintain a standing committee for the review and evaluation of all grant applications for grant-funded activities implemented in K-16 schools developed by the department of elementary and secondary education or institutions of higher education for alignment with the Missouri Constitution and statutes and evaluation of the sustainability of financial commitments made on behalf of the state. Such standing committee shall:	It is assumed the intent of this provision is to establish a subcommittee of the JCED to examine and evaluate all grant applications for grant funded activities implemented in the K-16 schools by DESE or "institutions of higher education" for Missouri Constitutional alignment as well as statutes and evaluation of the sustainability of financial commitments made on the states behalf. Legal analysis of all grant applications as well analysis of fiscal sustainability and alignment suggests legal and financial analysis that may cause substantial costs on an ongoing basis. May require the need for legal and financial analyst staff.
57-59	(a) Develop a comprehensive methodology for auditing and monitoring performance under contracts for services to develop or administer assessment instruments required under section 160.526 and for verifying compliance with contractual obligations;	At present, the JCED does not audit performance under contracts for services to develop or administer assessment instruments nor does it verify compliance with contractual obligations on a routine basis. Expanded duties under these provisions may require the addition of FTE
60-64	(b) Ensure that all new and renewed contracts described under paragraph (a) of this subdivision include a provision that the department of elementary and secondary education or a designee of the department of elementary and secondary education may conduct periodic contract compliance reviews, without advance notice, to monitor vendor performance; and	Assuming that additional FTE were provided to the JCED as stated above, it is assumed that ensuring that all new and all renewed contacts include a provision that the department of elementary and secondary education or a designee of the department of elementary may conduct periodic contract compliance reviews, without advance notice, to monitor vendor performance may not generate additional costs

68-75	<p>Maintain an independent or commercial institutional review board (IRB) to protect the rights and personal privacy of individuals, assure a favorable climate for the conduct of scientific inquiry and test development, protect the interests of the public, and ensure that research involving human subjects in Missouri schools complies with federal, state, and local laws and regulations including, but not limited to, the requirements set forth under the Health Research Extension Act of 1985, the regulations on public welfare set forth in 45 CFR 46, the regulations on protections for human subjects set forth in 21 CFR 50 and 21 CFR 56, and the principles set forth in the Belmont Report.</p>	<p>Whether this IRB would be independent or commercial -- cost would be associated. Even if the members of this IRB serve without compensation (which is not specified in the bill). It is assumed that this IRB would need to meet fairly often and fairly regularly to consider the large number of possible research proposals. This would certainly require at a minimum reimbursement for travel, lodging, and food.</p>
76-85	<p>(1) The IRB established under subdivision (15) of subsection 4 of this section shall review, before collection or receipt of the data, proposals for piloting and field testing of statewide standardized assessments; all outside requests for state data by individuals not employed by the state of Missouri who wish to conduct research using Missouri student or school system data collected by the department of elementary and secondary education; and research proposed by candidates for doctoral and master's degrees, university faculty, independent researchers, and private and public agencies that involves use of data held by the department of elementary and secondary education. If such research involves only the collection of aggregate student information that is available online in the public domain, the IRB shall not conduct any review.</p>	<p>Assuming that additional funding were provided to the JCED to establish and maintain such an IRB it is assumed that these provisions would be part of the IRB's duties</p>
95-96	<p>(3) The IRB may include consultants in its discussions for expertise or diversity, but only IRB members shall vote.</p>	<p>Generally, the input of consultants can be expected to generate costs, however the costs may range greatly depending on the issue and the amount of expert engagement needed. This cost may range from zero to thousands of dollars.</p>

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
<b>GENERAL REVENUE FUND</b>			
<u>Cost</u> - Joint Committee on Education - meeting costs and additional staff	(Could exceed <u>\$100,000</u> )	(Could exceed <u>\$100,000</u> )	(Could exceed <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b>(Could exceed <u>\$100,000</u>)</b>	<b>(Could exceed <u>\$100,000</u>)</b>	<b>(Could exceed <u>\$100,000</u>)</b>
<u>FISCAL IMPACT - Local Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<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.

FISCAL DESCRIPTION

This bill requires the Joint Committee on Education to undertake additional duties related to the oversight of the state educational system.

The committee must contain, as members, the chair of the Missouri Senate Budget and Education committees, respectively. The House of Representatives members must include the chairs of the Elementary and Secondary Education and Higher Education committees, respectively.

The committee must meet at least quarterly and perform certain duties. The board must provide the State Board of Education with input on any candidates for the Office of the Commissioner of Education in the event of a vacancy in such office. The board must review policies for alignment to the Missouri Constitution and statutes and vote on and monitor policies developed by the board. It must also review the progress of education in the state's public schools and reports from the Commissioner of Education.

The committee must hold public hearings when the board considers the revision or modification of performance measures. The joint committee must also maintain a standing committee. Such standing committee will review and evaluate grant applications and financial commitments made

FISCAL DESCRIPTION (continued)

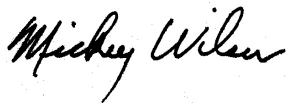
on behalf of the state while also developing a comprehensive methodology for auditing and monitoring, as specified in the bill.

The joint committee must also maintain an independent or commercial Institutional Review Board (IRB) to protect the rights and personal privacy of individuals, and maintain other interests of the public, including reviewing research proposals, as specified in the bill. The IRB board will be composed of at least five members. Such members must not be of the same profession and must have a diversity of experience and expertise.

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  
Missouri House of Representatives  
Joint Committee on Education



Mickey Wilson, CPA  
Director  
April 21, 2017

Ross Strobe  
Assistant Director  
April 21, 2017