

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2365-01
Bill No.: Perfected HCB 4
Subject: Education, Elementary and Secondary; Department of Elementary and Secondary Education; Economic Development
Type: Original
Date: April 12, 2017

Bill Summary: This proposal modifies provisions relating to workforce development.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on General Revenue	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2018	FY 2019	FY 2020
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 2018	FY 2019	FY 2020
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

§160.572 ACT Workkeys

Officials at the **Department of Elementary and Secondary Education** assume no cost to the department.

In response to similar legislation filed this year, HB 94, officials at the **Parkway School District** assumed an additional impact of \$3,360 per year. The WorkKeys assessment is longer than the ACT so it would require it to be broken up over multiple days. It would also mean two administrative processes. As a result, the district would need 2 additional proctor/assistants at each high school for four days. Total 2 people x 4 days x 4 schools = 32 person days x 7 hour/day X \$15 per hour = \$3,360 a year.

In response to similar legislation filed this year, HB 94, Officials at the **Kansas City Public Schools** assume no additional fiscal impact as they currently allow certain students to take the ACT WorkKeys assessment.

In response to similar legislation filed this year, HB 94, officials at the **Special School District of St. Louis** assumed no fiscal impact as they already use the ACT WorkKeys assessment and the expenses are currently included in their budget.

Officials at the **Brentwood School District** assume \$1,200 for proctoring costs for the new assessment.

Officials at the **West Plains School District** assume no fiscal impact based on the assumption that DESE would pay any fee for the assessment.

In response to similar legislation filed this year, HB 94, officials at the **Wentzville R-IV School District** assumed a cost of \$2,000 for the time required to develop a field in our student information system and set up a separate testing schedule.

In response to similar legislation filed this year, HB 94, officials at the **Campbell R-II School District** assumed a positive unknown impact on the district.

In response to similar legislation filed this year, HB 94, officials at the following school districts: **Bakersfield R-IV, Bowling Green, Eldon, Everton, Forsyth R-III, Malta Bend, Middle Grove, Warren County R-III and Wright City R-II School District** all assumed there was no fiscal impact from this proposal to their respective districts.

ASSUMPTION (continued)

In response to similar legislation filed this year, HB 94, officials at the **Pettis County R-XII School District** assumed no fiscal impact as they are a K-8 district only.

Oversight notes that on January 14, 2014, the state board of education approved the administration of the ACT Plus Writing assessment to all grade 11 students. This proposal would allow students to take the ACT WorkKeys assessment instead of the ACT Plus Writing assessment.

Oversight notes this proposal in §160.572.2 requires DESE to allow students to participate in the state-funded administration of the ACT WorkKeys assessment. Oversight assumes that since DESE would be required to pay for the ACT WorkKeys assessment that there would be no cost to school districts for the purchase of the assessment.

Oversight notes that DESE currently pays for the ACT Plus Writing Assessment and would be required to pay for the ACT WorkKeys Assessment. Oversight assumes this substitute of assessments would not incur additional expenses for the state.

§168.024 Externships

Officials at the **Department of Elementary and Secondary Education** assumed no cost to the Department.

In response to similar legislation filed this year, HB 799, officials at the **Kansas City Public Schools** assumed this proposal would not have an unfunded mandate. However, it may stretch revenues allocated for professional development.

Officials at the **West Plains School District** assumed there is no fiscal impact from this proposal.

Oversight notes this proposal would allow teachers to participate in externships with local businesses and count it as part of the professional development required under §168.021. In order to obtain a teaching certificate in Missouri an applicant must have the required educational degree, pass a background check and have a certain number of professional development hours (including so many hours in a classroom) per §168.021. This proposal would allow the externships to count towards the professional development that can be obtained outside the classroom.

Oversight assumes this proposal would not have a fiscal impact as the teachers are already required to have a set number of professional development hours.

ASSUMPTION (continued)

§620.806 Mo Works Job Development

Officials at the **Department of Economic Development** assume there is no fiscal impact from this proposal.

Oversight notes that under current statute, a consortium of qualified companies can qualify as a group for benefits. However, each of those companies must be qualified individually. Oversight notes this portion of the proposal would only require a “majority of” the companies to be qualified companies. Oversight is unable to determine how many additional companies would receive benefits under this proposal.

Oversight notes that according to DED’s website, “Missouri Works Training provides funds directly to companies based on the application and training plan.” According to DED’s budget submissions, the Missouri Works Job Development Training program had the following activity:

	FY 2014	FY 2015	FY 2016	FY 2017 (planned)
Missouri workers trained	37,355	18,738	36,038	35,000
Number of businesses served	395	200	332	300
Average company award	\$37,974	\$30,000	\$39,000	\$41,000
Total Expenditures for program	\$14,840,437	\$4,238,721	\$12,802,438	\$14,039,985

Oversight will not show a fiscal impact from this portion of the proposal.

Bill as a Whole

Officials at the **Kirksville R-III School District** assume there is no fiscal impact from this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2018 (10 Mo.)	FY 2019	FY 2020
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<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.

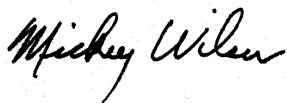
FISCAL DESCRIPTION

The proposed legislation appears to have no direct fiscal impact.

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

Bakersfield R-IV School District
Brentwood School District
Bowling Green School District
Campbell R-II School District
Department of Economic Development
Department of Elementary and Secondary Education
Eldon School District
Everton School District
Forsyth R-III School District
Kansas City Public Schools
Kirksville R-III School District
Malta Bend School District
Middle Grove School District
Parkway School District
Pettis County R-XII School District
Special School District of St. Louis
Warren County R-III School District
Wentzville School District
West Plains School District
Wright City R-II School District



L.R. No. 2365-01
Bill No. Perfected HCB 4
Page 7 of 7
April 12, 2017

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