

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4635-04
Bill No.: HCS for HB 1623
Subject: Elementary and Secondary Education; Department of Elementary and Secondary Education
Type: Original
Date: February 6, 2018

Bill Summary: This proposal establishes a statewide STEM career awareness program and creates new provisions of law related to computer science.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
General Revenue	(Could exceed \$200,000)	(Could exceed \$200,000)	(Could exceed \$200,000)
Total Estimated Net Effect on General Revenue	(Could exceed \$200,000)	(Could exceed \$200,000)	(Could exceed \$200,000)

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Computer Science Education Fund*	\$0	\$0	\$0
STEM Career Awareness Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Income and Cost to the Funds net to zero.

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2019	FY 2020	FY 2021
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 2019	FY 2020	FY 2021
Local Government	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000 to (Unknown)

FISCAL ANALYSIS

ASSUMPTION

§170.018 Computer Science

Officials from **Department of Elementary and Secondary Education** (DESE) assumes this provision will result in a fiscal impact; however, DESE does not expect it to exceed \$100,000 in administration costs. DESE defers to local school districts.

§170.018.1 (2) Computer Science Graduation Policy

Oversight notes this provision requires DESE to create a policy to allow one unit of academic credit with a district-approved computer science course to fulfill one unit of academic credit as an elective, practical arts, science or mathematics unit required for graduation. Currently, computer science courses are allowed to count as a practical art (of which a student needs 1 unit) or as an elective (of which a student needs 7 units).

§170.018.2 Computer Science Work Group

Oversight assumes this provision requires the state board of education to convene a work group to develop academic standards relating to computer science. Oversight notes this provision requires the state board of education to adopt and implement academic performance standards relating to computer science.

§170.018.3 Teacher Endorsement

Oversight assumes this provision requires the state board of education to develop a procedure for teachers who hold a certificate of license to teach and demonstrate sufficient content knowledge of computer science to receive a special endorsement on his or her license.

§170.018.4 Computer Science Education Fund

Oversight assumes this provision creates the Computer Science Education Fund which shall consist of appropriations and other moneys for the purpose of providing teacher professional development programs relating to computer science. Oversight assumes that all money will be used by the Fund in the year in which it is received.

Oversight notes, in a previous version of this proposal, this Fund was estimated to have an impact of less than \$100,000. However, upon further inquiry, DESE has noted there is no way to estimate the moneys that may be appropriated to this fund. Oversight will show an impact as could exceed \$100,000 in appropriations for the grant funding program.

ASSUMPTION (continued)

§620.2700 STEM Career Awareness Program

Officials from **DESE** assume the request for proposal (RFP) would be issued for the amount available in the STEM Career Awareness Program Fund. Any cost to the state would be assumed by this fund. It is a supplementary online exploratory program for middle school students. DESE doesn't have anything comparable on which to base an estimate. Therefore, the cost is unknown; however, it has the potential to exceed \$100,000.

Oversight assumes this section requires DESE to establish and promote an online statewide program which meets certain requirements for grades six through eight beginning in the 2019-2020 school year. Oversight assumes this section creates the STEM Career Awareness Program Fund which consists of appropriations and other monies to be used for establishing the STEM Career Awareness Program. Oversight assumes that all money will be used by the Fund in the year in which it is received.

Bill as a whole

Officials from the **Summersville R2 School District** assume there is a probable negative impact.

Officials from the **Kirksville R-III School District** assume this proposal could have a negative fiscal impact on the district.

In response to a previous version, HB 1623 (LR 4635-02), officials from **West Plains School District** assumed additional costs related to staffing and materials estimated \$50,000 to \$100,000 annually.

Oversight assumes there could be costs associated with developing a computer science course for school districts that currently do not offer one. Oversight will show the cost to school districts as unknown.

Officials from the **Office of the State Treasurer** assume the proposal will have no fiscal impact on their organization.

In response to a previous version, HB 1623 (LR 4635-02), officials from the **Joint Committee on Administrative Rules** assumed this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

ASSUMPTION (continued)

In response to a previous version, HB 1623 (LR 4635-02), officials from the **Office of the Secretary of State (SOS)** stated many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$2,500. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
GENERAL REVENUE			
<u>Cost</u> - DESE computer science work group, policy and standards (§170.018)	(Less than \$100,000)	(Less than \$100,000)	(Less than \$100,000)
<u>Transfer Out</u> - Computer Science Education Fund (§170.018.4)	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
<u>Transfer Out</u> - STEM Career Awareness Fund (§620.2700)	(Could exceed \$100,000)	(Could exceed \$100,000)	(Could exceed \$100,000)
ESTIMATED NET EFFECT ON GENERAL REVENUE	(Could exceed <u>\$200,000</u>)	(Could exceed <u>\$200,000</u>)	(Could exceed <u>\$200,000</u>)

<u>FISCAL IMPACT - State Government</u>	FY 2019 (10 Mo.)	FY 2020	FY 2021
COMPUTER SCIENCE EDUCATION FUND			
<u>Transfer In</u> - from General Revenue	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Cost</u> - grants for professional development in computer science (§170.018)	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)
ESTIMATED NET EFFECT ON THE COMPUTER SCIENCE EDUCATION FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
STEM CAREER AWARENESS FUND			
<u>Transfer In</u> - from General Revenue	Could exceed \$100,000	Could exceed \$100,000	Could exceed \$100,000
<u>Cost</u> - online STEM Career Awareness program (§620.2700)	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)
ESTIMATED NET EFFECT ON THE STEM CAREER AWARENESS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Local Government

FY 2019
(10 Mo.)

FY 2020

FY 2021

LOCAL SCHOOL DISTRICT FUNDS

Revenue - from the state's Computer Science Education Fund - grants for professional development in computer science

Could exceed
\$100,000

Could exceed
\$100,000

Could exceed
\$100,000

Cost - computer science course

\$0

\$0

(Unknown)

**ESTIMATED NET EFFECT ON
LOCAL SCHOOL DISTRICTS**

**Could exceed
\$100,000**

**Could exceed
\$100,000**

**Could exceed
\$100,000 to
(Unknown)**

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

By July 1, 2019, the Department of Elementary and Secondary Education (DESE) must develop a high school graduation policy that allows a student to fulfill one unit of academic credit with a district-approved computer science course for any math, science, or practical arts unit required for high school graduation. A student is prohibited from earning credits in more than one subject area for the computer science course.

By July 1, 2019, the State Board of Education (SBE) shall convene a work group to develop and recommend academic performance standards relating to computer science. These standards shall be adopted and implemented beginning in the 2020-21 school year. In addition, the SBE shall develop a procedure by which any licensed teacher who demonstrates sufficient content knowledge of computer science shall receive a special endorsement on his or her license signifying this specialized knowledge.

The bill creates the "Computer Science Education Fund" for the purpose of providing teacher professional development programs relating to computer science. The SBE shall award grants from the fund to eligible entities who have submitted an application to DESE addressing items specified in the bill.

FISCAL DESCRIPTION (continued)

The bill also creates the "STEM Career Awareness Program" to increase STEM career awareness among students in grades six through eight. The program shall introduce students to a wide variety of STEM careers and technology through an online-based STEM curriculum. By January 1, 2019, DESE shall solicit proposals and select a provider for the online program using specified criteria or choose a third-party nonprofit entity to implement the statewide program, solicit proposals, and select a provider. The program shall be supported by the "STEM Career Awareness Program Fund" and shall be promoted beginning with 2019-20 school year.

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 the State Treasurer
Joint Committee on Administrative Rules
Office of the Secretary of State
Summersville R2 School District
West Plains School District
Kirksville R-III School District

Ross Strobe



Acting Director
February 6, 2018