

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0196-02
Bill No.: Perfected HCS for HB 169
Subject: Elementary and Secondary Education; Internet and Email
Type: Original
Date: March 14, 2019

Bill Summary: This proposal requires public schools to teach students appropriate online behavior.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY2020	FY 2021	FY 2022
General Revenue	\$0 or (\$64,350)		
Total Estimated Net Effect on General Revenue	\$0 or (\$64,350)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
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 2020	FY 2021	FY 2022
Local Government	\$0	(Could exceed \$100,000)	(Could exceed \$100,000)

FISCAL ANALYSIS

ASSUMPTION

Establish Internet and Social Media Awareness Program

Officials from **Department of Elementary and Secondary Education (DESE)** assume it would take between 90-240 hours to develop one hour of training. The costs are based on an average hourly labor cost of \$65/hour. That would be somewhere between \$5,850 and \$15,600 for one hour of content or an average of \$10,725 per finished hour. In this case, the cost would be \$21,450 for a two-hour e-learning training. The total cost among the three grade levels would be \$64,350 (\$21,450 x 3).

Oversight assumes there could be a one time cost of \$64,350 based on DESE's estimate to develop a two-hour e-learning training for three grade levels, if appropriated by the State.

Course Materials and Instruction

In response to a previous version, HCS for HB 169 (2019), officials from the **Wellsville-Middletown R-1 School District** assumed this proposal would have a negative fiscal impact on the district.

In response to a previous version, HCS for HB 169 (2019), officials from **Lee's Summit R-7 School District** assumed this proposal would cost the district between \$10,000 and \$20,000 in professional learning costs for 4th and 8th grade teachers, as well as, curriculum development.

In response to a previous version, HB 169 (2019), officials from **Sherwood-Cass R-VIII School District** stated, depending on the district and the size of the school, this would require districts to hire additional staff to teach specific secondary courses and possibly at the elementary level. For our district that would cost us about \$45,000 to \$55,000. This would erase any increase to the State Adequacy Target (SAT) we receive from one year to the next from the state and could hinder other opportunities to spend those funds towards other student courses.

In response to a previous version, HB 169 (2019), officials from the **Springfield Public Schools** assumed this proposal would cost \$50,000 in course development and materials.

In response to a previous version, HB 169 (2019), officials from the **Lee's Summit R-7 School District** assumed this proposal would have no fiscal impact as the district utilizes an academy approach for students K-6 and best practices for digital citizenship at the secondary level. All students also agree to an acceptable use policy as well.

ASSUMPTION (continued)

In response to a previous version, HB 169 (2019), officials from the **Kirksville R-III School District** assumed the proposal would have no fiscal impact on their organization.

Oversight received a limited number of responses from school districts related to the fiscal impact of this version of the proposal. Oversight has presented this fiscal note on the best current information available. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other school districts were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to www.legislativeoversight.mo.gov.

Oversight notes some school districts indicated costs for curriculum development and professional development. Oversight notes if more than 10 school districts had an estimated cost of \$10,000 (as reported by Lee's Summit R-7 School District), the cost to implement this proposal would exceed \$100,000. Oversight will show a cost to school districts that could exceed \$100,000.

Promulgate Rules

In response to a previous version, HCS for HB 169 (2019), officials from the **Joint Committee on Administrative Rules** assumed this proposal is not anticipated to cause a fiscal impact beyond its current resources.

Oversight assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

In response to a previous version, HCS for HB 169 (2019), officials from the **Office of the Secretary of State (SOS)** assumed 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 \$5,000. 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

ASSUMPTION (continued)

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 require additional resources.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
GENERAL REVENUE FUND			
<u>Cost - DESE - Course Development</u>	<u>\$0 or (\$64,350)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED FISCAL IMPACT ON GENERAL REVENUE FUND	<u>\$0 or (\$64,350)</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
LOCAL SCHOOL DISTRICTS			
<u>Cost - Curriculum development and professional development</u>	<u>\$0</u>	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</u>)
LOCAL SCHOOL DISTRICTS	<u>\$0</u>	(Could exceed <u>\$100,000</u>)	(Could exceed <u>\$100,000</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 establishes the "Internet and Social Media Awareness Program" to increase awareness of appropriate online behavior and skills among students in public schools. In coordination with the Career and Technical Education Advisory Council, materials will be developed and evaluated by the Department of Elementary and Secondary Education.

FISCAL DESCRIPTION (continued)

Beginning in school year 2020-2021, each public school shall provide instruction in 4th grade and an optional course in 8th grade on how to navigate online courses and appropriate online behavior.

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 Secretary of State
Joint Committee on Administrative Rules
Sherwood-Cass R-VIII School District
Wellsville-Middletown R-1 School District
Springfield Public Schools
Lee's Summit R-7 School District
Kirksville R-III School District



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March 14, 2019

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