

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0258-01
Bill No.: HB 112
Subject: Elementary and Secondary Education
Type: Original
Date: February 22, 2019

Bill Summary: This proposal modifies provisions relating to services and programs for gifted children.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|------------|------------|------------|
| FUND AFFECTED | FY 2020 | FY 2021 | FY 2022 |
| | | | |
| Total Estimated Net Effect on General Revenue | \$0 | \$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 5 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 or (Unknown) | \$0 to (Unknown) | \$0 to (Unknown) |

FISCAL ANALYSIS

ASSUMPTION

Officials at the **Department of Elementary and Secondary Education (DESE)** assume there is no fiscal impact from this proposal. DESE defers to the school districts for fiscal impact. In response to a similar proposal, HCS HB 1435 (2018), DESE stated an increase in the number of gifted students would not impact funding as there is no earmarked funding for gifted. Funding in the formula for gifted is set at \$24,870,104 and has been set at this since the 2004-2005 school year.

Officials from the **Wellsville-Middletown R-1 School District** assume this proposal has the potential to have a substantial negative fiscal impact.

Officials from the **Lee's Summit R-7 School District** assume this proposal would be of no cost to the district because we have a state-approved program.

Officials from the **Springfield Public Schools** assume the cost to the district would be for additional professional development for non-certificated gifted teachers. The program already exists in our district but this change would create a mandate for districts. Additional cost above current expenditure is negligible.

Oversight notes, per information from DESE's website, 204 school districts in Missouri offered gifted programs and served 39,299 gifted students in 2015-2016. Per DESE, expenditures on gifted programs in 2016-2017 were estimated at \$42,546,592.

Oversight estimates gifted spending is approximately \$1,083 per gifted student (\$42,546,592 / 39,299). A report from the Advisory Council on the Education of Gifted and Talented Children notes there were 6,052 students identified as gifted that were not being served by a state approved program in Missouri in 2015. If school districts created gifted programs for 6,052 students, the cost to the school districts is estimated at \$6,554,316 (6,052 * \$1,083).

Oversight notes this proposal would require a school district to establish a gifted program if 3% or more of students are determined to be gifted. Oversight is unable to determine how many districts would need to establish a gifted program. Therefore, Oversight will show an potential impact to school districts of \$0 up to an unknown cost.

Officials from the **Office of the Secretary of State (SOS)** state 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

ASSUMPTION (continued)

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 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.

Officials from the **Joint Committee on Administrative Rules (JCAR)** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

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

| <u>FISCAL IMPACT - State Government</u> | FY 2020 (10 Mo.) | FY 2021 | FY 2022 |
|---|---------------------|------------|------------|
| | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |

| <u>FISCAL IMPACT - Local Government</u> | FY 2020 (10 Mo.) | FY 2021 | FY 2022 |
|---|---------------------|---------|---------|
|---|---------------------|---------|---------|

LOCAL SCHOOL DISTRICT FUNDS

| | | | |
|---|---------------------|---------------------|---------------------|
| Cost - requirement to establish gifted programs | \$0 or (Unknown) | \$0 or (Unknown) | \$0 or (Unknown) |
|---|---------------------|---------------------|---------------------|

| | | | |
|--|------------------------------------|------------------------------------|------------------------------------|
| ESTIMATED NET EFFECT ON SCHOOL DISTRICT FUNDS | <u>\$0 or (Unknown)</u> | <u>\$0 or (Unknown)</u> | <u>\$0 or (Unknown)</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 school districts to establish a state-approved gifted program if 3% or more of the students are determined to be gifted. Districts with average daily attendance of 350 or fewer students are not required to have a teacher certificated to teach gifted education, but any teacher providing gifted instruction without a gifted-teaching certificate must participate in six hours per year of professional development regarding gifted services.

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
Wellsville-Middletown R-1 School District
Lee's Summit R-7 School District
Springfield Public Schools
Joint Committee on Administrative Rules
Office of the Secretary of State



Kyle Rieman
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February 22, 2019

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February 22, 2019