

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4534-02
Bill No.: Perfected HCS for HB 1868
Subject: Education, Elementary and Secondary; Boards, Commissions, Committees, and Councils
Type: Original
Date: February 20, 2020

Bill Summary: This proposal requires the state board of education to develop a statewide plan for minimum requirements for career and technical education (CTE) certificates.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
General Revenue	(\$25,000)	(\$25,000)	(\$25,000)
Total Estimated Net Effect on General Revenue	(\$25,000)	(\$25,000)	(\$25,000)
ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2021	FY 2022	FY 2023
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 2021	FY 2022	FY 2023
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Joint Committee on Administrative Rules**, and **State Treasurers Office** each assume this proposal will have no direct fiscal impact on their respective agencies.

In response to a previous version, officials from the **Office of the Secretary of State** stated that Many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The Secretary of State's office 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 Secretary of State's office for Administrative Rules is less than \$5,000. The Secretary of State's office recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, we also recognize 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 our office can sustain with our core budget. Therefore, we reserve 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.

Officials from the **Department of Elementary and Secondary Education** estimated that based on the amended proposal, approximately 10 workgroups will be needed at an average cost of \$7,500 per workgroup. This cost will be spread out over multiple years as it will take some time to update the standards for all areas. Therefore, the Department will show the impact over a three year period at \$25,000 per year.

Oversight notes the other responding organizations stated the proposal would have no direct fiscal impact. Oversight has no contrary information; accordingly, this fiscal note shows a zero impact for those agencies.

<u>FISCAL IMPACT - State Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
GENERAL REVENUE			
<u>Cost - DESE - workgroup expenses (HA1)</u>	<u>(\$25,000)</u>	<u>(\$25,000)</u>	<u>(\$25,000)</u>
DIRECT FISCAL IMPACT TO GENERAL REVENUE	<u>(\$25,000)</u>	<u>(\$25,000)</u>	<u>(\$25,000)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2021 (10 Mo.)	FY 2022	FY 2023
	<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

§ 170.029 - Career and Technical education standards

This proposal requires the state board of education to develop a statewide plan for career and technical education by convening workgroups for each program area to develop and recommend rigorous and relevant performance standards.

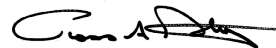
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Joint Committee on Administrative Rules
Secretary of State
Office of the State Treasurer



Julie Morff
Director
February 20, 2020



Ross Strope
Assistant Director
February 20, 2020