

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 2267H.01I
Bill No.: HB 1071
Subject: Education, Elementary and Secondary; Elementary and Secondary Education,
Department of; Health and Senior Services, Department of; Mental Health,
Department of; Social Services, Department of
Type: Original
Date: February 26, 2021

Bill Summary: This proposal makes the early learning quality assurance report program permanent.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue*	\$0	(\$544,759 to \$8,759,274)	(\$548,712 to \$8,771,137)
Total Estimated Net Effect on General Revenue	\$0	(\$544,759 to \$8,759,274)	(\$548,712 to \$8,771,137)

*Costs are ranged from expanding this pilot program (FY 2021 appropriation of \$119,713) with a sunset date - to a permanent statewide program. The costs are ranged from having 50 programs to 900 programs, as participation in the program is voluntary.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
General Revenue	0	1 FTE to 3 FTE	1 FTE to 3 FTE
Total Estimated Net Effect on FTE	0	1 FTE to 3 FTE	1 FTE to 3 FTE

☒ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

☐ Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2022	FY 2023	FY 2024
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 161.217 Early Learning Quality Assurance Report

Officials from **Department of Elementary and Secondary Education (DESE)** assume, according to national standards, a quality assurance system contains multiple components, including but not limited to: Instructional Quality, Onsite Assessment, Coaching/Consultation/Technical Assistance, Program Structure (health, safety, policies & procedures), Parent and Community Engagement, Child Screening and Assessment, Staff Qualifications, and Professional Development. Each of these components are broken down below.

National data has shown, on average, a 25% participation rate in voluntary quality assurance systems. Based on this statistic, DESE is estimating approximately 908 programs will participate in this Quality Assurance Report Program.

$555 \text{ school districts} + 3,083 \text{ licensed providers} = 3,638 * 25\% = 908 \text{ programs}$

Each program would need an annual onsite assessment of the quality of the program's environment using a tool with rigorous validity and reliability standards. Assessments are approximately \$500 each.

Each program has on average 5 classrooms.
 $908 \text{ programs} * 5 \text{ classrooms} = 4,540 \text{ classrooms}$

Each classroom would need coaching, consultation, and technical assistance to enhance teachers' existing knowledge, develop or refine skills and strategies, and foster teacher self-reflection delivered through 12 virtual (1 hr each) and 6 on-site visits (4 hrs each).

$\$50 \text{ rate/hr} * 12 \text{ virtual visits} * 1 \text{ hour} = \600
 $\$50 \text{ rate/hr} * 6 \text{ on-site visits} * 4 \text{ hours} = \$1,200$
 $\$1,800 \text{ coaching, consultation, and technical assistance per classroom}$
 $\text{Average of 5 classrooms} * \$1,800 = \$9,000 \text{ per program}$

Because this program will be subject to appropriations, DESE will provide a range of potential impacts.

Programs	50	100	250	500	900
Cost	\$475,000	\$950,000	\$2,375,000	\$4,750,000	\$8,550,000

In addition, DESE estimates 1 FTE Supervisor per 300 programs.

Officials from the **Department of Health and Senior Services**, **Department of Mental Health**, and the **Department of Social Services** each assume the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Oversight notes the Early Learning Quality Assurance Pilot Report was created during the 2016 legislative session in SB 638. Per the DESE Budget Requests and Appropriation Bills, the following expenditures and appropriations have occurred for the Early Learning Quality Assurance Pilot Report:

	Actual Expenditures	Planned Expenditures	Appropriation
FY 2018	\$0	\$59,713	\$59,713
FY 2019	\$57,922	\$57,922	\$59,713
FY 2020	\$36,706	\$310,122	\$319,713
FY 2021	\$0	-	\$119,713
FY 2022	N/A	-	-

*Per DESE's budget request, in FY 2018 and FY 2021 the total appropriations were restricted.

Oversight notes there is an appropriation for \$119,713 for the early learning quality assurance report in the introduced version of HB 2 (2.245 - 2021). Oversight assumes the ultimate cost of the program would depend on the number of participants and the services provided through the program. Oversight will show a range of impact of 50 programs to 900 programs based on the estimates provided by DESE.

Oversight notes the current program is scheduled to sunset on August 28, 2022; therefore, Oversight will show costs beginning in FY 2023.

<u>FISCAL IMPACT – State Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
GENERAL REVENUE			
<u>Costs</u> - DESE - §161.217			
Personal Service	\$0	(\$33,540 to \$100,620)	(\$40,650 to \$121,951)
Fringe Benefits	\$0	(\$21,270 to \$63,809)	(\$25,659 to \$76,978)
<u>Expense & Equipment</u>	\$0	(\$14,949 to \$44,845)	(\$7,403 to \$22,208)
Total Costs	\$0	(\$69,759 to \$209,274)	(\$73,712 to \$221,137)
Net FTE Change - DESE	0	1 FTE to 3 FTE	1 FTE to 3 FTE
<u>Costs</u> - DESE - on-site assessments - §161.217	\$0	(\$25,000 to \$450,000)	(\$25,000 to \$450,000)
<u>Costs</u> - DESE - coaching, consolation and technical assistance - §161.217	\$0	(\$450,000 to \$8,100,000)	(\$450,000 to \$8,100,000)
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>\$0</u>	<u>(\$544,759 to \$8,759,274)</u>	<u>(\$548,712 to \$8,771,137)</u>
Estimated Net FTE Change on General Revenue	0	1 FTE to 3 FTE	1 FTE to 3 FTE

<u>FISCAL IMPACT – Local Government</u>	FY 2022 (10 Mo.)	FY 2023	FY 2024
	<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.

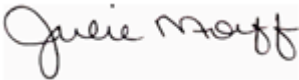
FISCAL DESCRIPTION

This bill changes the Early Learning Quality Assurance Program from a pilot program to an established program, and removes the current sunset language set to expire in 2022.

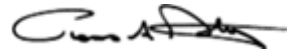
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Mental Health
Department of Social Services



Julie Morff
Director
February 26, 2021



Ross Strobe
Assistant Director
February 26, 2021