

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4740H.02I
 Bill No.: HB 2794
 Subject: Education, Elementary and Secondary; Department of Elementary and Secondary
 Education; Children and Minors
 Type: Original
 Date: March 5, 2024

Bill Summary: This proposal modifies provisions governing postsecondary plans of elementary and secondary school students.

FISCAL SUMMARY

| ESTIMATED NET EFFECT ON GENERAL REVENUE FUND | | | |
|--|----------------------|--------------------|--------------------|
| FUND AFFECTED | FY 2025 | FY 2026 | FY 2027 |
| General Revenue* | (\$1,578,528) | (\$323,598) | (\$331,689) |
| Total Estimated Net Effect on General Revenue | (\$1,578,528) | (\$323,598) | (\$331,689) |

*Oversight notes the ITSD costs for this proposal include establishing online platform for teachers, online student portfolio process, and modifications to MOSIS. The total cost is reflected in FY 2025 with ongoing support costs in FY 2026-27.

| ESTIMATED NET EFFECT ON OTHER STATE FUNDS | | | |
|---|------------|------------|------------|
| FUND AFFECTED | FY 2025 | FY 2026 | FY 2027 |
| | | | |
| 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 2025 | FY 2026 | FY 2027 |
| | | | |
| | | | |
| Total Estimated Net Effect on <u>All</u> Federal Funds | \$0 | \$0 | \$0 |

| ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE) | | | |
|---|----------------|----------------|----------------|
| FUND AFFECTED | FY 2025 | FY 2026 | FY 2027 |
| | | | |
| | | | |
| Total Estimated Net Effect on FTE | 0 | 0 | 0 |

- 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 2025 | FY 2026 | FY 2027 |
| | | | |
| | | | |
| Local Government | \$0 to (Unknown) | \$0 to (Unknown) | \$0 to (Unknown) |

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** state DESE has not identified any new cost or FTE needed to implement the provisions of this bill, other than those identified by ITSD.

Officials from **Office of Administration – Information Technology (OA-ITSD)** state it is assumed that every new IT project/system will be bid out because all ITSD resources are at full capacity.

Section 167.912.2 - requires DESE to establish and maintain an online platform for teachers that DESE does not currently have. ITSD assumes the need for a new application and estimates 6,156 hours at a rate of \$105/hour for IT Consultants to complete the work resulting in a cost of \$646,380 in FY25 and ongoing maintenance cost of \$132,508 and \$135,821 in FY26 and FY27 respectively.

Section 167.912.3 - requires DESE to establish and maintain an online portfolio process for each student to track the student's plans, abilities, etc. ITSD assumes the need for a new application and estimates 6,048 hours at a rate of \$105/hour for IT Consultants to complete the work resulting in a cost of \$635,040 in FY25 and ongoing maintenance cost of \$130,183 and \$133,438 in FY26 and FY27 respectively.

Sections 167.903 and 167.912 - ITSD assumes that DESE will need modifications to MOSIS or new functionality created in MOSIS to track data and estimates 2,829.60 hours at a rate of \$105/hour for IT Consultants to complete the work resulting in a cost of \$297,108 in FY25 and ongoing maintenance cost of \$60,907 and \$62,430 in FY26 and FY27 respectively.

Oversight does not have any information to the contrary. Therefore, Oversight will reflect estimated impact from DESE/ITSD in the fiscal note.

Oversight notes students in grades kindergarten through 12th will receive instruction in career literacy which will be incorporated into existing curricula and academic and performance standards. The amount of time described for each grade level may be difficult for schools to implement. There are roughly 32 weeks in a school year, 16 hours would be required for elementary, 32 for upper elementary, and 64 hours for 6-12 (which equates to 528 hours of K-12 instructional time, over one-half of a school year-diverted to this). There are several other requirements that schools must comply with, therefore; Oversight will reflect a \$0 to unknown cost to school districts to implement the requirements of the proposal.

Oversight received zero responses from school districts related to the fiscal impact of this 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 received from state agencies and political subdivisions; however, school districts were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

| <u>FISCAL IMPACT – State Government</u> | FY 2025 (10 Mo.) | FY 2026 | FY 2027 |
|--|----------------------|--------------------|--------------------|
| GENERAL REVENUE | | | |
| <u>Costs – DESE/ITSD</u> | | | |
| MOSIS Changes | (\$297,108) | (\$60,907) | (\$62,430) |
| Online Student Portfolio | (\$635,040) | (\$130,183) | (\$133,438) |
| Teacher Platform | (\$646,380) | (\$132,508) | (\$135,821) |
| Total ITSD Costs | (\$1,578,528) | (\$323,598) | (\$331,689) |
| ESTIMATED NET EFFECT ON GENERAL REVENUE | (\$1,578,528) | (\$323,598) | (\$331,689) |

| <u>FISCAL IMPACT – Local Government</u> | FY 2025 (10 Mo.) | FY 2026 | FY 2027 |
|---|-----------------------------|-----------------------------|-----------------------------|
| SCHOOL DISTRICTS | | | |
| <u>Costs – increased instructional time for career literacy</u> | \$0 to (Unknown) | \$0 to (Unknown) | \$0 to (Unknown) |
| ESTIAMTED NET EFFECT ON SCHOOL DISTRICTS | \$0 to (Unknown) | \$0 to (Unknown) | \$0 to (Unknown) |

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 that students in the eighth grade complete a career assessment, meet with a guidance counselor, and develop a personal plan of study or individual career and academic plan (ICAP). Beginning in the 2025-26 school year students in ninth through 12th grade must annually review and complete the ICAP with the assistance of a teacher or counselor. Students in

grades kindergarten through 12th will receive instruction in career literacy which will be incorporated into existing curricula and academic and performance standards.

For grades Kindergarten through grade two such instruction must be a minimum of 30 minutes per week, for grades three through five, one hour per week, and in grades six through 12 two hours of instruction is required.

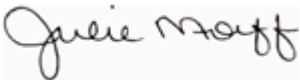
The Department of Elementary and Secondary Education must establish an online portfolio process for student tracking and a collaborative process to help students align with graduation requirements, personal interests, labor market needs, and career goals. The bill specifies career and educational opportunities in which the Department will educate students.

The bill repeals the "Career Readiness Course Task Force" dissolved in 2019.

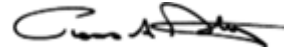
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education



Julie Morff
Director
March 5, 2024



Ross Strobe
Assistant Director
March 5, 2024