

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0140H.011
 Bill No.: HB 371
 Subject: Education, Elementary and Secondary; Department of Elementary and Secondary Education
 Type: Original
 Date: January 21, 2025

Bill Summary: This proposal requires the Department of Elementary and Secondary Education to develop, use, and report student grade-level equivalence data.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	(\$1,038,002)	(\$21,620)	(\$22,616)
Total Estimated Net Effect on General Revenue	(\$1,038,002)	(\$21,620)	(\$22,616)

***Oversight** notes in order for the Department of Elementary and Secondary Education to meet the requirements of this proposal they will need to develop and revise performance level descriptors, related assessments, notifications, and meetings that will exceed the \$250,000 threshold.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
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 2026	FY 2027	FY 2028
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Section 160.522 – Student Grade-Level Equivalence Data

Officials from **Department of Elementary and Secondary Education (DESE)**, assume to revise performance-level descriptors and define grade-level equivalence therein, the department would need to conduct on-site review/revise meetings with panelists – meeting costs and stipends for six meeting days with 160 panelists [Four grade-span groups (primary, elementary, middle school, high school) of 10 participants in each of four subjects (mathematics, English language arts, science, social studies).] representing various regions of the state. \$587,040 for all review/revise meetings.

Contractor facilitation of review/revise meetings and generation of new performance level descriptors (PLDs) that define range, threshold and are suitable for reporting. \$65,500

Psychometric and measurement work to incorporate five new PLDs into the prior four PLD structure. \$175,000

Revise building, district and statewide assessment reporting; revise individual student reports (ISRs) and related material. \$100,000

Costs associated with statute-required notifications and public meetings upon revision of the MSIP 6 Comprehensive Guide. \$5,000

DESE's Office of Data System Management (ODSM) will be involved with the collection of data and reporting including the searchable engine. DESE estimates 20 hours total for time to test and deploy report card changes post ITSD services. The position responsible for the work is a Research Analyst position. At this time DESE can absorb these duties, however, if multiple pieces of legislation are passed that require additional duties that lead to additional FTE needed DESE will seek approval for the needed FTE through the appropriations process.

Oversight notes DESE shall establish panels to review and revise the performance-level descriptors for each academic subject and grade level. The proposal states for the 2026-27 (FY27) school year and all subsequent school years, the school accountability report card shall include information about each student's grade-level equivalence as outlined in the proposal. For simplicity, **Oversight** will show the total costs as estimated by DESE (\$932,540) in FY26.

Officials from the **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. This project would have to be prioritized by DESE to be worked among DESE's other projects. ITSD assumes the Report Card is a set of data processes (ETLs) that gather data that DESE has collected from districts using the MOSIS application/system. These ETL's will need

modified to handle the changes required in this legislation. ITSD estimates the project would take 1,004.40 hours at a contract rate of \$105 for a total cost of \$105,462 in FY26 with on-going support costs of \$21,620 in FY27 and \$22,161 in FY28.

Oversight will show the costs as estimated by OA-ITSD.

Officials from the **Washington School District** assume the financial impact would be for additional training for staff on the new classifications, \$5000 for the first year.

Officials from the **Osage County R-I School District** assume the proposal will have no fiscal impact on their organization.

Oversight does not anticipate a measurable fiscal impact to school districts; therefore, Oversight will reflect a zero impact in the fiscal note.

Oversight received a limited number of 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 2026 (10 Mo.)	FY 2027	FY 2028
GENERAL REVENUE			
<u>Costs - DESE - to develop and revise performance level descriptors, related assessments, notifications and meetings - §160.522</u>	(\$932,540)	\$0	\$0
<u>Costs - DESE/OA-ITSD - changes to MOSIS application - §160.522</u>	(\$105,462)	(\$21,620)	(\$22,161)
ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND	(\$1,038,002)	(\$21,620)	(\$22,616)

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<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

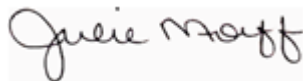
This bill defines "Grade-level equivalence", a metric developed and used by the DESE to show a student's proximity to doing grade-level work and requires DESE to establish panels to review and revise the performance-level descriptors for each academic subject and grade level. The bill identifies and describes the performance level descriptors as: advanced, proficient, grade level, basic, and below basic with specified characteristics for each level.

Beginning in the 2026-27 school year and in each subsequent year the school accountability report card must provide each student's grade-level equivalence as measured on the statewide assessment. Data relating to the grade-level equivalence must be searchable on a building-by-building, school-by-school, district-by-district, and statewide level. Such data must display a percentage of students at grade level or above for each level, provided that no data will disclose personal identification of any student except to a student's parent.

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
 January 21, 2025



Jessica Harris
 Assistant Director
 January 21, 2025