

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 0249H.02I  
 Bill No.: HB 220  
 Subject: Education, Elementary and Secondary; Department of Elementary and Secondary Education; Children and Minors  
 Type: Original  
 Date: February 19, 2025

Bill Summary: This proposal authorizes and establishes standards for virtual schools or programs administering statewide assessments.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2026	FY 2027	FY 2028
General Revenue*	More or less than (\$829,822)	More or less than (\$658,822)	More or less than (\$658,822)
<b>Total Estimated Net Effect on General Revenue</b>	<b>More or less than (\$857,822)</b>	<b>More or less than (\$658,822)</b>	<b>More or less than (\$658,822)</b>

\*Oversight notes that the proposal states that any virtual school or program **may** administer any statewide assessment required pursuant to the provisions of section 160.518 in a virtual setting that aligns with the student’s regular academic instruction. Therefore, the costs (student technology, Data Forensics/Test Security, and DRC for development/scoring/reporting) combined could exceed the \$250,000 threshold.

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

Numbers within parentheses: () indicate costs or losses.

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

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

- 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.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2026</b>	<b>FY 2027</b>	<b>FY 2028</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from **Department of Elementary and Secondary Education (DESE)** state Section 161.670, RSMo., 12. – This legislation would allow the virtual administration of the statewide assessment of students enrolled in virtual school.

The Missouri Technical Advisory Committee for Assessment recommends that the Department of Elementary and Secondary Education (DESE) create a separate test form to meet the requirements as outlined and to limit the exposure of the item bank used for all assessments.

Data Recognition Corporation (DRC) currently is contracted to do similar work and DESE assumes would be responsible for the development of forms (tests), scoring, and reporting either through a contract amendment or a new contract. Based on the current contract costs, fourteen forms will need to be developed for grade levels: 3-8 English Language Arts, 3-8 Mathematics, 5 & 8 Science (\$73,941 year one) and ten forms will need to be developed for end-of-course English 1 & 2, Algebra 1 & 2, Geometry, Government, Biology, Physical Science, American History, and Personal Finance (\$69,978 year one).

This development includes the creation of forms dedicated to virtual administration, online administration, reporting, dedicated IT services, psychometric services, validity study of virtual administration, program coordination and manual production for virtual administration. Annual costs for this would be:

1. \$443,822, plus;
2. \$200,000 annually for data forensics and test security.

In addition, DESE estimates \$214,800 for camera and communication devices necessary for remote test administration. DESE assumes the state would be responsible for providing these to vendors with an estimated cost per camera = \$30 per x 6,200 unduplicated count of students enrolled in MoCAP 203-24 academic year = \$186,000. This equipment would be returned to vendors with an estimated annual need to replace a minimum number. Annual replacement cost is estimated at \$15,000.

**Oversight** notes that the proposal states that any virtual school or program may administer any statewide assessment required pursuant to the provisions of section 160.518 in a virtual setting that aligns with the student's regular academic instruction. Oversight is unable to determine how many virtual schools or programs will decide to administer virtual assessments.

In addition, the cost of camera and communication devices necessary for remote test administration could potentially vary depending on compatibility with specific devices as well as the required wide degree angle of view in order to meet the requirements of the proposal.

Therefore, Oversight will reflect a \$0 (no participation in virtual assessment) to a fiscal impact that could exceed the estimate provided by DESE in the fiscal note.

Officials from **Hume R-VIII School District** assume MOCAAP already cost their district a lot of money.

In response to a similar proposal, SB 1049 (2024), officials from the **Henry County R-1 School District** assumed the proposal will have a fiscal impact on their organization.

**Oversight** does not anticipate a fiscal impact to school districts. However, Oversight received limited 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 approval to publish a new fiscal note.

Officials from the **Attorney General's Office, Department of Higher Education and Workforce Development, Office of Administration, University of Missouri, Concordia R-II School District, Northwest Missouri State University, and the University of Central Missouri** assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

#### Rule Promulgation

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

Officials from the **Office of the Secretary of State (SOS)** note 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 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 its 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.

<u>FISCAL IMPACT – State Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
<b>GENERAL REVENUE</b>			
<u>Costs – DESE – Student technology for test administration §161.670 p.3</u>	\$0 or Could exceed (\$214,000)	\$0 or Could exceed (\$15,000)	\$0 or Could exceed (\$15,000)
<u>Costs – DESE – Data Forensics/Test Security §161.670 p.3</u>	(\$200,000)	(\$200,000)	(\$200,000)
<u>Costs – DRC for development/scoring/reporting §161.670 p.3</u>	(\$443,822)	(\$443,822)	(\$443,822)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>More or less than (\$857,822)</b>	<b>More or less than (\$658,822)</b>	<b>More or less than (\$658,822)</b>

<u>FISCAL IMPACT – Local Government</u>	FY 2026 (10 Mo.)	FY 2027	FY 2028
	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

FISCAL IMPACT – Small Business

No direct fiscal impact to small businesses would be expected as a result of this proposal.

FISCAL DESCRIPTION

This bill provides that any virtual school or program that is part of the Missouri Course Access and Virtual School Program may administer any statewide assessment virtually.

The bill outlines requirements for such virtual assessments, including the monitoring of students via a camera and the maintaining of a student-to-proctor ratio that is targeted at 10-1 or lower.

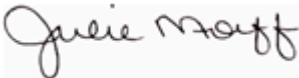
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education

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Attorney General's Office  
Department of Higher Education and Workforce Development  
Office of Administration  
Office of the Secretary of State  
Joint Committee on Administrative Rules  
University of Missouri  
Northwest Missouri State University  
University of Central Missouri  
Hume R-III  
Henry County R-1 School District  
Concordia R-II School District



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