

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0249H.03C
Bill No.: HCS for HB 220
Subject: Education, Elementary and Secondary; Department of Elementary and Secondary
Education; Children and Minors
Type: Original
Date: March 6, 2025

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

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
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)
Total Estimated Net Effect on General Revenue	More or less than (\$829,822)	More or less than (\$658,822)	More or less than (\$658,822)

*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.

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 161.670 – Standards for Virtual Schools

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 \$186,000 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.

Officials from DESE also noted that they did not include costs for college readiness or workforce readiness assessments in the original estimate.

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 except for college readiness or workforce readiness assessments provided by a national college and career readiness assessment provider 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.

In response to a previous version, officials from **Hume R-VIII School District** assumed MOCAAP already cost their district a lot of money.

In response to a previous version, officials from the **Northwest Missouri State University, University of Central Missouri, and Concordia R-II School District** each assumed 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.

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 **Department of Higher Education and Workforce Development, Office of Administration, University of Missouri, and the University of Missouri** each assume the proposal will have no fiscal impact on their organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

Officials from the **Office of Attorney General (AGO)** assume any potential litigation costs arising from this proposal can be absorbed with existing resources. However, the AGO may seek additional appropriations if the proposal results in a significant increase in litigation or investigation.

Oversight does not have any information to the contrary. Therefore, Oversight assumes the AGO will be able to perform any additional duties required by this proposal with current staff and resources and will reflect no fiscal impact to the AGO for fiscal note purposes.

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
GENERAL REVENUE			
<u>Costs</u> – DESE – Student technology for test administration §161.670 p.3	More or less than (\$186,000)	More or less than (\$15,000)	More or less than (\$15,000)
<u>Costs</u> – DESE – Data Forensics/Test Security §161.670 p.3	(\$200,000)	(\$200,000)	(\$200,000)
<u>Costs</u> – DRC for development/scoring/reporting §161.670 p.3	(\$443,822)	(\$443,822)	(\$443,822)
ESTIMATED NET EFFECT ON GENERAL REVENUE	More or less than (\$829,822)	More or less than (\$658,822)	More or less than (\$658,822)

<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

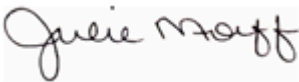
This bill provides that any virtual school or program that is part of the Missouri Course Access and Virtual School Program may administer any statewide assessment virtually.

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
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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March 6, 2025



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