

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4669H.02P  
 Bill No.: Perfected HCS for HB 2152  
 Subject: Education, Elementary and Secondary; Department of Elementary and Secondary Education; Teachers  
 Type: Original  
 Date: April 12, 2022

Bill Summary: This proposal allows school innovation teams to submit plans for school innovation waivers.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
General Revenue	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

**Oversight** notes DESE’s FY 2022 Budget Book included a \$1,000,000 Governor’s Recommendation from General Revenue to “support school innovation teams in implementing their waivers approved by the State Board of Education”. DESE’s FY 2023 Budget Book does not appear to include funding to support innovation waivers. Oversight assumes if there is an appropriation for the program, it will exceed \$250,000.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2023	FY 2024	FY 2025
<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 2023</b>	<b>FY 2024</b>	<b>FY 2025</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 2023</b>	<b>FY 2024</b>	<b>FY 2025</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 2023</b>	<b>FY 2024</b>	<b>FY 2025</b>
<b>Local Government</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>	<b>\$0 or (Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

#### Section 161.214 School Innovation Waiver

Officials from the **Department of Elementary and Secondary Education (DESE)** 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 for DESE.

Officials from the **Gordon Parks Elementary** assume the proposal will have no fiscal impact on their organization.

**Oversight** notes DESE's FY 2022 Budget Book included a \$1,000,000 Governor's Recommendation from General Revenue to "support school innovation teams in implementing their waivers approved by the State Board of Education". DESE's FY 2023 Budget Book does not appear to include funding to support innovation waivers.

**Oversight** will show a range of impact to General Revenue of \$0 (no additional cost or not appropriated) to an unknown cost to support school innovation teams. Based on FY 2022's Governor Recommend, Oversight assumes the cost could exceed \$250,000.

**Oversight** assumes there could be a cost to implement this program. School districts may have costs related to improving student readiness and job training, increasing teacher compensation, or improving teacher recruitment and development. Oversight will show a range of impact of \$0 (no school districts participate or no additional cost) to an unknown cost to implement the waiver. Oversight assumes the net impact on school districts would be \$0 if distributions from General Revenue cover all costs or negative net impact if implementation costs exceed state distributions.

#### 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 2023 (10 Mo.)	FY 2024	FY 2025
<b>GENERAL REVENUE</b>			
<u>Costs</u> - DESE - support for school districts implementing School Innovation Waivers - §161.214	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2023 (10 Mo.)	FY 2024	FY 2025
<b>SCHOOL DISTRICTS</b>			
<u>Costs</u> - to implement School Innovation Waivers (improve student readiness and job training, increase teacher compensation, improve teacher recruitment and development) - §161.214	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>	\$0 or <u>(Unknown)</u>
<u>Revenue</u> - distributions from the state to support school districts implementing School Innovation Waivers if appropriated - §161.214	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>	\$0 or <u>Unknown</u>
<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICTS</b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</u></b>	<b>\$0 or <u>(Unknown)</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 a definition for "school innovation team" and for "school innovation waiver" and allows school innovation teams to submit a plan to the State Board of Education (SBE) for a state innovation waiver for a variety of purposes as outlined in the bill.

Plans submitted to the SBE must include the provision of law for which the waiver is being requested, as well as demonstrate the necessity of the waiver, provide measurable performance targets and goals, and demonstrate support for the plan, along with additional requirements as provided in the bill.

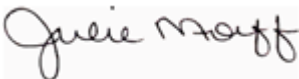
The bill provides the SBE specific criteria for the evaluation of submitted plans and permits the SBE to make modifications to the plan with the cooperation of the school innovation team. School innovation waivers are only effective for three years beginning the school year following the approval and may be renewed. Only one waiver may be in effect per school at a time, and specific restrictions to statutory requirements relating to school start date, teacher certification, teacher tenure, or any requirement imposed by federal law, are applicable.

The Department of Elementary and Secondary Education is required to publish an annual report documenting and providing data regarding the requested and granted waivers at the statewide, district, and school building levels to analyze specified trends and request modifications. This bill repeals section 161.210, RSMo, relating to the current waiver provision.

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  
Office of the Secretary of State  
Joint Committee on Administrative Rules  
Gordon Parks Elementary



Julie Morff  
Director  
April 12, 2022



Ross Strope  
Assistant Director  
April 12, 2022