

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3444-02
Bill No.: Perfected HCS for HB 1036
Subject: Education, Elementary and Secondary: Elementary and Secondary Education
 Dept; Science and Technology
Type: Original
Date: April 26, 2006

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 5 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator** assume there will be no fiscal impact on the Courts.

Officials from the **Office of Attorney General** assume that any potential costs arising from this proposal can be absorbed with existing resources.

Officials from the **Coordinating Board for Higher Education** stated this proposal would have no fiscal impact on their agency.

Officials from the **Department of Elementary and Secondary Education (DESE)** stated there would be no fiscal impact to their agency.

DESE provided assumptions regarding fiscal impact to local school districts. Staff in the DESE Telecommunications section indicated the current charge for encoding media with “closed-captions” or “open-captions is \$80/hour. The amount of time required to perform the closed-caption process is generally two and one-half times the length of the program. Therefore, based on these cost estimates, the cost to close-caption or open-caption an hour-length program for school instruction would be approximately \$200. Officials from DESE assume this represents a one-time charge to create a master which could subsequently be copied and

ASSUMPTION (continued)

distributed as a product for use in schools. Even if private sector charges for closed-caption services are three times that of the Telecommunications section, DESE assumes the overall cost to school districts in the form of higher product fees would be minimal.

Officials from the **Metropolitan Community College** and **Lincoln University** stated this proposed legislation would have no fiscal impact on their respective institutions.

Officials from **Missouri State University** state there will be costs associated with this proposal; however, they indicated detailed action plans are in place in order to have all their videos created or purchased as captioned videos by June, 2008.

Oversight assumes the costs are already on-going and this proposed legislation does not result in additional costs other than those already being incurred by Missouri State University.

Officials from the **Poplar Bluff School District** indicated the proposed legislation could have a fiscal impact by driving up costs associated with the production and purchase of designated items.

Officials from the **Parkway School District** stated there would be no direct fiscal impact on their district, but prices would likely increase for materials from the provider.

Officials from the **Columbia School District (CSD)** state that when hearing impaired students are identified, the district has provided closed captioned media and equipment in that student's classroom. At the district level CSD only purchases medium that is closed captioned.

Oversight assumes that since some school districts are already providing closed captioned instructional materials and the cost to provide materials in closed caption format is minimal, school districts should be able to absorb costs with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2007	FY 2008	FY 2009
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2007	FY 2008	FY 2009
	<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.

DESCRIPTION

This proposed legislation requires that, beginning January 1, 2007, every publisher or manufacturer of electronic video instructional materials offered for adoption or sale in the state shall supply such materials with open captions or closed captions, except for the following:

- (1) Video products or portions of video products for which the publisher does not have the rights to add captions; and
- (2) Video products or portions of video products for which the user does not receive a physical copy of the product, but rather the product is otherwise broadcast into the instructional environment through television programming, teleconferences, and/or products distributed over the Internet or World Wide Web.

Electronic video instructional materials are described as materials designed, marketed, and sold for use in the instructional programs of educational institutions in Missouri, including but not limited to materials on videotape, CD-ROM, digital video disc (DVD), and film.

If a publisher knowingly fails to comply with the requirements, the entity that paid for the materials may receive damages of ten times the amount paid to have them captioned.

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 State Courts Administrator
Office of Attorney General
Coordinating Board for Higher Education
School Districts
 Parkway
 Columbia
 Poplar Bluff
Colleges and Universities
 Lincoln University
 Metropolitan Community College
 Missouri State University



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