

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3261-01
Bill No.: HB 1625
Subject: Appropriations; Education, Elementary and Secondary
Type: Original
Date: February 4, 2002

FISCAL SUMMARY

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
General Revenue	\$0	(\$0 to \$1,093,021)	(\$0 to \$1,087,614)
Character Education Grant Program	\$0	\$0	\$0
Total Estimated Net Effect on <u>All State Funds</u>*	\$0	(\$0 to \$1,093,021)	(\$0 to \$1,087,614)

***Subject to Appropriation**

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
None			
Total Estimated Net Effect on <u>All Federal Funds</u>	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2003	FY 2004	FY 2005
School Districts	\$0	(Unknown)	(Unknown)

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 4 pages.

FISCAL ANALYSIS

ASSUMPTION

Officials of the **State Treasurer** stated that the proposal would not fiscally affect their agency.

Officials from the **Secretary of State's Office (SOS)** assume the rules, regulations and forms issued by the State Board of Education could require as many as 10 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The actual costs could be more or less the SOS's estimated cost of \$615 for FY 2003. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

Oversight assumes the SOS could absorb the costs of printing and distributing regulations related to this proposal. If multiple bills pass which require the printing and distribution of regulations at substantial costs, the SOS could request funding through the appropriation process. Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials of the **Department of Elementary and Secondary Education** would request a Supervisor and an Administrative Assistant to establish grant criteria, design applications, arrange and conduct information workshops, provide reader training, review applications, conduct reader meetings, make payments and monitor programs.

Oversight notes that Department of Elementary and Secondary Education administrative costs would depend upon the amount of money appropriated for the programs and has, therefore, ranged costs from zero to the amount requested. Oversight also notes that the proposal allows for more than ten grants in years subsequent to school year 2003-2004, but will assume that the program would remain at ten grants through the period covered by the fiscal note. Oversight has adjusted the salary levels and eliminated the travel expense from the DESE estimates.

Oversight also assumes that since the grants would be issued on a competitive basis, school districts would use some resources of their own in addition to grant moneys to establish the character education programs.

<u>FISCAL IMPACT - State Government</u>	FY 2003 (10 Mo.)	FY 2004	FY 2005
GENERAL REVENUE FUND			
<u>Cost - Department of Elementary and Secondary Education (DES)</u>			
Personal Service (2 FTE)	\$0	(\$60,411)	(\$61,921)
Fringe Benefits	\$0	(\$21,754)	(\$22,298)
Expense and Equipment	<u>\$0</u>	<u>(\$10,856)</u>	<u>(\$3,395)</u>
Administrative Cost to DES	\$0	(\$93,021)	(\$87,614)
 <u>Cost Transfer to Character Education Grant Program Fund</u>	 <u>\$0</u>	 (\$0 to <u>\$1,000,000</u>)	 (\$0 to <u>\$1,000,000</u>)
 ESTIMATED NET EFFECT ON GENERAL REVENUE FUND*	 <u>\$0</u>	 <u>(\$0 to \$1,093,021)</u>	 <u>(\$0 to 1,087,614)</u>
*Subject to Appropriation			
 CHARACTER EDUCATION GRANT PROGRAM FUND			
 <u>Income - Transfers from General Revenue</u>	 \$0	 \$0 to \$1,000,000	 \$0 to \$1,000,000
 <u>Cost - Grants to School Districts</u>	 <u>\$0</u>	 (\$0 to <u>\$1,000,000</u>)	 (\$0 to <u>\$1,000,000</u>)
 ESTIMATED NET EFFECT ON CHARACTER EDUCATION GRANT PROGRAM FUND	 <u>\$0</u>	 <u>\$0</u>	 <u>\$0</u>
 <u>FISCAL IMPACT - Local Government</u>			
	FY 2003 (10 Mo.)	FY 2004	FY 2005
SCHOOL DISTRICTS			
 <u>Income - State Grants</u>	 \$0	 \$0 to \$1,000,000	 \$0 to \$1,000,000
 <u>Costs - Character Education Programs</u>	 <u>\$0</u>	 <u>(Unknown)</u>	 <u>(Unknown)</u>
 ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	 <u>\$0</u>	 <u>(Unknown)</u>	 <u>(Unknown)</u>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal would create a competitive grant program for character education. Beginning with the 2003-2004 school year, the Department of Elementary and Secondary Education would award ten school districts grants of up to \$100,000 each for character education programs. Criteria for grant approval are included in the proposal.

The proposal would also create the Character Education Grant Program Fund. The grants would be subject to appropriation, and, should a smaller amount than full funding be appropriated, grants would be prorated.

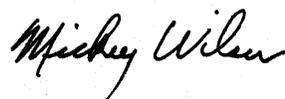
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Office of Secretary of State
Office of State Treasurer

Not Responding

Office of Administration
Division of Budget and Planning



Mickey Wilson, CPA
Acting Director
February 4, 2002