

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0601-01
Bill No.: HB 285
Subject: Education, Elementary and Secondary: Elementary and Secondary Education
 Dept
Type: Original
Date: February 4, 2003

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
General Revenue*	(\$165,679 to Unknown)	(\$176,140 to Unknown)	(\$178,048 to Unknown)
Total Estimated Net Effect on General Revenue Fund*	(\$165,679 to Unknown)	(\$176,140 to Unknown)	(\$178,048 to Unknown)

* Subject to Appropriation; language indicates "shall"

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Motivating Parents and Children Fund*	\$0	\$0	\$0
Total Estimated Net Effect on Other State Funds*	\$0	\$0	\$0

*Subject to Appropriation; language indicates "shall"

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2004	FY 2005	FY 2006
School Districts*	\$0	\$0	\$0

*Subject to Appropriation; language indicates "shall"

FISCAL ANALYSIS

ASSUMPTION

Section 160.261 - Discipline in Public Schools

Officials from the **Kansas City, Missouri School District (KCMSD)** stated the KCMSD prints its discipline policy on an annual basis and the incremental cost of incorporating the changes resulting from this proposal would be at a minimal cost.

Officials from the **Secretary of State's Office (SOS)** assumed the rules, regulations and forms issued by the Department of Elementary and Secondary Education could require as many as 26 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 \$1,599 for FY 2004. 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of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.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 ASSUMPTION (continued)

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.

Section 160.730 - Motivating Parents and Children Program (MPAC)

Officials from the **Office of State Treasurer** indicated this proposed legislation would have no fiscal impact on their agency.

Officials from the **Saint Louis Public Schools** stated that there could be some implementation costs beyond what is funded for a district.

Officials from the **Department of Elementary and Secondary Education (DESE)** indicated that, subject to appropriation, the “Motivating Parents and Children Program” would have an unknown impact since the amount of the grants is not specified in the proposal. However, the impact could likely be significant. DESE would require 1 Coordinator, as provided in the proposal, 1 Supervisor, and 1 Administrative Assistant to develop, implement, and administer a program of family support; to establish and administer an incentive program; establish and administer a child care volunteer program, and to develop qualifying criteria.

Oversight assumes that since this is a pilot program with six school districts the coordinator position, as required in the proposal, would be adequate to develop and administer the programs outlined in the proposal. **Oversight** has also, for fiscal note purposes only, adjusted the salary and benefits of the coordinator to correspond with the range for starting salaries paid by DESE in 2002 for comparable positions and has excluded travel costs of \$4,500 annually, assuming the program could be administered with minimal travel.

DESE assumes the school districts would have a minimal fiscal impact not covered by the grant award. **Oversight** assumes that minimal costs not covered by the grant awards could be absorbed by the districts with existing resources.

Section 167.161 - Suspension or Expulsion of Pupils in Public Schools

Officials from the **Office of State Public Defender** indicated this proposed legislation would have no fiscal impact on their agency.

Officials from the **Office of State Courts Administrator** stated that there would be no fiscal impact on the Courts as a result of this proposal.

ASSUMPTION (continued)

Officials from the **Department of Social Services - Division of Youth Services (DYS)** indicated that the impact of this legislation on DHS is difficult to estimate. In 2000, there were approximately 8,900 youth statewide referred to juvenile court for having committed a felony. If school districts exercise their right, under this proposal, to suspend all youth alleged, indicted, convicted, or adjudicated for having committed a felony, the risk of committing larger numbers of youth to DHS increase.

DYS is unable to estimate the fiscal impact of this bill because of the uncertainty of how public school districts will exercise their option of suspending youth alleged or adjudicated for felony offenses. The number of youth who would be impacted cannot be estimated and DHS is unable to estimate the duration of the suspensions impacted by the school districts; therefore, the fiscal impact of this proposal is unknown.

Oversight notes that, in response to a similar proposal, DHS estimated that it costs \$39,468 per bed for a community-based residential facility; therefore, costs would exceed \$100,000 if only three additional youth were committed to a residential facility rather than attending school for one year.

Oversight assumes that although certain school districts could be affected by loss of state aid due to reduction in average daily attendance, other districts could see an increase in their allocation with the additional funding made available.

Office of Prosecution Services (OPS) did not respond to a fiscal note request; however, in response to a similar proposal for last session, OPS indicated there would be no additional costs to prosecutors as a result of this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
GENERAL REVENUE			
<u>Cost</u> - Elementary and Secondary Education (DESE) (160.730)			
Personal Service (1 Coordinator)	(\$43,532)	(\$53,544)	(\$54,883)
Benefits	(\$17,617)	(\$21,669)	(\$22,211)
Equipment and Expense	<u>(\$4,530)</u>	<u>(\$937)</u>	<u>(\$954)</u>
Total Administrative Cost*	(\$65,679)	(\$76,140)	(\$78,048)
 <u>Cost</u> - DESE (160.730)			
Transfer to Motivating Parents and Children Fund (MPAC)*	(Unknown)	(Unknown)	(Unknown)
 <u>Cost</u> - Department of Social Services - Division of Youth Services (167.161)			
Youth program costs	Greater than <u>(\$100,000)</u>	Greater than <u>(\$100,000)</u>	Greater than <u>(\$100,000)</u>
 ESTIMATED NET EFFECT ON GENERAL REVENUE FUND	 <u>(\$165,679 to Unknown)</u>	 <u>(\$176,140 to Unknown)</u>	 <u>(\$178,048 to Unknown)</u>
*Subject to Appropriation			
 MOTIVATING PARENTS AND CHILDREN FUND (MPAC)			
 <u>Income</u> - Transfer from General Revenue*			
	Unknown	Unknown	Unknown
 <u>Cost</u> - Grants to participating school districts*			
	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
 ESTIMATED NET EFFECT ON MPAC FUND	 <u>\$0</u>	 <u>\$0</u>	 <u>\$0</u>
*Subject to Appropriation; language indicates "shall"			

<u>FISCAL IMPACT - Local Government</u>	FY 2004 (10 Mo.)	FY 2005	FY 2006
SCHOOL DISTRICTS			
<u>Income</u> - Grants from Motivating Parents and Children Fund*	Unknown	Unknown	Unknown
<u>Cost</u> - Services to families with at-risk students*	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
EXPECTED NET EFFECT TO SCHOOL DISTRICTS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
*Subject to Appropriation; language indicates "shall"			

FISCAL IMPACT - Small Business

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

DESCRIPTION

SECTION 160.261 - School Discipline

This proposal requires each school district to establish a policy that prohibits bullying, which is defined in the proposal. The policy must be consistently and fairly enforced. The discipline policy may address the issue of notification of students and parents of students concerning credible threats to commit any of the acts listed in the section. Also, added to the list of reportable acts is: Making a terroristic threat, pursuant to Section 574.115.

School districts shall consider the inclusion of character education as part of an age-appropriate curriculum if the district board determines that character education would have a positive effect on discipline in any or all of its schools.

SECTION 160.730 - Motivating Parent and Children Program

This proposed legislation creates a pilot program, "Motivating Parents and Children Program", for school age children considered at risk by their school district. The Department of Elementary and Secondary Education (DESE) will provide grants to six qualifying districts, three of which shall be urban or metropolitan and three rural. DESE shall provide a statewide program coordinator and develop a program of family support, which will also be available to home

DESCRIPTION (continued)

school students. The proposal specifies other elements of the program, including incentives for parents who attend parenting classes and requiring parents to spend a day in school with the child who violates major disciplinary rules which record of the violation becomes part of the student's permanent school district record, other than suspension. DESE must develop criteria for determining qualifications for the grant, and the proposal establishes a fund in the state treasury for the program.

This section of the proposed legislation is subject to appropriation and shall not take effect unless the general assembly appropriates moneys in advance to fund provisions of this section.

SECTION 167.161 - Suspension or Expulsion of Pupils in Public Schools

This proposed legislation amends Section 167.161, RSMo, allowing a school district to suspend a student who has been charged with, or adjudicated to have committed a felony criminal violation, regardless of whether that student is prosecuted as an adult or as a juvenile.

SECTION 1.

This section of the proposed legislation prohibits any employee of any public school or charter school within this state from performing a strip search, as the term is defined in Section 544.193.

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
Department of Social Services
 Division of Youth Services
Office of State Treasurer
Office of State Courts Administrator
Office of Secretary of State
 Administrative Rules Division
Kansas City, Missouri School District
Office of State Public Defender

NOT RESPONDING

Office of Prosecution Services



Mickey Wilson, CPA
Director
February 4, 2003