

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0639-04
Bill No.: SS for HB 265 with SA 1, SA 2, SA 5, SA 1 to SA 7, SA 7, SA 9
Subject: Elementary and Secondary Education; Department of Elementary and Secondary Education
Type: Original
Date: May 10, 2007

Bill Summary: Enacts several provisions regarding education.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(\$16,150,533 to Unknown)	(\$25,815,302 to \$34,815,302 to Unknown)	(\$26,463,353 to \$35,453,353 to Unknown)
Total Estimated Net Effect on General Revenue Fund	(\$16,150,533 to Unknown)	(\$25,815,302 to \$34,815,302 to Unknown)	(\$26,463,353 to \$35,453,353 to Unknown)

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 35 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
State School Moneys Fund	\$0	\$0	\$0
Classroom Trust Fund	(\$1,000,000)	(\$1,000,000)	(\$1,000,000)
Safe Schools Fund	\$0	\$0	\$0
Missouri Exceptional Teachers Fund	Unknown - Up to \$1,000,000	Unknown - Up to \$1,000,000	Unknown - Up to \$1,000,000
Public Safety for All School Children Fund	\$0	\$0	\$0
Missouri Legacy Fund	(Unknown)	(Unknown)	(Unknown)
Early Childhood Program Quality Improvement Grant	\$0	(\$3,917,500)	(\$6,263,500)
Missouri Legacy Fund	(Unknown)	(Unknown)	(Unknown)
Safe Schools Fund	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds*	(\$1,000,000 to Unknown)	(\$4,917,500 to \$5,917,500 to Unknown)	(\$7,263,500 to \$8,263,500 to Unknown))

***Offsetting Transfers in and disbursements from State School Moneys Fund are (Unknown - Expected to Exceed \$100,000 annually).**

***Offsetting Transfers in and disbursements from Safe Schools Fund are \$9,000,000 annually, beginning in FY 2009.**

*** Offsetting Transfers in and Grants from Public Safety for All School Children Fund are Up to \$9,000,000 annually**

*** Offsetting Transfers in and disbursements from Missouri Legacy Fund are Unknown.**

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	6 FTE	6 FTE	6 FTE
Total Estimated Net Effect on FTE	6 FTE	6 FTE	6 FTE

Estimated Total Net Effect on All funds expected to exceed \$100,000 savings or (cost).

Estimated Net Effect on General Revenue Fund expected to exceed \$100,000 (cost).

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Local Government*	(\$953,112)	(\$1,143,734)	(\$1,143,734)

***Offsetting Transfers In and Disbursements for eligible uses as outlined in §163.035 are \$9,000,000 annually, beginning in FY 2009**

***Offsetting Transfers In and Grants for eligible districts as outlined in Section 3 are up to \$9,000,000 annually, beginning in FY 2009.**

***Does not reflect an increase in Unfunded Actuarial Accrued Liability (UAAL) of \$34,000,000 to Public School Retirement System and \$1,300,000 to the Non-Teacher Retirement System.**

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Secretary of State (SOS)** assume 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 to the SOS office for Administrative Rules is less than \$2,500. The SOS recognizes this is a small amount and does not expect additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed in a given year and that collectively the costs may be in excess of what the SOS can sustain with their core budget. Any additional required funding would be handled through the budget process.

§160.261; 160.660; 161.650; 167.020; 167.022; 167.023; 167.115; 167.161; 167.164; 167.335; 167.621; 167.624; 167.627; 167.630; 168.133; 210.102; 475; 060 - SCHOOL PROTECTION MEASURES

In response to similar legislation from this session (HB 469), officials from the **Department of Health and Senior Services, Department of Public Safety – Director's Office and Missouri**

ASSUMPTION (continued)

State Highway Patrol, Department of Social Services, Springfield Police Department, Mexico School District, Parkway Public Schools, and the University of Missouri assumed the proposal would have no fiscal impact on their respective agencies or institutions.

In response to HB 469, officials from the **Boone County Sheriff's Department** assumed there will be no cost to law enforcement if the school officers are employees of and paid for by the school districts.

Also, in response to HB 469, officials from the **Office of State Courts Administrator** assumed the proposed legislation would have no fiscal impact on the courts.

In response to HB 469, officials from the **Department of Elementary and Secondary Education (DESE)** assumed the language in §168.133 allows the criminal background check and fingerprint collection to be transferable from one school district to another district. DESE operates under the policy that these records may be transferred from one district to the next.

DESE stated there appears to be some uncertainty as to whether the language will result in additional costs and procedures for the department and local school districts. One interpretation is that the new language simply speaks to the one-year validity of the background check and fingerprint collection; therefore, no additional fiscal impact will be incurred. Another interpretation is that the language will require every individual having contact with any pupil to undergo the criminal background check and fingerprint collection on an annual basis. Should the second interpretation be correct, the result will be annual costs to locals totaling \$3,978,000 (78,000 pupil contact individuals x \$51 fee) and a significant increase in workload for the department.

Oversight assumes the provisions in proposed §168.133.8 would allow any criminal background check to be valid for one year and to be transferred from one school district to another during this one-year period; therefore, **Oversight** assumes no fiscal impact to Department of Elementary and Secondary Education or local school districts.

Oversight assumes that the training requirement by school districts is elective. Therefore, **Oversight** assumes no fiscal impact to the local school districts.

§160.775 - CYBER/ELECTRONIC BULLYING

In response to similar legislation (SB 646), officials from the **Department of Elementary and**
ASSUMPTION (continued)

Secondary Education stated this section would have no fiscal impact on their agency or school districts.

Officials from the **Poplar Bluff School District** stated there would be no real fiscal impact on their district as they are currently operating along the lines of this proposal.

Officials from the **Francis Howell School District** stated there would be no fiscal impact to their district.

§160.782, 160.785, 160.788, 160.791, 160.794, 160.797, 160.798 - DRUG TESTS FOR CONSTRUCTION COMPANY EMPLOYEES ON SCHOOL PROPERTY

In response to identical legislation from this session (SB 622), officials from the **Department of Elementary and Secondary Education (DESE)** assumed there is no state cost to the foundation formula associated with this proposal. Should the new crimes and amendments to current law result in additional fines or penalties, DESE cannot know how much additional money might be collected by local governments or the DOR to distribute to schools. To the extent fine revenues exceed 2004-2005 collections, any increase in this money distributed to schools increases the deduction in the foundation formula the following year. The affected districts will see an equal decrease in the amount of funding received through the formula the following year; unless the affected districts are hold-harmless, in which case the districts will not see a decrease in the amount of funding received through the formula (any increase in fine money distributed to the hold-harmless districts will simply be additional money). An increase in the deduction (all other factors remaining constant) reduces the cost to the state of funding the formula.

In response to SB 622, Officials at the **Missouri Department of Conservation (MDC)** assumed the proposed legislation would appear to have indirect fiscal impact on MDC funds, since it would mainly affect contractors and subcontractors who work on state owned buildings. The exact amount of impact is unknown, but expected to be less than \$100,000 annually.

Also in response to SB 622, officials at the **University of Missouri** assume this bill would require drug testing on all University construction contracts. Total cost impact to the University estimated at \$180,000 a year.

Officials at the **Department of Higher Education, Office of the Secretary of State, Office of Administration, Missouri Department of Transportation, Department of Health and Senior Services, Metropolitan Community College, Linn State Technical College, Missouri State**
ASSUMPTION (continued)

University, University of Central Missouri, Lincoln University and the Parkway School

District assumed that there is no fiscal impact from this proposal.

Oversight assumes that this proposal would require contractors to establish and maintain a drug testing program while working on public projects. The cost of the program would be paid for by the contractors.

PART C EARLY INTERVENTION

§160.900 through § 160.925, 376.1218 - FIRST STEPS PROGRAM

In response to similar legislation from this session (SB 112), officials from the **Department of Insurance, Finance, and Professional Regulation** stated this portion of the proposal will have no fiscal impact on their agency.

In response to SB 112, officials from the **Department of Social Services** stated this portion of the proposal will have no fiscal impact to their agency since the program is operated by the Department of Elementary and Secondary Education.

Also, in response to SB 112, officials from the **Department of Elementary and Secondary Education** stated this portion of the proposal will have no fiscal impact on their agency or on local school districts.

Oversight assumes, based on §160.900 through §160.925 (Enacted 2005 - SB 500) and §162.700, (As amended with SB 834 in 2006), that the First Steps Program will sunset on August 28, 2007, unless reauthorized by the General Assembly. The General Revenue appropriation has been as follows:

FY 2005	\$10,169,590
FY 2006	\$12,658,181
FY 2007	\$14,650,703
FY 2008 (Budget)	\$14,650,703

Other funding sources for the First Steps Program will not be impacted, so long as the program is reauthorized. **Oversight** assumes this proposal reauthorizes the First Steps Program and will assume level funding for the next three years.

ASSUMPTION (continued)

§160.032, 160.033 - PART C EARLY INTERVENTION PILOT PROGRAM

DESE assumes their agency will need to hire one part-time Child Find Coordinator to comply with the provisions of this section.

Oversight assumes the proposal states a part-time Child Find Coordinator shall be hired, selected, and employed by RICC and assumes no personnel cost to DES

§161.101 - SCORING FOR CERTAIN SCHOOL PERSONNEL

Beginning July 1, 2008, the Missouri school improvement program or successor accreditation program shall neither require nor use a scoring rubric that requires a score for meeting standards regarding librarian staff, counselor staff, or any requirement regarding the offering of vocational education or the certification of vocational education staff.

Oversight assumes there will be no fiscal impact resulting from this section.

§162.675, 162.700 - DEFINITION OF "CHILD WITH DISABILITIES"

A "child with disabilities", or "children with disabilities", or "handicapped children" are defined as children under the age of 21 who have not completed an approved high school program and who, because of mental, physical, emotional, or learning problems, require special educational services. Language in §162.700 changes wording from "handicapped child" to "child with disabilities".

Oversight assumes these sections have no fiscal impact.

§161.660, 162.1162 - TEACHER ASSESSMENT

This portion of the proposal requires DES to develop a teacher assessment program for use by all districts within the state. Although the proposed legislation says, "...the Praxis examination, the National Teacher Examination or other existing assessment tools could be used...", the Praxis II Content Knowledge assessment is already required for initial teacher certification, and the NTE no longer exists (replaced by the Praxis). DESE assumes two options:

Option One

Develop a comprehensive assessment for each area of certification. The cost of this option
ASSUMPTION (continued)

would be at least \$300,000 per test X 30 areas = \$9,000,000 to develop the tests. Administrative costs per year would be at least \$600 per teacher X 66,000 teachers = \$39,600,000. Cost to each teacher for the test would be at least \$300 X 66,000 teachers = \$19,800,000. Total estimated

startup costs = \$68,400,000. Estimated continuing costs would be at least \$900 X 5,000 new teachers per year = \$4,500,000.

Option Two

Adopt the Praxis III Classroom Performance Assessment along with the Praxis II Content Knowledge Assessment. The Praxis II costs each individual about \$115. Education Testing Services scores these assessments. According to the states already using the Praxis III, the cost to the individual is about \$400. Thus the combined cost for individuals for the first year would be \$515 X 66,000 teachers = \$33,990,000. Each year thereafter the estimated cost for individuals would be \$2,575,000. Administrative costs per year would be at least \$600 per teacher X 66,000 teachers = \$39,600,000 and at least \$3,000,000 each year thereafter. Total estimated startup costs = \$73,590,000. Estimated continuing costs would be at least \$5,575,000 per year.

These figures do not include the cost of test preparation materials for individuals or the costs for the training of Praxis III assessors (about \$10,000 per training session of 30 individuals). These figures also do not include the cost of data collection, analysis, and reporting by the state.

Oversight assumes the proposed legislation requires an assessment of a teacher's competency in their subject area and permits the use of the Praxis Examination, which is already being used for new teachers. The Praxis II assessments measure content knowledge, general pedagogical knowledge and content-specific pedagogical knowledge. There may be additional administrative costs for using the assessment program for all teachers statewide; however, **Oversight** assumes those costs would not be substantial. **Oversight** assumes any further assessment development costs would be the responsibility of DES while the actual testing costs would be paid by the teachers or the districts.

Officials from the **Department of Social Services - Division of Youth Services (DOS-DYS)** assume an unknown fiscal impact of this proposed legislation. The rules DES may develop to assess teacher competency could incur costs. Until such rules are in place, the effect of this provision on DOS-DYS cannot be determined.

§162.431 - SCHOOL DISTRICT ELECTIONS TO CHANGE BOUNDARY LINES

ASSUMPTION (continued)

This section states a question can be submitted at the next election if a board of education approves proposed boundary changes involving accredited and unaccredited school districts.

Oversight assumes no fiscal impact.

§162.626 - MEGA-LOOPING

In response to similar legislation from this session (SB 652) regarding the study of the pilot program, officials from the **Department of Elementary and Secondary Education (DES)** stated the agency does not have the capacity with current staff to conduct an evaluation of this type. The service would be contracted through an Office of Administration bid process. Based on the cost of the charter schools evaluation that was done in FY01, it is estimated that the one-year contract to evaluate the four-year pilot project will exceed \$100,000.

Oversight assumes any costs of the evaluation go beyond the scope of the fiscal note. DES will be able to request funding for the evaluation through the budget process prior to the time the evaluation is required.

§162.961, 162.963 - SPECIAL EDUCATION DUE PROCESS RESOLUTION SESSION

In response to an identical proposal (SB 140) and the introduced version of this proposal, officials from the **Department of Elementary and Secondary Education** stated this proposal will have no fiscal impact on their agency or on local school districts.

Officials from the **Special School District of St Louis County** stated this proposal would not have a material fiscal impact on the expenses of their district.

§162.1153 - PERFORMANCE PAY AND DIFFERENTIAL PAY

In legislation that dealt only with the Metropolitan School District (SB 690), officials from the **Department of Elementary and Secondary Education (DES)**, stated that there are a total of 864 teachers in the St. Louis City school district in the areas of math, science, special education, and English as a second language. Therefore the cost of this section results in a range which can be computed as follows:

864	teachers	x	\$3,000	=	\$2,592,000
864	teachers	x	\$5,000	=	\$4,320,000

ASSUMPTION (continued)

Oversight assumed the proposal provides for an increase only in starting salaries. Based on data from the DESE website, in FY 2006 there were 409 first year instructors in the metropolitan school district. Assuming 28% of the total classroom instructors teach in the above areas and

applying that to the first year instructors, **Oversight** assumed, for fiscal note purposes only, that the enhanced starting salary would apply to 115 teachers per year:

115	teachers	x	\$3,000	=	\$345,000
115	teachers	x	\$5,000	=	\$575,000

In this proposal, the salary incentives are extended to any school district that is classified as "unaccredited" or "provisionally accredited"; therefore, Oversight assumes the potential cost is greater than previously calculated. Also included in this proposal are one-time bonuses based on performance. For fiscal note purposes, **Oversight** will show a cost of (Unknown - Will exceed \$100,000).

No provision is actually made for those teachers who are willing to submit to assessment in exchange for agreed upon salary increases and modification. **Oversight** assumes those increases would be subject to budget restraints within the district.

§162.1159 - STUDENT ASSESSMENTS

According to DES officials, in response to SB 690, CTB McGraw Hill currently works with the St. Louis City school district on benchmark assessments. The program is referred to as Acuity. This proposal would make it the state's responsibility to pay for this assessment. The estimated cost is \$18 per student per year. The 2006 Fall Enrollment from the Report of Public Schools is 39,554 for an annual impact of \$711,972. This cost represents an "off-the-shelf" assessment; if there is to be customization, there would be added costs.

Oversight assumes this proposal expands the assessment to every student enrolled at a school within a school district classified as "unaccredited" or "provisionally accredited"; therefore costs will be higher than stated for the metropolitan school district. If CTB McGraw Hill does not work with all "unaccredited" or "provisionally accredited" school districts, there could be a cost to DESE to development assessment tools to be administered by the school districts.

§163.011 - SPECIAL EDUCATION PUPIL COUNT

Nonpublic students served through the federal Individuals with Disabilities Education Act by ASSUMPTION (continued)

the district in which the nonpublic school is located shall be included in the "Special education pupil count", previously defined as the number of public school students with a current individualized education program and receiving services from the resident district as of December first of the preceding school year.

Oversight is unable to determine the fiscal impact, if any, of this provision.

§163.043 - TRANSFER FROM CLASSROOM TRUST FUND

For fiscal year 2009 and each fiscal year thereafter, \$1 million dollars shall be transferred to the Missouri Exceptional Teachers Fund created in §162.1153.

§163.045 - SAFE SCHOOLS FUND

In response to similar legislation (SB 6), the following responses were received:

Officials from the **Missouri Senate** stated this proposal either has either no fiscal impact as it is related to their agency or minimal costs which can be absorbed by present appropriations.

Officials from the **Office of State Treasurer** stated the proposal, as written, would require one FTE (Accounting Specialist I) to monitor disbursements. That position would be funded from the State Treasurer's General Operation Fund and allocated proportionately as a retention of interest earnings on state funds in accordance with Section 30.605, RSMo.

Officials from the **Department of Elementary and Secondary Education (DES)** stated that DES will require 1.0 FTE Director and 1.0 FTE Administrative Assistant to administer the grant and do the required monitoring.

Oversight assumes DES could absorb the costs of the proposed legislation within existing resources. Oversight assumes any significant increase in the workload of DES would be reflected in future budget requests.

Officials from the **Independence School District** stated the financial impact is determined by the amount of the allocation to their district.

Officials from the **Sikeston School District** did not anticipate any fiscal impact to their district.

ASSUMPTION (continued)

Officials from the **Maryville School District** assumed no additional costs that would affect their district.

Officials from the **Francis Howell School District** estimated receipt of approximately \$170,000 in funds annually to assist in implementing necessary safety and security programs.

§166.424 - MISSOURI LEGACY FUND

In response to an identical proposal from this session (SB 254), the following agencies and institutions responded as follows:

Officials at the **Department of Higher Education (DHE)** assumed this legislation will have no direct fiscal impact for the DHE because the Missouri higher education savings program board is not controlled by the DHE. It does indicate that the Missouri higher education savings program board shall be responsible for administering the fund, however, it should be noted that the board does not have any administrative staff under its direct control.

Officials at the **Missouri State University (MSU)** assumed this legislation should have a positive impact on Universities by providing additional financial assistance to students. MSU cannot predict the extent of funds that might transfer from the abandoned account, and thus cannot predict the additional aid that might be made available to assist students.

Officials at the **Office of the State Treasurer, Lincoln University, Metropolitan Community College, University of Central Missouri, University of Missouri, Truman State University,** and the **St Louis Community College** each assumed no fiscal impact to their respective institutions from this proposal.

Under the current statutes General Revenue receives money from the Abandoned Fund Account. This proposal would transfer the first \$22 million from the Abandoned Fund Account to General Revenue and any additional funds to the Missouri Legacy Fund. In past fiscal years the Abandoned Fund Account has transferred in excess of \$22 million to General Revenue. **Oversight** assumes there would be a loss to General Revenue of the money over the cap of \$22 million. Oversight is showing in this note the loss to General Revenue as "Unknown" as it can not be determined the future collections of the Abandoned Fund Account

Oversight assumes that all money received by the Missouri Legacy Fund will be used to provide college financial assistance and will be paid out in the year it is received.

ASSUMPTION (continued)

§166.435 - MO HIGHER EDUCATION SAVINGS PROGRAM

In response to an identical proposal from this session (SB 224), the following responses were received:

Officials from the **Office of the State Treasurer, the Office of Administration, Division of**

Budget and Planning, and the **Department of Higher Education** assumed this proposal would have no fiscal impact on their organizations.

Officials from the **Department of Revenue** (DOR) stated that the proposal would have no fiscal impact since it would allow married couples to take a full \$16,000 deduction for contributions to the Missouri Higher Education Savings Program without the current DOR requirement to segregate those contributions into separate accounts.

Officials from the **University of Missouri, Economic and Policy Research Center** (EPARC) stated that the proposal would, if enacted, permit individual taxpayers to deduct from their adjusted gross income up to \$16,000 if filing jointly, or \$8,000 if single, for contributions to the Missouri Higher Education Savings Program.

EPARC also stated that this proposal would have no fiscal impact if contributions to the savings program do not change. EPARC estimated the maximum impact of this proposal could be as much as \$398 million if every eligible taxpayer who also claims a dependent increases their contributions to the maximum deduction of \$16,000 for joint filers and \$8,000 for single filers.

Oversight assumes this proposal would have no fiscal impact.

§167.121 - VIRTUAL SCHOOLS

Under certain circumstances, students from "unaccredited" or "provisionally accredited" schools may chose to attend the Missouri Virtual School.

Oversight assumes, based on the provisions of §161.670, that the virtual school will receive 85% of the state adequacy target attributable to each student enrolled in the virtual school which should offset costs attributed to the virtual school program. It is unknown how many students would chose to participate in the virtual school program; for fiscal note purposes, the cost will be shown as (Unknown - Expected to exceed \$100,000).

ASSUMPTION (continued)

§169.070, 169.466, 169.417, 169.596, 169.670 - TEACHER/SCHOOL EMPLOYEE RETIREMENT SYSTEMS

In response to SB 244 from this session, The **Joint Committee on Public Retirement** indicated that this legislation does represent a "substantial proposed change" in future plan benefits as defined in Section 105.660(5). Therefore, an actuarial cost statement as defined in Section 105.665 must be provided prior to final action on this legislation by either legislative body or

committee thereof.

Pursuant to Section 105.670, this actuarial cost statement must be filed with 1) the Chief Clerk of the Missouri House of Representatives, 2) the Secretary of State and 3) the Joint Committee on Public Employee Retirement as public information for at least (5) legislative days before final passage of the bill.

An actuarial cost statement for this legislation has been filed with the Joint Committee on Public Employee Retirement.

Also in response to SB 244, officials from the **Public School Retirement System** assume this proposal makes three changes as follows:

1. Extends the PSRS provision for retirement under 25-and-out with modified formula factors depending on the number of years of credit. Currently, that provision is set to expire July 1, 2008. This would extend the window to July 1, 2013. This provision would increase the unfunded actuarial accrued liability by \$8.6 million dollars which requires a .02% increase in the contribution rate.
2. Extends the PSRS provision for retirement with a 2.55% formula factor for members with 31.0 or more years of credit. Currently, that provision is set to expire July 1, 2008. This would extend the window to July 1, 2013. This provision would increase the unfunded actuarial accrued liability by \$25.4 million dollars which requires a .04% increase in the contribution rate.
3. Extends the PEERS provision for retirement under 25-and-out with modified formula factors depending on the number of years of credit. Currently, that provision is set to expire July 1, 2008. This would extend the window to July 1, 2013. This provision would increase the unfunded actuarial accrued liability by \$1.3 million dollars which requires a .02% increase in the contribution rate.

ASSUMPTION (continued)

Officials from the **Kansas City Public School Retirement System** assumed no fiscal impact to their agency.

§170.135 - CAPTIONING OF VIDEO INSTRUCTIONAL MATERIAL

Officials from the **Office of State Courts Administrator** state this proposal has no fiscal impact on the Courts.

In response to identical legislation from last session (HB 1036), officials from the **Office of Attorney General** assumed that any potential costs arising from the proposal could be absorbed with existing resources.

In response to an identical proposal from this session (SB 435) the following responses were received:

Officials from the **Department of Elementary and Secondary Education (DES)** reported that staff in their 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 either 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. DES assumes this represents a one-time charge to create a master which could subsequently be copied and distributed as a product for use in schools. Depending upon the number of copies to be distributed and sold, this \$200 capital cost does not appear significant in terms of inflating the individual product cost. Even if private sector charges for closed-caption and open-caption services are three times that of the Telecommunications section, DES assumes the overall cost to school districts in the form of higher product fees would be minimal.

Officials from the **Coordinating Board for Higher Education** stated the legislation would have no fiscal impact to the Missouri Department of Higher Education; however, it may have a negative impact on higher education institutions.

Officials from the **University of Central Missouri** stated this proposal could limit "Electronic Video Instructional Materials" obtained for their use by either limiting what publishers or manufacturers offer in the state of Missouri, or by increasing the cost of offered items because of the cost associated with modifying them to comply with the requirements of the proposal.

ASSUMPTION (continued)

Officials from **Lincoln University** stated there will be increased employee costs and other costs related to captioning.

Officials from **Truman State University** were unable to determine a fiscal impact as it relates to this proposal.

Officials from **Moberly Area Community College** and **Linn State Technical College** indicated there would be no fiscal impact to their respective institutions.

Officials from the **Kansas City Metropolitan Community College** stated the proposal would result in a one-time \$10,000 expense and \$85,000 in ongoing expenses.

In response to identical legislation from this session (HB 181), officials from the **University of Missouri** state that, based on internal discovery and comments from departments within the system, there would be little fiscal impact from this proposed legislation. Any increased costs to the University would come from purchasing products from vendors who choose to pass along their costs of captioning. If the University needs to caption the products they make available to other educational institutions within the state, they anticipate that most of those additional costs would be recovered through the fees charged for those products.

Also in response to HB 181, officials from **Missouri State University** state they are already working with these provisions and have an detailed plan in place.

Oversight assumes that since many of the colleges and universities who responded, including the University of Missouri system, indicated either no or minimal costs associated with this proposal, for fiscal note purposes only, no fiscal impact will be assigned to colleges and universities. **Oversight** assumes costs can be absorbed or funding requested through budget processes.

In response to HB 181, officials from the **Fair Grove School District** assume that the financial implication would be from the producers of the videos that need captioning, resulting in an increase in educational material.

In response to HB 181, officials from the **Mexico School District** state this proposal has no significant fiscal impact on their district.

Oversight assumes that since some school districts are already providing closed captioned ASSUMPTION (continued)

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.

§171.031 - PUBLIC SCHOOL START DATE

In response to identical legislation from this session (SB 64), the following responses were received:

Officials from the **Department of Elementary and Secondary Education** stated this proposal will have no fiscal impact on their agency or on local school districts.

Officials from the **Department of Economic Development - Division of Tourism** did not anticipate a direct fiscal impact to their agency.

In response to the introduced version of this proposal, officials from the **St Joseph School District, Poplar Bluff School District, and the Independence School District** did not anticipate a fiscal impact to their respective districts.

§190.092 - CIVIL LIABILITY IMMUNITY

Any person who gratuitously and in good faith renders emergency care when medically appropriate by use of or provision of an automated external defibrillator shall be held harmless and immune from civil liability as a result of such care or treatment, where the person acts as an ordinarily reasonable, prudent person would have acted under the same or similar circumstances.

Oversight assumes no fiscal impact resulting from this section.

§210.205 - QUALITY RATING SYSTEM FOR CHILD CARE FACILITIES

In response to a similar proposal from this session (SB 161), the following assumptions were made:

Officials from the **University of Missouri** and the **Missouri House of Representatives** each assumes the proposal would have no fiscal impact on their respective agencies.

Officials from the **Missouri Senate** assume the proposal would have no fiscal impact on their ASSUMPTION (continued)

agency.

Officials from the **Department of Mental Health (DMH)** assumed the only responsibility of the DMH is to cooperate in developing the quality rating system. It is assumed DMH responsibilities

will be accomplished with existing staff. No fiscal Impact to the Department of Mental Health.

Officials from the **Department of Elementary and Secondary Education (DES)** stated the department could incur costs associated with this proposal, depending upon the extent to which the department becomes involved with collecting and distributing resource materials,

developing and distributing educational materials, and posting the ratings of the quality rating system on the Internet. These costs are unknown as DES cannot determine at what level the department will be involved; however, the costs could be significant.

Officials from the **Department of Health and Senior Services (DHSS)** stated the following

Proposed Sections 210.205.1 - 3. – Based on discussion with the Department of Social Services (DSS), all costs related to the development of the rating system will be included in the DSS fiscal notes response. The Division assumes that any collaboration between the DHSS and the DSS required by the bill would be accomplished with existing staff and resources. DHSS assumes no cost to develop the rating system.

Proposed Section 210.205.4. - Requires DSS to administer the newly created "Early Childhood Program Quality Improvement Grant Fund". The DHSS assumes no cost related to this fund.

Proposed Section 210.205.5 – Based on discussion with DSS, their costs related to developing the rating system will include the costs of collection, development and distribution in (1) and (2). Subsection (3) requires that the provider ratings be posted on the Internet. Based on information received from OA ITSD, \$25,000 is included as an estimate of the cost to post this information on the DHSS Internet site. It is assumed that this cost would be paid from GR during FY 2008.

Proposed Section 210.205.6 – The bill requires DSS to promulgate rules. The DHSS assumes no cost related to rules.

Potential Future Costs – Implementation of this legislation might result in an increase in the ASSUMPTION (continued)

number of licensed facilities with a corresponding increased inspection workload for the Bureau of Child Care. If such an increase were to occur, the program would ask for additional staff through the budget process at a later date.

Officials from the **Department of Social Services (DSS) - Children's Division** assumed this proposal makes DSS the lead on this legislation working in collaboration with the Department of Health and Senior Services (DHSS), Department of Elementary and Secondary Education (DESE), (and adds the Department of Mental Health (DMH) as a collaborator), to establish a

Quality Rating System (QRS) for child care programs with a target of July 1, 2014, (as opposed to July 1, 2011, as stated in the original bill) to have all child care programs in the state rated. It charges the Coordinating Board for Early Childhood to establish a tiered subsidy system by July

1, 2014 (as opposed to the language in the original bill which charged that the tiered subsidy system be established by the time 50% of all child care programs have been rated). Since DSS administers the subsidy system, the charge to the Coordinating Board will also impact DSS.

The QRS model has already been developed and is currently being piloted across the state. To establish a statewide QRS basically means to take this pilot project to scale. We would propose contracting with the University of Missouri Columbia (UMC), in conjunction with the University of Missouri Kansas City (UMKC), to administer the ratings as UMC developed the Missouri QRS model. UMC and UMKC are currently administering the ratings of the pilot sites. They already have in place basic processes and systems to establish ratings. However, taking to scale would require additional staff and a more sophisticated process and system which are currently under development.

The QRS process would allow DSS to more strategically target current DSS child care provider training and technical assistance funding which includes:

- Educare which provides a variety of training and technical assistance options to child care providers,
- Resource and Referral funding which provides training coordination,
- Accreditation Facilitation funding which helps child care providers achieve accreditation, and
- Start Up/Expansion funding that assists in the start up of new child care programs and expansion of existing child care programs including very basic child care provider training and technical assistance.

ASSUMPTION (continued)

The cost for the rating system is based on estimates from the UMC. The proposed process increases the number of programs rated each year until FY '14 when 100% of the programs will be rated. The improvement fund calculation has been broken out as it is subject to appropriation.

The projected cost per year is:

Year	Percentage Rated	QRS	Improvement Fund	Total Cost
FY 08	10%	\$ 873,066	\$0	\$ 873,066
FY 09	25%	\$1,633,910	\$3,917,500	\$ 5,551,410
FY 10	40%	\$2,272,075	\$6,263,500	\$ 8,535,575

FY 11	55%	\$3,184,444	\$9,001,135	\$12,185,579
FY 12	70%	\$4,134,889	\$9,001,135	\$13,136,024
FY 13	85%	\$5,129,066	\$9,001,135	\$14,130,201
FY 14	100%	\$6,168,936	\$9,001,135	\$15,170,071

The cost for a tiered subsidy system is unknown at this time, but is anticipated to be several million dollars. The current subsidy system will need to be revamped. Factors that may influence cost are adjustments to parental sliding fee/co-payment, actual cost variances between the various QRS levels, income eligibility level increases, etc.

Children's Division request one FTE for QRS UMC grant oversight, i.e. contract development, monitoring, reviewing reporting and outcome requirements and statistical data, liaison between DSS and grantee including coordination with other DSS programs, providing technical assistance to grantee, and payment of invoices. This FTE will also be the liaison with the Coordinating Board for Early Childhood in developing and implementing a tiered reimbursement system.

While this proposal establishes, but does not fund the Quality Improvement Fund, if funding is appropriated, there will be a need for an additional FTE, to administer this fund program, i.e. develop a request for proposal process, establish and monitor contracts, review reporting and outcome requirements and statistical data, serve as the liaison between DSS and the grantees including coordination with other DSS programs, providing technical assistance to grantees, and payment of invoices.

ASSUMPTION (continued)

Oversight has, for fiscal note purposes only, changed the starting salary for the DSS positions to correspond to the first step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

Officials from the **Department of Social Services (DSS) - Information Technology Services Division (ITSD)** assumed system changes would be required in the SACWIS and FAMIS systems to recalculate rates based on facility quality ratings. The rates are currently based on facility type, ages of the children that day care is provided for. The rate tables would have to be adjusted to look at those factors as well as the facility rating.

DSS Children's Division staff assumed that the rating system, the accountability system and

publication of the ratings on the internet will be created and maintained by the University of Missouri, Columbia. Department of Social Services maintains rate tables in the legacy Children's Division system for protective services day care and in FAMIS for all other day care. Programming and analysis staff on the two projects estimate cost to be unknown but in excess of \$100,000.

Assumptions:

1. Create database to store child care facilities and their ratings. Assume that MU will transmit a file on a regular basis with this data to load the database.
160 hours of labor performed in-house by DBA team and one applications programmer.
2. Development costs through system development lifecycle to incorporate facility ratings in child care rate calculation along with other parameters currently used to calculate rates (e.g. age of children, facility type, etc.) are unknown. Typical number of hours to develop a program is around 160 on the FAMIS project. Programming staff indicate that more than 700 hours of labor in SACWIS and in FAMIS would be required based on the 160 hour per module benchmark.

Contract staff cost \$75.00 per hour for applications development and this project would require an unknown amount of labor in excess of 1,400 hours which exceeds \$100,000.

Officials from the **Department of Social Services (DSS) - Division of Budget and Finance (DBF)** stated DBF will be responsible for monitoring the fund balance and would accomplish this with existing resources. Program and efficiencies implementation would be the responsibility of the DSS - Children's Division, Department of Health and Senior Services,

ASSUMPTION (continued)

Department of Elementary and Secondary Education, and Department of Mental Health. This proposal would have little direct impact on the Division of Budget and Finance. Therefore, a zero impact fiscal note is being submitted.

Officials from the **Office of the State Treasurer (STO)** stated this proposal creates two sub-accounts within the Quality Rating System Program Improvement Grant Fund. The first

subaccount will consist of all gifts, donations, transfers, and bequests to the fund. This subaccount will be exempt from the biennial transfer. The second subaccount will consist of moneys appropriated by the general assembly. This subaccount will be subject to the biennial transfer.

Subaccounts do not technically exist and are not feasible on the state accounting system. If the intention is for these moneys to be segregated from the primary fund for a specific purpose, a separate fund will have to be created.

SECTION 1 - AUTHORITY TO AUDIT SCHOOL DISTRICTS

According to officials from the **Office of State Auditor (SAO)**, the section providing the SAO with the ability to conduct audits of school districts without a petition or request from the governor will have a significant impact on the workload of the SAO. With 524 public school districts in Missouri, it is highly likely that numerous audits will be required of the SAO as a result of this provision. It is estimated that 10-20 additional audits will be conducted each year as a result of this language. Additional FTE will be needed to meet the additional workload needs brought on by this legislation. At a minimum, an audit team consisting of 4 Staff Auditors, 1 In-Charge Auditor and 1 Audit Manager is necessary.

Oversight assumes the additional audits can be performed with 4 Staff Auditors and existing personnel for the In-Charge Auditor and Audit Manager.

SECTION 2 - STATE BOARD OF EDUCATION REPORTING REQUIREMENTS

This section requires timely reporting from the State Board of Education regarding potential classification of school districts as "unaccredited" or "provisionally unaccredited".

Oversight assumes any administrative costs incurred by the Department of Elementary and Secondary Education could be absorbed within existing resources.

ASSUMPTION (continued)

SECTION 3 - PUBLIC SAFETY FOR ALL SCHOOL CHILDREN FUND

The Department of Public Safety shall annually award competitive grants to elementary or secondary schools, including public school districts, and private and parochial schools, that demonstrate the greatest need for assistance to protect school children. Grants will be paid from the newly created "Public Safety for All School Children Fund". The appropriation to this fund will be up to \$9,000,000 annually.

Oversight assumes the Department of Public Safety will be able to administer this grant with existing resources. Should additional resources be needed, the Department of Public Safety can request additional resources through the budget process.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE			
Cost - DESE - Funding for First Steps Program due to reauthorization (\$160.900 through 160.925)	(\$14,650,703)	(\$14,650,703)	(\$14,650,703)
Cost - DESE - Program costs (§210.205)	(Unknown)	(Unknown)	(Unknown)
Cost - Department of Social Services			
Personal Services	(\$61,425)	(\$75,952)	(\$78,231)
Fringe Benefits	(\$27,801)	(\$34,376)	(\$35,407)
Equipment and Expense	(\$16,063)	(\$5,755)	(\$5,928)

Program Costs - Children's Division	(Greater than \$873,066)	(Greater than \$1,633,910)	(Greater than \$2,272,075)
Program Costs - ITSD	(Greater than <u>\$100,000</u>)	(Greater than <u>\$100,000</u>)	(Greater than <u>\$100,000</u>)
TOTAL Costs - DOS (§210.205)	(Greater than \$1,078,355)	(Greater than \$1,849,993)	(Greater than \$2,491,641)
FTE Change - DOS	2 FTE	2 FTE	2 FTE
Cost - DOHSS - Post information on internet site (§210.205)	(\$25,000)	\$0	\$0
Cost - Office of State Auditor			
Personal Services	(\$118,862)	(\$146,013)	(\$151,321)
Fringe Benefits	(\$53,797)	(\$66,493)	(\$68,488)
Equipment and Expense	<u>(\$23,816)</u>	<u>(\$1,200)</u>	<u>(\$1,200)</u>
TOTAL Costs - State Auditor	(\$196,475)	(\$214,606)	(\$221,009)
<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
FTE Change - State Auditor	4 FTE	4 FTE	4 FTE
Cost - Appropriation for school safety related programs to be deposited to Safe Schools Fund (§163.045)	\$0	(\$9,000,000)	(\$9,000,000)
Cost - Virtual School program costs (§167.121)	(Unknown - Expected to exceed \$100,000)	(Unknown - Expected to exceed \$100,000)	(Unknown - Expected to exceed \$100,000)

Cost - DPS - Appropriation to Public Safety for All School Children Fund (Section 3)	\$0	\$0 to (\$9,000,000)	\$0 to (\$9,000,000)
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Loss - Abandoned Fund Account Monies (\$166.424)	(Unknown)	(Unknown)	(Unknown)
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ESTIMATED NET EFFECT ON GENERAL REVENUE

	<u>(\$16,150,533 to Unknown)</u>	<u>(\$25,815,302 to \$34,815,302 to Unknown)</u>	<u>(\$26,463,353 to \$35,453,353 to Unknown)</u>
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Estimate Net FTE Change for General Revenue Fund	6 FTE	6 FTE	6 FTE
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<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
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STATE SCHOOL MONEYS FUND

<u>Transfer In - DESE - Virtual School Program (\$167.121)</u>	Unknown - Expected to Exceed \$100,000	Unknown - Expected to Exceed \$100,000	Unknown - Expected to Exceed \$100,000
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<u>Transfer Out - Disbursement to Virtual School Program (85% of the State Adequacy Target attributable to each pupil enrolled) (\$167.121)</u>	(Unknown - Expected to exceed \$100,000)	(Unknown - Expected to exceed \$100,000)	(Unknown - Expected to exceed \$100,000)
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**ESTIMATED NET EFFECT ON
 MISSOURI EXCEPTIONAL
 TEACHERS FUND**

	<u>Unknown - Up</u> <u>to \$1,000,000</u>	<u>Unknown - Up</u> <u>to \$1,000,000</u>	<u>Unknown - Up</u> <u>to \$1,000,000</u>
PUBLIC SAFETY FOR ALL SCHOOL CHILDREN FUND			
Income - Transfer from General Revenue	\$0	\$0 Up to \$9,000,000	\$0 Up to \$9,000,000
Cost - DPS - Grants to Schools	<u>\$0</u>	\$0 Up to <u>(\$9,000,000)</u>	\$0 Up to <u>(\$9,000,000)</u>

**ESTIMATED NET EFFECT ON
 PUBLIC SAFETY FOR ALL
 SCHOOL CHILDREN FUND**

	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - State Government

FY 2008 (10 Mo.)	FY 2009	FY 2010
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MISSOURI LEGACY FUND

Transfer In - General Revenue -
 Abandoned Fund Account Monies
 (\$166.424)

Unknown	Unknown	Unknown
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Disbursements - College Financial
 Assistance (\$166.424)

<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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**ESTIMATED NET EFFECT ON
 MISSOURI LEGACY FUND**

<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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**EARLY CHILDHOOD PROGRAM
 QUALITY IMPROVEMENT GRANT
 FUND**

<u>Cost - DOS - Program Costs (§210.205)</u>	<u>\$0</u>	<u>(\$3,917,500)</u>	<u>(\$6,263,500)</u>
ESTIMATED NET EFFECT ON QUALITY IMPROVEMENT GRANT FUND	<u>\$0</u>	<u>(\$3,917,500)</u>	<u>(\$6,263,500)</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
POLITICAL SUBDIVISIONS			
Income - School Districts - Disbursement from Safe Schools Fund (§163.045)	\$0	\$9,000,000	\$9,000,000
Income - School Districts - Disbursement from Public Safety for All School Children Fund (Section 3)	\$0	\$0 to \$9,000,000	\$0 to \$9,000,000
Cost - School Districts - Eligible safety- related expenses (§163.045)	\$0	(\$9,000,000)	(\$9,000,000)
Cost - School Districts - Teacher and Employee Contributions (§169.070, 169.670)*	(\$953,112)	(\$1,143,734)	(\$1,143,734)

Cost - School Districts - Eligible safety-related expenses (Section 3)

	\$0 to	\$0 to
	<u>(\$9,000,000)</u>	<u>(\$9,000,000)</u>

ESTIMATED NET EFFECT ON
POLITICAL SUBDIVISIONS*

<u>(\$953,112)</u>	<u>(\$3,915,500)</u>	<u>(\$6,263,500)</u>
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***Does not reflect an increase in Unfunded Actuarial Accrued Liability (UAAL) of \$34,000,000 to Public School Retirement System and \$1,300,000 to the Non-Teacher Retirement System.**

FISCAL IMPACT - Small Business

Small businesses having construction contracts with the state or universities would experience an increase in costs as a result of this proposal.

FISCAL DESCRIPTION

§160.900 through §160.925 - FIRST STEPS PROGRAM

Under the provisions of this proposal, the Early Intervention Program for Infants and Toddlers with Disabilities (the First Steps Program) is reauthorized and shall not be subject to sunset provisions.

The provisions of the pilot program outlined in §160.932 shall expire on September 1, 2011.

§162.1153 - PERFORMANCE PAY FOR TEACHERS

In order to attract and retain qualified teachers in the areas of math, science, special education and English as a second language, any "unaccredited" or "provisionally accredited" shall provide an additional \$3,000 to \$5,000 to the starting salary of such teachers. To attract and retain teachers willing to undergo assessment in return for agreed upon salary increases, a teacher and the district may enter into an agreement setting forth the starting salary of the teacher, potential salary increases that the teacher shall receive if the teacher meets certain

performance evaluation standards, including peer review and satisfactory test scores by the teacher's students, the ability of the school district to take disciplinary action, including dismissal, if the teacher does not satisfactorily perform, and the consent of the teacher to opt out of the tenure system. Based on the evaluation of the peer-review group, one-time bonuses shall be awarded. Salary increases and bonuses shall be paid from the "Missouri Exceptional Teachers Fund" which is created.

§162.1159 - STUDENT ASSESSMENTS

Each student in any "unaccredited" or "provisionally accredited" school district shall be assessed every six weeks to determine proficiency in certain core areas. Any student failing to demonstrate proficiency shall be entitled to receive remedial tutoring by the district until such time as the student demonstrates proficiency.

§163.043 - TRANSFER FROM CLASSROOM TRUST FUND

For fiscal year 2009 and each fiscal year thereafter, \$1 million dollars shall be transferred to the Missouri Exceptional Teachers Fund created in §162.1153.

§163.045 - SAFE SCHOOLS FUND

Beginning with the 2009 fiscal year and in each subsequent fiscal year, the General Assembly may appropriate nine million dollars to the Safe Schools Fund, as established by this proposed DESCRIPTION (continued)

legislation. The Department of Elementary and Secondary Education shall annually distribute the moneys in the fund to each qualifying school district in this state in proportion to their average daily attendance for the purpose of funding a variety of safety-related expenses

§166.424 - MISSOURI LEGACY FUND

Beginning August 28, 2007, and each fiscal year thereafter, the first twenty-two million five hundred thousand dollars of net transfers from the abandoned fund account shall be transferred to the general revenue fund, and any amount in excess of twenty-two million five hundred thousand dollars shall be transferred from the abandoned fund account to the Missouri Legacy Fund which is created in the state treasury. The Missouri Higher Education Savings Program Board shall administer the fund. Any interest and moneys earned on such investments shall be credited to the fund, and such interest shall be used solely to provide college financial assistance to participants in Missouri's qualified state tuition program under Section 529 of the Internal Revenue Code and for the administration of this section.

The state treasurer shall invest moneys in the fund in accordance with rules to be promulgated.

§167.121 - VIRTUAL SCHOOLS

This proposal states that for the school year beginning July 1, 2008, and each succeeding school year, a parent or guardian residing in a lapsed public school district or a district that has scored "unaccredited" on two consecutive annual performance reports or "provisionally accredited" in two consecutive annual performance reports may enroll the parent's or guardian's child in the Missouri virtual school. A pupil's residence, for purposes of this section, means residency established under section 167.020. Except for students residing in a K-8 district attending high school in a district under section 167.131, the board of the home district shall pay to the virtual school the amount required under section 161.670, RSMo. The home district shall include such student's completion of virtual school credit in the district's average daily attendance.

§169.070, 169.466, 169.471, 169.670 - TEACHER/SCHOOL EMPLOYEE RETIREMENT SYSTEMS

The proposed legislation extends the termination date for certain alternative retirement provisions in the teacher and school employee retirement systems.

DESCRIPTION (continued)

§210.205 - QUALITY RATING SYSTEM FOR CHILD CARE FACILITIES

Requires the Departments of Social Services in collaboration with the Department of Health and Senior Services, Elementary and Secondary Education, and Mental Health to develop by September 1, 2007, a quality rating system for licensed child care facilities, early childhood, and before-and after-school programs licensed by the Department of Health and Senior Services that operate in this state. The licensing of such facilities shall be the baseline, while the highest rating including accreditation. The departments shall utilize the model from the existing Missouri quality rating system pilots developed by the University of Missouri Center for Family Policy and Research to establish the system. The system will allow consumers and parents to evaluate and select high quality programs and creates a system of accountability for policymakers and those who fund such programs.

SECTION 1 - DISTRICT AUDITS

The state auditor shall have the power to audit any school district within the state in the same manner as the auditor may audit any agency of the state.

SECTION 3 - PUBLIC SAFETY FOR ALL SCHOOL CHILDREN FUND

The Department of Public Safety shall annually award competitive grants to elementary or secondary schools, including public school districts, and private and parochial schools, that demonstrate the greatest need for assistance to protect school children. Grants will be paid from the newly created "Public Safety for All School Children Fund". The appropriation to this fund will be up to \$9,000,000 annually.

Section 160.930 is repealed.

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

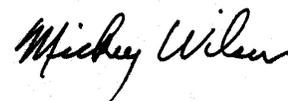
SOURCES OF INFORMATION

Office of State Courts Administrator
Department of Elementary and Secondary Education
Department of Insurance, Finance, and Professional Regulation
Office of State Treasurer
Department of Higher Education
Department of Conservation
Office of Administration
 Division of Budget and Planning
Department of Health and Senior Services
Department of Social Services
Department of Public Safety
 Missouri State Highway Patrol
 Office of the Director
Office of the Secretary of State

Administrative Rules Division
Department of Transportation
Joint Committee on Public Employee Retirement
Public School Retirement System
Kansas City Public School Retirement System
School Districts
 Francis Howell
 Poplar Bluff R-1
 Mexico
 Parkway
 Independence
 St Joseph
 Sikeston
 Fair Grove
Colleges and Universities
 University of Missouri
 Economic and Policy Research Center
 Linn State Technical College
 University of Central Missouri
 Lincoln University
 Metropolitan Community College
 Missouri State University
 Truman State University
 St Louis Community College

SOURCES OF INFORMATION (continued)

Moberly Area Community College
Boone County Sheriff's Department
Springfield Police Department



Mickey Wilson, CPA

L.R. No. 0639-04

Bill No. SS for HB 265 with SA 1, SA 2, SA 5, SA 1 to SA 7, SA 7, SA 9

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