

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0637-01
Bill No.: SB 124
Subject: Education, Elementary and Secondary; St Louis
Type: Original
Date: January 31, 2011

Bill Summary: This proposal requires children in the St Louis City Public School District to attend school at age five.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(\$13,947)	\$139,252	\$139,252
Total Estimated Net Effect on General Revenue Fund	(\$13,947)	\$139,252	\$139,252

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
State School Moneys Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds*	\$0	\$0	\$0

*Offsetting Transfers In and Out are \$153,199 for FY 12.

Numbers within parentheses: () indicate costs or losses.
 This fiscal note contains 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Federal Funds	\$303,958 Up to \$331,358	\$303,958 Up to \$331,358	\$303,958 Up to \$331,358
Total Estimated Net Effect on <u>All</u> Federal Funds	\$303,958 Up to \$331,358	\$303,958 Up to \$331,358	\$303,958 Up to \$331,358

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Total Estimated Net Effect on FTE	0	0	0

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 2012	FY 2013	FY 2014
Local Government	\$153,199	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** estimate that there were 75 children six and seven years old in metropolitan schools that would have been in kindergarten, but did not attend school. Under this proposal, those children would have been required to be in school. DESE is paying St. Louis \$2,042.65 per Weighted Average Daily Attendance. This multiplied by the 75 kids would increase the cost to the state by \$153,198.75. There would not be an increase in FY 13 and FY 14 as this would be a one-time cost.

Officials from the **Department of Social Services - Children's Division (DOS - CD)** anticipate that passage of this proposal would result in a minimal increase in CA/N referrals and/or family assessments for educational neglect of five (5) and six (6) year olds. This could also result in a minimal increase in the number of family centered services cases opened. Because this proposed legislation only applies to metropolitan school districts, presumably St. Louis City, the CD would expect an unknown fiscal impact of less than \$100,000 if this bill becomes law.

Child Care Impact

Because full day care equals five or more hours per day, even children in kindergarten half day also qualify for full day child care based on the number of hours per day they are in care. It should be noted approximately 22% of children receiving child care services are served in St. Louis City.

Based on a nine month school year, the estimated expenditures total \$873,085.82 [Calculation is \$3,968,571.93(statewide child care expenditures)*22% (percentage of children located in St. Louis City)] for children age five to receive full day child care services for St. Louis City.

Based on a nine month school year, the estimated expenditures total \$213,334.33 [(Calculation is \$969,701.48(statewide child care expenditures)*22% (percentage of children located in St. Louis City)] for children of age six to receive full day child care services for St. Louis City.

In order to account for children who enroll in school and continue to receive part-time or full-time day care, this total of \$1,086,420.15 is reduced by 50%. Therefore, the maximum cost savings could be up to \$543,210.08 per State Fiscal Year for St. Louis City, due to the decrease in full day care for children age five and six as estimated.

OA-ITSD would need to provide systems costs for this legislation.

ASSUMPTION (continued)

Oversight assumes OA-ITSD is provided with core funding to handle a certain amount of activity each year. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD could request funding through the appropriation process.

Officials from the **St Louis Public School District** assume the fiscal impact is probably minimal with the additional attendance related revenue, but logistics could be problematic. The majority of their students are already enrolled at age five.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE			
<u>Savings</u> - Department of Social Services (DOS) -Early Childhood & Prevention Services - Child care			
	\$211,852	\$211,852	\$211,852
<u>Cost</u> - DOS - Children's Division - Educational neglect cases			
	(Unknown - Expected to be less than \$72,600)	(Unknown - Expected to be less than \$72,600)	(Unknown - Expected to be less than \$72,600)
<u>Transfer Out</u> - Department of Elementary and Secondary Education (DESE) - Increased State Aid			
	<u>(\$153,199)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$13,947)</u>	<u>\$139,252</u>	<u>\$139,252</u>
STATE SCHOOL MONEYS FUND			
Transfer In - DESE - Increased State Aid	\$153,199	\$0	\$0
Transfer Out - St Louis Public School District - Increased State Aid	(\$153,199)	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Federal Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
FEDERAL FUNDS			
<u>Savings</u> - DOS - ECPSS	\$331,358	\$331,358	\$331,358
<u>Cost</u> - DOS - Children's Division	(Expected to be Less than <u>\$27,400</u>)	(Expected to be Less than <u>\$27,400</u>)	(Expected to be Less than <u>\$27,400</u>)
ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>\$303,958 Up to \$331,358</u>	<u>\$303,958 Up to \$331,358</u>	<u>\$303,958 Up to \$331,358</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
LOCAL POLITICAL SUBDIVISIONS			
<u>Transfer In</u> - St Louis Public School District - Increased State Aid	\$153,199	\$0	\$0
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>\$153,199</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

This legislation may impact some child care providers who provide care for children enrolled in half day kindergarten for the other half of the parent's work day. These providers will no longer be providing care for the children identified in this proposal, the cost of which often helps balance out the higher cost of providing care for the younger children. Child care businesses would see a decrease in enrollment if the age for compulsory school attendance is reduced from age 7 to age 5.

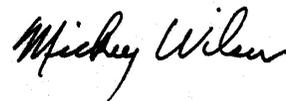
FISCAL DESCRIPTION

This proposal changes the age at which children in the St. Louis City School District must begin attending school from seven years of age to five years of age. This change does not apply to students intending to enroll in a home school.

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
St Louis Public School District



Mickey Wilson, CPA
Director
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