

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1033-03  
Bill No.: HCS for SB 147  
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Department  
Type: Original  
Date: April 29, 2011

Bill Summary: This proposal modifies provisions relating to education resources and services, including charter schools.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(Unknown - Could Exceed \$1,502,775)	(Unknown - Could Exceed \$1,464,455)	(Unknown - Could Exceed \$1,460,912)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Unknown - Could Exceed \$1,502,775)</b>	<b>(Unknown - Could Exceed \$1,464,455)</b>	<b>(Unknown - Could Exceed \$1,460,912)</b>

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

Numbers within parentheses: ( ) indicate costs or losses. This fiscal note contains 20 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	10 FTE	10 FTE	10 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>10 FTE</b>	<b>10 FTE</b>	<b>10 FTE</b>

- 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
Local Government	(Unknown)	(Unknown)	(Unknown)

## FISCAL ANALYSIS

### ASSUMPTION

Officials from the **Department of Public Safety - Missouri State Highway Patrol** state this proposal will have no fiscal impact on their agency.

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

Officials from the **Office of Administration - Administrative Hearing Commission** state this proposal has no fiscal impact on their agency.

Officials from the **Department of Higher Education** state this proposal has no direct, foreseeable fiscal impact on their agency.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration** state this proposed legislation will have no fiscal impact on their agency.

Officials from the **Joint Committee on Education** state there will be no new costs to the Committee beyond its current appropriation resulting from this proposed legislation.

Officials from the **Missouri Senate** state this proposal either has no fiscal impact as it relates to their agency, or minimal costs which can be absorbed with present appropriations.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the proposal. 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 for this fiscal note to the SOS for Administrative Rules is less than \$2,500.

**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.

According to officials from the **Joint Committee on Administrative Rules (JCAR)**, this proposal should not create any additional fiscal impact above current appropriations to JCAR.

ASSUMPTION (continued)

Officials from the **Office of the Governor** state there should be no added cost to the Governor's Office as a result of this proposed legislation. However, if additional duties are placed on the office related to appointments in other TAFP legislation, there may be the need for additional staff resources in future years.

Officials from the **Office of Administration - Division of Budget and Planning** state this proposed legislation should not result in additional costs or savings to their agency. BAP defers to the Department of Elementary and Secondary Education on the fiscal impact of this legislation.

Officials from the **Department of Elementary and Secondary Education (DESE)** provided the following assumptions and fiscal impact regarding this proposed legislation:

\$160.080

DESE states that at the present time there are 2,361 individual buildings, 522 school districts, and 35 charter LEA's.

- DESE currently reviews on average 25 districts per year @ approximately \$1,500 per review (does not include cost of DESE staff on each review).
- Assume DESE reviews 479 buildings in each year during a five year period.
- Assume 10% of buildings (48) qualify for on-site review.
- The total number of review days in traditional reviews is 204.
- The total number of review days for individual building review is 816.
- The average cost for staff on each review includes lodging, meals, and travel/mileage: \$160.
- DESE estimates 5 staff per review (could potentially be significantly larger depending on the size of the individual district or building).

ASSUMPTION (continued)

25 district level reviews @ \$1,500 =	\$ 37,500
5 staff cost for traditional review (204 x \$160 per day) =	\$163,200
48 building level reviews @ \$1,500 =	\$ 72,000
5 staff cost for building review (816 x \$160 per day) =	<u>\$652,800</u>
	\$925,500

DESE will require 3.0 FTE supervisors and 1.0 FTE administrative assistant to oversee the implementation of the classification and review of individual buildings as called for in the proposal. DESE will require 3.0 FTE accounting specialists to provide technical assistance to the school buildings and districts being classified and for the creation of the annual performance review.

**Oversight** confirmed with DESE that the review process for individual buildings within a district would be more comprehensive than the current review process which may only involve random sampling within individual buildings.

**Oversight** has, for fiscal note purposes only, adjusted the salary and benefits of the supervisors and administrative assistants to correspond with the range for the starting salary posted by DESE for a similar position.

\$160,400

This section allows the expansion of charter schools “in any school district in the state”.. Currently, **DESE** is adding approximately 6 charter schools per year. This legislation has the potential of significantly increasing the number of charter schools. DESE cannot ignore the shortage of staff to provide guidance (technical assistance for data collection, certification, fiscal management, special education, food service, assessment, federal program, etc.) to these new charter schools to meet state and federal guidelines. A complicating factor is the high turnover of existing charter schools at the administrative level of existing charter schools.

ASSUMPTION (continued)

Personnel needed (ongoing):

1.0 FTE director that would only handle charter school business;

2.0 FTE supervisors to provide technical assistance for the charter schools (data collection, certification, fiscal management, special education, food service, transportation, assessment, federal programs);

2.0 FTE administrative assistants to handle the paperwork and phone calls connected with a growing program.

**Oversight** assumes that DESE is coordinating the current charter school program with one person. Oversight assumes it is unknown how many new charter schools would be created in addition to increased oversight of existing charter schools. **Oversight** assumes 3 additional FTE (2 Supervisors and 1 Administrative Assistant) can administer the program. These additional FTE may also assist with monitoring alternative programs and renewal applications as outlined in §160.405. If the program expands beyond current growth, additional personal services can be requested through the appropriations process.

**Oversight** has, for fiscal note purposes only, adjusted the salary and benefits of the supervisors and administrative assistant to correspond with the range for the starting salary posted by DESE for a similar position.

§160.403

This section requires **DESE** to establish an annual application and approval process for all entities eligible to sponsor charters as well as to review all existing charter sponsors. This is a necessary process to improve the quality of charter schools and would require a director and a supervisor be hired at a minimum for the coming fiscal year. Two important deadlines makes this critical: (1) "No later than January 1, 2012, DESE shall make available information and guidelines for all eligible sponsors concerning the opportunity to apply for sponsoring authority"; and (2) "all entities sponsoring a charter school upon the effective date of this section shall apply to DESE for approval to continue as a sponsor no later than April 1, 2012." By July first of each year, DESE shall decide whether to grant or deny a sponsoring authority to a sponsor applicant. All these duties will take additional staff.

**Oversight** assumes the **Oversight** staff assumptions made in §160.400 would be able to perform the duties required by this section.

ASSUMPTION (continued)

§160.405

§160.405.6 (1) and (2) proposes that charter schools establish alternative arrangements for students to obtain credit for satisfying graduation requirements. These special arrangements would be approved by the state board of education at the time the charter is approved. Subsection (2) indicates that DESE shall conduct a study of any charter school granted alternative arrangements which will require 1.0 FTE supervisor to monitor alternative programs and renewal applications.

**Oversight** assumes the **Oversight** staff assumptions made in §160.400 would be able to perform the duties required by this section.

§160.417

This section requires **DESE** to review the information required by §162.821 to identify charter schools experiencing financial stress. Additional information could be requested by the Department. Charter schools identified as experiencing financial stress will be notified by the Department. A budget and education plan will be submitted to DESE to review that adequate educational services to students of the charter school shall continue uninterrupted.

§160.420

Officials from the **Department of Social Services** state there is no fiscal impact to their agency. Using the family care safety registry for background screenings reflects current practice. The provision to allow certain charter schools to accept students from adjacent counties may provide an additional resource for children in some alternative care settings. However, since resident students are given preference over nonresident students very few children are likely to be affected

Officials from the **Department of Health and Senior Services (DOHSS)** state that, according to information obtained from DESE, there are currently 36 charter schools in Missouri. The number of new charter schools that might arise as a direct result of this legislation is unknown, although the expectation is that the number would be minimal. The schools are chartered for a minimum of five years, and the number of board members ranges from 5 to 30, with the average number being 10. For the 2010-2011 school year, the total staff size of the 36 schools was approximately 2,120 FTE. All staff members will be required to be registered and screened through the Family Care Safety Registry. Background screenings for school staff members must be conducted annually. A two percent growth factor for subsequent year registrations has been included in the estimates.

ASSUMPTION (continued)

DOHSS assumed during the first year that 360 (36 schools X average of 10 board members) registrations and background screenings will be conducted on board members. Since the charters last for a minimum of five years, it is assumed that the maximum number of additional background screenings for board members in subsequent years would be 72 (360/5).

Given the following assumptions, DOHSS predicts the following FTE needs:

- Approximately 30 percent of registrations and screenings are conducted via the Internet and 70 percent are processed manually.
- One HPR-I/II FTE can process 12,000 manual registrations in a year.
- One HPR-I/II FTE and .5 OSA FTE can process 12,000 manual background screenings in a year.

Additional FTE needs are minimal, therefore DOHSS will not request additional staff related to this proposed legislation.

DOHSS assumes the proposed legislation would result in an estimated 2,480 new registrations in the Family Care Safety Registry for charter school staff and board members in FY 2012 (114 in FY 2013 and 115 in FY 2014). For each registration, \$10 is collected, resulting in \$24,800 in revenue in FY 2012 (\$1,140 in FY 2013 and \$1,150 in FY 2014). This money will be collected by the Department of Health and Senior Services (DHSS) and deposited into the Highway Patrol Criminal Records Fund.

DOHSS estimates related postage costs of \$2,492 for FY 12; 1,487 for FY 13; \$1,516 for FY 14.

**Oversight** assumes, after verification from a charter school sponsor, that the background checks and registrations in the Family Care Safety Registry are already being done. **Oversight** will assign no revenue for the Highway Patrol Criminal Records fund and will also assume minimal postage costs that can be absorbed with existing appropriations.

ASSUMPTION (continued)

§160.425

This section requires **DESE** to provide start-up funding for the commission to operate. The commission shall reimburse DESE's costs from any funds it receives as sponsor under section 160.400. The first year the commission would only be approving charters and would not have any income provided from operating charters so the entire commission would be funded by DESE funds. Estimates from the state of Georgia and their first couple of years range between \$250,000 and \$300,000.

The commission would need approximately 8 average size charter schools to generate \$300,000 for the second year. That would seem optimistic for a new commission. Subsequent years could generate additional income but as realized in Georgia, the commission has grown to rely on an annual appropriation.

School year 2011-2012	\$300,000
School year 2012-2013	\$150,000
School year 2013-2014	\$150,000

**Oversight** assumes this section of the proposal does not provide for additional staff. Current legislation also caps the amount of funding retained for the expenses associated with sponsorship of charter schools at \$125,000. For fiscal note purposes, Oversight will assume one-time cost for FY 12 as (\$125,000).

Officials from the **Parkway School District** assume that for each resident Parkway student that would attend a charter school, Parkway would pay \$11,639. While some reduction in expenses could be made, it would not be equivalent to that amount, and would vary depending on the total number of students, their grade levels, school attendance areas, and types of services accessed.

For fiscal note purposes only, **Oversight** will assume an (Unknown) cost for school districts.

§160.522

**DESE** states this section of the proposal requires data collected on gifted students to be collected in such a manner as to make possible tracking post-secondary outcomes of such students. Currently the MOSIS system simply indicates whether a student is identified as gifted, not whether a student is actually participating in a gifted program. DESE cannot estimate costs that could be required for tracking post-secondary outcomes, but assume costs will be significant.

ASSUMPTION (continued)

**Oversight** assumes program changes and cost of tracking information may have cost the first year of implementation, but costs thereafter should be minimal. For fiscal note purposes only, Oversight will assume an (Unknown) cost for DESE and school districts for FY 2012.

§160.775

Officials from **DESE** assume there is no fiscal impact to their agency. Local schools might incur additional printing costs to implement this anti-bullying proposal. In addition, depending upon the level of training required by each school district for its school employees and volunteers, there could be significant unknown costs.

In response to HB 273 (FN 0381-01) from this session, officials from the **Parkway School District** and the **St Louis Public School District** assumed there should not be significant costs associated with this proposed legislation.

Also in response to HB 273, officials from the **Independence School District** stated that from a financial perspective, this proposal will have no fiscal impact on their district. Many of the provisions of the proposal are already a part of their operation.

Based on responses from school district, **Oversight** assumes costs to school districts, if any, associated with this proposal would be minimal and could be absorbed with existing resources.

Officials from the **University of Missouri - Kansas City** Charter School Center state they would expect to spend \$20,000 the first year and \$5,000 thereafter to implement the policies outlined in the proposal.

§160.1990

Officials from the **Department of Social Services - Children's Division** do not anticipate this proposed legislation will result in fiscal or programmatic impact.

Officials from **DESE** state this proposal does not appear to impact the school foundation formula; however, the additional assistance and monitoring assigned to DESE will require .5 FTE supervisor.

DESE defers to the local school districts regarding costs to implement this proposal.

ASSUMPTION (continued)

DESE assumes portions of the proposal appear to be a mandate in accordance with IDEA, 20 U.S.C.A. Section 1400 et seq.; Section 504 of the Rehabilitation Act, 29 U.S.C.A. Section 794; and Title II of the Americans with Disabilities Act, 42 U.S.C.A. Sections 12131-12165.

**Oversight** assumes procedures would already be in place in school districts regarding enrollment and placement of foster care children. If it is determined that additional oversight is needed, DESE may request additional personnel through the budgetary process.

Also in response to HB 419, officials from the **St Louis Public School District (SLPS)** do not see an additional cost to this proposed legislation specific to the processing of transition component. Staff should follow up immediately on students and the process is already in place for this to happen. SLPS assumes this proposal just places a focus in this area (foster care). SLPS does not see new additional costs specific to most general education classes or programs. Additional resources could be needed if a particular specialized (unique stand-alone) general education class at the maximum class size and a new student joins the class.

§167.031

Officials from **DESE** state this section of the proposal will have no fiscal impact on their agency or on local school districts.

According to officials from the **Department of Social Services - Children's Division (DOS-CD)**, this proposed legislation does not change the compulsory school age. Enrollment of a child between the ages of five and seven remains optional, and the mandatory enrollment age continues to be age seven. This proposal only impacts dropout criteria for children between the ages of five and seven who have enrolled.

DOS-CD would continue to screen reports made to the Child Abuse/Neglect (CA/N) hotline in regards to educational neglect allegations. This proposal requires parents who have chosen to enroll a child in school prior to the age of seven to specify in writing the reason the child should be dropped from the school's rolls in accordance with the criteria set out in this section. This proposal will have no fiscal impact on the Children's Division.

§167.131

Officials from **DESE** state that students transferring from one school district to another would not increase state aid. However, there could be an indeterminable amount of increase to the state if students who had not been enrolled in the public school system now opted to enroll to take advantage of attending an adjoining school district.

This proposal includes language that would somewhat prohibit the transfer of students who had been attending private schools. The provision requires enrollment and attendance in the resident public school district in the year that a declaration to attend another school district is made, or if the pupil has enrolled and attended in the unaccredited district in school years subsequent to the year in which the declaration is made. This effectively curtails the number of private school students who could expand the ADA and create an increase in state aid. While there might be some additional cost to the state it shouldn't be great but could be over \$100,000.

**Oversight** assumes additional cost to the state has not been determined and for fiscal note purposes only, will assign no fiscal impact.

In response to HB 763 (FN 1776-01) from this session, officials from the **Clayton School District** stated this proposal does not appear to have a negative impact on their school district finances. It appears that they would not be required to add teachers or space, special education costs would be covered by the district of residence, and tuition would be the lesser of Clayton tuition or the sending district's average cost for the prior year. The lowest St. Louis County average cost for 2009-10 was \$7,881 which is similar to the current VST reimbursement rate.

Also in response to HB 763, based on a review conducted by their CFO, officials from the **Webster Groves School District** (WGSD) assumed that there would be a minimal cost to the district of \$3,000 per student for any student coming from the Riverview Gardens School District. Based on the information provided, it is unknown how many of these students would enroll in their district. Therefore a complete fiscal note cannot be submitted. Only 8% of the funding for a student attending WGSC is provided by the state. Approximately 90% is provided by local tax payers. The cost of education to attend the WGSD is approximately \$12,000 compared to \$9,000 in the Riverview Gardens School District.

§168.1000 - §168.1030 - Teacher Continuing Contract Act

According to **DESE**, this portion of the proposal provides for evaluation systems based on a foundation of standards and guided by a professional continuum. Districts are currently required to conduct performance-based evaluations.

Opportunities to build capacity on the effective use of evaluation systems tied to a professional continuum of practice will require some investment, although not necessarily a fiscal investment. DESE's estimation is that additional cost to districts and to the state would be minimal.

§170.310

Officials from the **Department of Social Services - Division of Youth Services (DYS)** state that most education programs operated by **DYS** include this type of instruction in their health curriculum. If this proposal passes, **DYS** would review its current practice to ensure universal participation; however, **DYS** does not anticipate any significant additional cost.

**DESE** assumes there is insufficient staff at American Heart Association or American Red Cross agencies to train every student enrolled in Missouri schools. The most appropriate way to deliver the training would require local school personnel, most likely the health teacher, to enroll in and pass a "Train the Trainer" workshop by the agencies. For the American Heart Association, a session would cost approximately \$165 for each trainer involved. DESE cannot estimate how many trainers the local school districts will choose to involve in this training.

If classroom health teachers are delivering the instruction, schools could purchase a kit with lesson plans from the American Heart Association called "CPR for Everyone." These kits cost approximately \$10.00 each and students could practice chest compression but not mouth-to-mouth resuscitation. The recommended ration for these kits is 1 kit for every 2 students. The Missouri School Directory lists fall enrollment for 2009-2010 at 892,291. Assuming 1 kit for every 2 students equates to \$4,461,455.

DESE also assumes that to bring in a trained American Red Cross or American Heart Association trainer could cost up to \$15.00 per student, once expenses, materials and training mannequins are rented. This potential cost based on an enrollment of 892,291 equals \$13,384,365.

DESE assumes the cost will likely fall somewhere between the range of \$4,461,455 to \$13,384,365.

ASSUMPTION (continued)

Officials from the **University of Missouri - Kansas City** Charter School Center anticipate a cost of approximately \$5,000 per year to bring in a licensed Red Cross Trainer or to update staff member licensure.

**Oversight** assumes the proposal only relates to grades 9 to 12. According to the Missouri School Directory for 2010-2011, the fall enrollment in secondary schools for 2009-2010 was 279,797.

**Oversight** also assumes that instruction shall be through a program developed by either the American Heart Association or the American Red Cross, or through a nationally recognized program and that staff from these organizations will not be required to do the instruction. Since schools may develop agreements with any local chapter of a voluntary organization of first responders for the “hands-on” training, costs associated with this proposal would be limited to training for health instructors and materials. Based on 623 high schools and charter high schools at \$165 per instructor, the cost could be \$102,595. For fiscal note purposes only, Oversight assumes fiscal impact to school districts of (Unknown - Could exceed \$100,000)

§630.590

Officials from the **Department of Mental Health (DMH)** state Missouri specific statistics are incomplete as they relate to eating disorders. The DMH assumes the cost for the development of the curriculum to be unknown but less than \$100,000 for FY 12. It is further assumed that once the curriculum is developed, the proposal will have no significant impact on the DMH for FY 13 and FY 14.

Officials from **DESE** state their agency would incur administrative expenses related to collaborating with the required parties to develop a continuing professional education curriculum. However, the expenses will not likely be significant. School districts choosing to implement the curriculum will likely incur significant expense. DESE defers to local school districts regarding the extent of those costs.

In response to SB 192 (FN 887-02) from this session, officials from the **Parkway School District** assumed the proposal would have no fiscal impact on their agency.

Also in response to SB 192, officials from the **St. Louis Public Schools** assumed the proposal will have no fiscal impact on their organization as the provisions of the proposal are optional. If the proposal is implemented, existing professional development resources would likely be adequate.

ASSUMPTION (continued)

**Charter School Sponsors**

The following Charter School Sponsors provided assumptions of fiscal impact:

**Saint Louis University (SLU):** SLU anticipates neither positive nor negative fiscal impact.

**University of Missouri - Kansas City (UMKC):** The four UM System campuses are working together to develop consistent policies, processes and standards related to the legislative changes. The total cost of a combined 1.0 additional FTE is \$55,000. Other cost (travel, printing, etc.) will be approximately \$20,000, for a total cost of \$75,000.00 for FY 2012. Additional costs in FY 2013 and FY 2014 would be \$40,000.

**University of Central Missouri (UCM):** There are several provisions in this proposed legislation that will impact the institutional responsibilities of UCM in its role as authorizer / sponsor of public charter schools, and thus will impact the work load associated with sponsorship. The proposed legislation will have a significant impact on the nature and scope of our oversight responsibilities, and thus the work load associated with sponsorship. This will have a fiscal impact on UCM.

Items from the proposed legislation that will impact UCM workload:

- Expansion of charter schools outside of KC and St Louis to include failing schools. There will be much more of an interest and need for charter application review and decisions.
- Additional responsibilities regarding the closure of a charter school, including the collection and analysis of additional achievement and demographic data, additional documentation, as well as the need for additional onsite and state-level presence.
- Additional requirements regarding accountability. The legislation includes additional mandates for additional oversight, which means additional on site and site team involvement, as well as potential legal costs.
- Additional renewal requirements meaning more oversight, more data collection and analysis, more time presenting data to state board.
- More authority given to the State Board regarding ongoing oversight of the schools, and specifically with renewals and revocation decisions.

ASSUMPTION (continued)

- Opens enrollment for HS recovery dropouts to adjoining districts resulting in more supervision, more complicated student files oversight needed.
- DESE can withhold funds from a closing school resulting in more communication, more involvement in multiple institutional processes, which can become complex with one institution, much less three or more.
- Requires scores of students who enroll in a charter school as late as January to be counted in the performance of the charter school on the statewide assessment of that year. Additional individual formative assessment and possible remedial assistance needed.

UCM officials assume the fiscal impact as follows:

\$ 40,000 Increased school oversight services and site visits (\$4,000 per school)  
\$ 60,000 Increased support services for students  
\$ 60,000 Increased professional staff (.5 FTE)  
\$ 20,000 Increased legal costs  
\$185,000

**University of Missouri - St Louis (UMSL):** Officials from UMSL assume the portion of this proposal that deals with sponsors applying to DESE to maintain their authority to sponsor will add a financial burden to sponsors. The documents mentioned would have to be created which mean hiring additional staff to carry out duties of sponsorship and could cost upwards of \$100,000 to create in terms of man hours during the year starting January, 2012 once guidelines are established. This, on top of current sponsorship duties, would create a substantial financial impact on sponsorship offices.

Based on responses from current charter school sponsors, **Oversight** assumes the costs associated with this proposed will be (Unknown - Could exceed \$100,000).

Officials from the following colleges and universities that are not currently charter school sponsors stated this proposal would have no fiscal impact on their respective institutions:

**Northwest Missouri State University, Missouri State University, Kansas City Metropolitan Community College, and Linn State Technical College.**

Officials from the **Parkway School District** state the fiscal impact of this proposed legislation to their district is unknown, but is not likely to exceed \$100,000.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
<b>GENERAL REVENUE</b>			
<u>Cost - Department of Elementary and Secondary Education (DESE)</u>			
Programming and tracking costs for gifted students (§160.522)			
	(Unknown)	\$0	\$0
<u>Cost - DESE- Personal Services (3 FTE) (§160.400-160.425)</u>			
Personal Services	(\$87,369)	(\$105,891)	(\$106,950)
Fringe Benefits	(\$45,729)	(\$55,423)	(\$55,978)
Equipment and Expenses	(\$11,315)	(\$4,512)	(\$4,624)
Charter Commission operational expenses (§160.425)	<u>(\$125,000)</u>	<u>\$0</u>	<u>\$0</u>
Total DESE Expenses (§160.400 - 160.425)	(\$269,413)	(\$165,826)	(\$167,552)
<u>Cost - DESE (§160.080)</u>			
Personal Services (7 FTE)	(\$202,089)	(\$244,932)	(\$247,381)
Fringe Benefits	(\$105,773)	(\$128,197)	(\$120,479)
District and building level reviews	<u>(\$925,500)</u>	<u>(\$925,500)</u>	<u>(\$925,500)</u>
Total DESE Cost (§160.080)	(\$1,233,362)	(\$1,298,629)	(\$1,293,360)
Estimated Net Effect on FTE for DESE	10 FTE	10 FTE	10 FTE

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
<u>Cost - Charter School Sponsors (State Universities)</u>	(Unknown - Could Exceed \$100,000)	(Unknown - Could Exceed \$100,000)	(Unknown - Could Exceed \$100,000)
<u>Cost - Department of Mental Health - Development of eating disorder curriculum (§630.590)</u>	(Unknown - Less than \$100,000)	\$0	\$0
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(Unknown - Could Exceed \$1,502,775)</u></b>	<b><u>(Unknown - Could Exceed \$1,464,455)</u></b>	<b><u>(Unknown - Could Exceed \$1,460,912)</u></b>
Estimated Net Effect on FTE for General Revenue	10 FTE	10 FTE	10 FTE
<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
<b>LOCAL POLITICAL SUBDIVISIONS</b>			
<u>Cost - School Districts - Decreased funding (§160.400 - 160.425)</u>	(Unknown)	(Unknown)	(Unknown)
<u>Cost - School Districts - Education costs associated with enrollment options (§167.131)</u>	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)	(Unknown - Could exceed \$100,000)
<u>Cost - School Districts - Tracking gifted students (§160.522)</u>	(Unknown)	\$0	\$0

<u>FISCAL IMPACT - Local Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
<u>Cost - School Districts - Training costs associated with cardiopulmonary resuscitation (§170.310)</u>	(Unknown - Could exceed <u>\$100,000</u> )	(Unknown - Could exceed <u>\$100,000</u> )	(Unknown - Could exceed <u>\$100,000</u> )
<b>ESTIMATED NET EFFECT ON POLITICAL SUBDIVISIONS</b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>	<b><u>(Unknown)</u></b>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This proposal modifies provisions relating to education, including charter schools and establishes the Missouri Charter Public School Commission.

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

SOURCES OF INFORMATION

Department of Health and Senior Services  
Department of Elementary and Secondary Education  
Department of Mental Health  
Department of Higher Education  
Office of State Courts Administrator  
Department of Social Services  
    Children's Division  
Department of Public Safety  
    Missouri State Highway Patrol  
Office of Secretary of State  
    Administrative Rules Division  
Joint Committee on Education  
Joint Committee on Administrative Rules

SOURCES OF INFORMATION (continued)

Office of the Governor  
Office of Administration  
    Division of Budget and Planning  
    Administrative Hearing Commission  
Missouri Senate  
Charter School Sponsors  
    University of Central Missouri  
    University of Missouri - Kansas City  
    Saint Louis University  
    University of Missouri - St Louis  
Colleges and Universities  
    Northwest Missouri State University  
    Missouri State University  
    Kansas City Metropolitan Community College  
    Linn State Technical College  
    University of Missouri  
School Districts  
    Parkway  
    St Louis Public School District  
    Clayton  
    Webster Groves  
    Independence



Mickey Wilson, CPA  
Director  
April 29, 2011