

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 1374-02
Bill No.: SB 291
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Department; Boards, Commissions, Committees, Councils
Type: Original
Date: March 15, 2011

Bill Summary: This proposal modifies provisions relating to charter schools.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	(\$90,551)	(\$103,615)	(\$104,695)
Total Estimated Net Effect on General Revenue Fund	(\$90,551)	(\$103,615)	(\$104,695)

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

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 7 pages.

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

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2012	FY 2013	FY 2014
General Revenue	2 FTE	2 FTE	2 FTE
Total Estimated Net Effect on FTE	2 FTE	2 FTE	2 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 2012	FY 2013	FY 2014
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Public Safety - Missouri State Highway Patrol** anticipate no fiscal impact resulting from this proposal.

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. For the 2010-2011 school year, the total staff size of the 36 schools was approximately 2,120 FTE (certificated and non-certificated). 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.

It is assumed during the first year that 2,120 registrations and background screenings will be conducted on school staff members, assuming that none of the school staff members are currently registered with the Family Care Safety Registry.

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.

ASSUMPTION (continued)

DOHSS assumes the proposed legislation would result in an estimated 2,120 new registrations in the Family Care Safety Registry for charter school staff in FY 2012 (114 in FY 2013 and 115 in FY 2014). For each registration, \$10 is collected, resulting in \$21,200 in revenue in FY 2012 (\$420 in FY 2013 and \$430 in FY 2014). After FY 2012, the number of new registrations is believed to be minimum and no revenue is assumed in future years. 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 \$2,131 for FY 12; 1,463 for FY 13; \$1,492 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.

§160.400

According to officials from the **Department of Elementary and Secondary Education (DESE)**, 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. The process of adding new charter schools involves more than just approving their charters. This proposed legislation has the potential of significantly increasing the number of charter schools. DESE assumed additional staff will be needed to provide guidance (technical assistance for data collection, certification, fiscal management, special education, food service, assessment, federal program, etc.) to these new charters 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.

DESE assumes they would need the following personnel:

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.

ASSUMPTION (continued)

Oversight assumes that DESE is coordinating the current charter school program with one person. Oversight assumes 2 additional FTE (1 Supervisor 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.

Charter School Sponsors provided the following assumptions regarding this proposed legislation:

University of Missouri - St Louis stated that this proposal would impact sponsors financially in the implementation of the new review cycle and the development of accountability plans, but the costs should be manageable.

Saint Louis University anticipates neither positive nor negative impact.

University of Missouri - Kansas City assume that since in charter school law, neither the district or DESE receive charter school sponsor funding. As a result there should be no significant additional fiscal impact to this proposal.

Officials from the **Special School District of St Louis County (SSD)** assume the proposed legislation does not address the dual structure of special education in St Louis County. If a St Louis County district sponsors a charter school, it is not clear whether any of the SSD funds would have to go to the charter school.

<u>FISCAL IMPACT - State Government</u>	FY 2012 (10 Mo.)	FY 2013	FY 2014
GENERAL REVENUE			
<u>Cost - Department of Elementary and Secondary Education (DESE) - Personal Services (\$160.400) - 2 FTE</u>			
Personal Services	(\$54,489)	(\$66,041)	(\$66,701)
Fringe Benefits	(\$28,520)	(\$34,566)	(\$34,911)
Equipment and Expenses	(\$7,542)	(\$3,008)	(\$3,083)
Total DESE Expenses	<u>(\$90,551)</u>	<u>(\$103,615)</u>	<u>(\$104,695)</u>
Estimated Net Effect on FTE for DESE	2 FTE	2 FTE	2 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$90,551)</u>	<u>(\$103,615)</u>	<u>(\$104,695)</u>
Estimated Net Effect on FTE for General Revenue	2 FTE	2 FTE	2 FTE
 <u>FISCAL IMPACT - Local Government</u>	 FY 2012 (10 Mo.)	 FY 2013	 FY 2014
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

\$160.400

Charter schools may be operated in school districts other than St. Louis and Kansas City provided they are sponsored by the school board of the district in which they are located.

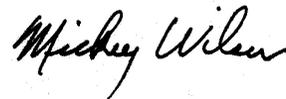
A charter school sponsor must develop policies and procedures for the review of a charter school proposal and the awarding of a charter, including procedures to be used when a school closes for the transfer or repository of student records and the disposition of school assets.

FISCAL DESCRIPTION (continued)

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 Health and Senior Services
Department of Public Safety
 Missouri State Highway Patrol
Charter School Sponsors
 University of Missouri - Kansas City
 Saint Louis University
 University of Missouri - St Louis
School Districts
 Special School District of St Louis County



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Director
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