

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2053-01  
Bill No.: HB 967  
Subject: Education, Elementary and Secondary: Children and Minor  
Type: Original  
Date: May 3, 2001

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON STATE FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
General Revenue	(\$244,950 to \$29,843,545)	(\$241,558 to \$30,728,111)	(\$247,678 to \$31,648,828)
State School Moneys	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>All</u> State Funds</b>	<b>(\$244,950 to \$29,843,545)</b>	<b>(\$241,558 to \$30,728,111)</b>	<b>(\$247,678 to \$31,648,828)</b>

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
Federal	(\$114,211)	(\$117,225)	(\$120,220)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>(\$114,211)</b>	<b>(\$117,225)</b>	<b>(\$120,220)</b>

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2002	FY 2003	FY 2004
<b>School Districts</b>	<b>(\$0 to \$11,582,350)</b>	<b>(\$0 to \$11,929,820)</b>	<b>(\$0 to \$12,287,715)</b>

Numbers within parentheses: ( ) indicate costs or losses.

This fiscal note contains 6 pages.

## FISCAL ANALYSIS

### ASSUMPTION

In response to an identical proposal from 2000 (HB 1610), officials of the **Office of State Courts Administrator** assume the proposal would result in no fiscal impact to the courts.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume there could be an increase in the cost to fully fund the Foundation Formula due to an increase in attendance of students between the ages of 16 and 18. Based on the 1990 census, there would be approximately 13,000 students affected by increasing the compulsory attendance age to 18. The increased cost to fully fund the foundation formula is estimated as follows:

13,000 students X \$4,421\* formula amount per eligible pupil X 50%\*\* = \$28,736,500

\*\$4,421 is the average cost per pupil when local deductions remain constant. The actual cost is subject to appropriation. (\$3.38 X \$130,789/100 for FY 2001)

\*\*Assumes that only 50% of the sixteen and seventeen year old students will stay in school.

Support services cost about \$1,730 per student. Therefore, the added cost for keeping 13,000 high school students in school with no decrease in spending per student for the 2000-2001 school year would be:

13,000 students X (\$4,421 + \$1,730) X 50% = \$39,981,500.

DESE officials assume some of these costs would be paid through increased state aid. For example, increased foundation formula funds (if the formula is fully funded) and redistribution of Proposition C, Fair Share and Free Textbook funds would help pay a portion of the increased local cost. On average, state aid (including Proposition C) accounts for 53% of school district revenues available for annual operating costs. DESE officials assume the formula would be fully funded and would provide income to districts.

Therefore, the FY 2001 estimated net impact on school districts, assuming 100% formula funding, would be \$39,981,500 - \$28,736,500 = \$11,245,000.

The fiscal impact shown is based on a 3% inflation rate.

Officials from the **Department of Social Services - Division of Youth Services (DOS-DYS)** assume that in FY 1999 36 youth under the age of 16 were committed to DYS for truancy (an increase from 30 in FY 1998). According to the Kids Count Missouri, the annual high school dropout rate for the 1998-99 school year was 4.8%, or approximately 12,457 dropouts. According to the 1998 Juvenile Court Statistics Report, there were 5,055 referrals for truancy made to the juvenile courts involving youth under the age of 16 years. With the additional period

ASSUMPTION (Continued)

of two years, Division officials estimate that between 15 and 50 youth ages 16 to 17 years could be committed to DYS, annually. Officials assume that courts would act on referrals for truancy of youths 16 to 17 years of age, but that little action would be taken by the courts on the truancy referrals where the youth is 17 years or older. The division's assumption is based on the state statute 211.021, RSMo which defines "adult" as a person 17 years of age or older.

**Oversight** assumes that DYS would not incur any new costs related to providing day treatment for 15-50 youths. It was assumed that the youths would not be placed at one facility, but could be placed at any one of the 33 facilities that currently provide educational programs for DYS.

Furthermore, it was assumed that DYS would obtain state aid through the state foundation formula based on the number of students and their attendance records. Assuming full funding of the state foundation formula, an average instructional cost of \$4,421 per student, and that DESE's estimate to fully fund the foundation formula included costs for DYS, no additional costs were included for DYS. **Oversight** has shown the DYS portion of DESE's costs separately based on 50 students receiving \$6,151 per student for a total of \$307,550. The cost is ranged from zero, since \$307,550 would be the maximum.

The **Department of Social Services (DOS), Division of Family Services (DFS)** assumes that it would be fiscally impacted by this proposal. DFS assumes that requiring children to attend school until age 18 would result in children ages 16 and 17 being reported to the Child Abuse/Neglect (CA/N) Hotline for educational neglect since a parent's failure to send a child to school is a reportable condition.

To project the fiscal impact, the following staffing formulas and caseload standards for field staff were used:

1 Clerk-typist	:	3 professional staff
1 Supervisor III	:	3 Supervisors I
1 Supervisor I	:	7 Children's Services Workers
CA/N Investigations	:	17 per month per Children's Services Worker
12 Family-Centered Services cases	:	per Children's Services Worker

To estimate the number of additional educational neglect reports that would result from the proposal, DFS used data from 1999. There were 3,686 children reported for educational neglect of which 1,179 were children from 14 or 15 years of age. They assumed they would have the same number of hotlines on 16 and 17 year old children. Approximately 35% of hotlines result in a need for Family-Centered Services; therefore 413 hotline calls would indicate a need for Family-Centered Services.

DFS assumes they would need the following staff to implement the proposed legislation:

ASSUMPTION (continued)

1179 CA/N hotlines = 5.8 Children's Services Workers (1,179 hotlines/17 hotlines per month/12 months per year)

413 FCS cases = 21.7 Children's Services Workers (assuming 41% of cases would be open 4 months, 27.6% open 8 months, and 31.2% would be open for 12 months - using 413 cases as the baseline = 3,136 case months. 3,136 case months/12 cases per month/12 months per year).

27.5 (5.8 + 21.7) Children Services Workers (to investigate and assess CA/N reports and work with families to improve their parenting skills to an acceptable level of child care)

3.9 Supervisors I (to supervise Children's Services Workers)

1.3 Supervisor III (to supervise Children's Services Workers)

10.9 Clerk-Typists II (support for professional staff)

Consistent with similar legislation from the prior year and an insignificant change in workload, **Oversight** assumes that a total of 5 Children's Services Workers, 2.29 Clerk Typists and 1.1 Supervisor would be needed as a result of this proposal.

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<b>GENERAL REVENUE FUND</b>			
<u>Cost</u> - Transfers to State School Moneys Fund	(\$0 to \$29,598,595)	(\$0 to \$30,486,553)	(\$0 to \$31,401,150)
<u>Cost</u> - Department of Social Services Division of Family Services			
Personal Services (5.62 FTE)	(\$139,860)	(\$172,054)	(\$176,355)
Fringe Benefits	(\$43,007)	(\$52,907)	(\$54,229)
Expense and Equipment	(\$62,083)	(\$16,597)	(\$17,094)
Total Cost - DFS	(\$244,950)	(\$241,558)	(\$247,678)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$244,950 to \$29,843,545)</u></b>	<b><u>(\$241,558 to \$30,728,111)</u></b>	<b><u>(\$247,678 to \$31,648,828)</u></b>
<b>STATE SCHOOL MONEYS FUND</b>			
Income - Transfers from General Revenue Fund	\$0 to \$29,598,595	\$0 to \$30,486,553	\$0 to \$31,401,150
Cost - Distribution to School Districts	(\$0 to \$29,598,595)	(\$0 to \$30,486,553)	(\$0 to \$31,401,150)
<b>ESTIMATED NET EFFECT ON STATE SCHOOL MONEYS FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

<u>FISCAL IMPACT - State Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<b>FEDERAL FUNDS</b>			
<u>Cost - Department of Social Services</u>			
<u>Division of Family Services</u>			
Personal Services (2.77 FTE)	(\$68,886)	(\$84,743)	(\$86,862)
Fringe Benefits	(\$21,182)	(\$26,058)	(\$26,710)
Expense and Equipment	(\$24,143)	(\$6,454)	(\$6,648)
Total <u>Cost</u> - DOS-DFS	<b><u>(\$114,211)</u></b>	<b><u>(\$117,255)</u></b>	<b><u>(\$120,220)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2002 (10 Mo.)	FY 2003	FY 2004
<b>SCHOOL DISTRICTS</b>			
<u>Income</u> - School Districts	\$0 to	\$0 to	\$0 to
Increased State Aid	\$29,598,595	\$30,486,553	\$31,401,150
<u>Cost</u> - School Districts	(\$0 to	(\$0 to	(\$0 to
Increase School Attendance	\$41,180,945)	\$42,416,373)	43,688,865)
<b>ESTIMATED NET EFFECT ON</b>	<b><u>(\$0 to</u></b>	<b><u>(\$0 to</u></b>	<b><u>(\$0 to</u></b>
<b>SCHOOL DISTRICTS</b>	<b><u>\$11,582,350)</u></b>	<b><u>\$11,929,820)</u></b>	<b><u>\$12,287,715)</u></b>

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal would raise the mandatory school attendance age from 16 to 18. Legally employed children between the ages of fourteen and eighteen (currently sixteen) could be excused from school attendance. Schools would be required to report the name, mailing address and telephone number of students eighteen (currently sixteen) years of age or older who drop out of school for any reason other than to attend another school or to enlist in the armed forces to the state literacy hotline.

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

SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
Department of Social Services  
    Division of Youth Services  
    Division of Family Services  
Office of State Courts Administrator  
Office of the State Public Defender  
Office of Prosecution Services



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