

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3701-01
Bill No.: HB 1040
Subject: Education, Elementary and Secondary: Elementary and Secondary Education Dept
Type: Education Accountability
Date: January 14, 2004

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on General Revenue Fund	\$0	\$0	\$0

ESTIMATED NET EFFECT ON STATE FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> State Funds	\$0	\$0	\$0

Numbers within parentheses: () indicate costs or losses.
This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Attorney General (AGO)** stated this proposal would have no fiscal impact on the AGO's office.

Officials from the **Office of State Courts Administrator** stated this proposal would have no effect on the courts.

Officials from the **Secretary of State's Office (SOS)** assumed the rules, regulations and forms issued by the Department of Elementary and Secondary Education and the Department of Social Services could require as many as 40 pages in the *Code of State Regulations*. For any given rule, roughly half again as many pages are published in the *Missouri Register* as in the Code because cost statements, fiscal notes and the like are not repeated in the Code. These costs are estimated. The estimated cost of a page in the *Missouri Register* is \$23. The estimated cost of a page in the *Code of State Regulations* is \$27. The actual costs could be more or less the SOS's estimated cost of \$2,460 for FY 2005. The impact of this legislation in future years is unknown and depends upon the frequency and length of rules, filed, amended, rescinded or withdrawn.

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.

ASSUMPTION (continued)

Any decisions to raise fees to defray costs would likely be made in subsequent fiscal years.

Officials from the **Department of Social Services - Family Support/Children's Division** anticipate no fiscal impact to their agency from Section 210.145.

Officials from the **Department of Elementary and Secondary Education (DESE)** made the following assumptions regarding areas of potential fiscal impact of this proposal:

SECTION 160.518.7 - DESE would incur minimal costs as a result of this section. **Oversight** assumes any costs would be absorbed within existing resources.

SECTION 160.518.8 - The department is currently utilizing federal funds to align the performance and accountability standards of the statewide assessment system to federal standards.

SECTION 160.545 - DESE estimates any increase will be less than \$100,000. **Oversight** assumes that since the proposal states an implementation date of the 2007-2008 school year, the costs associated with this portion of the proposal will not be incurred during the scope of this fiscal note.

SECTION 161.089 - DESE assumes zero to minimal costs. **Oversight** assumes any costs will be absorbed within existing resources.

SECTION 161.209 - DESE assumes such a review would require staff time while other responsibilities are temporarily set aside.

SECTION 167.231 - DESE believes this provision will increase the cost of transportation due to the following: If the bus is already full, then a new route will have to be added. A new route means staggering bus times so the same bus can be used again or buying a new bus. If the bus is not full, the route may need to be modified to pick up these students. The modified route may cover more miles.

Oversight assumes that since the language in this section regarding transportation for students who live less than one mile from their assigned school is permissive, no fiscal impact will be assigned.

ASSUMPTION (continued)

SECTION 167.031 - Officials from the **Department of Social Services - Division of Youth Services** indicated that any commitment costs could be absorbed within existing resources.

Officials for the **Department of Social Services - Family Support/Children's Division (DFS)** indicate that although the language in this section is permissive, they assume most parents would opt for keeping their children in school, resulting in significant costs to the division.

DFS assumes that requiring children to attend school until age 18 or graduate at the option of the parent would result in some children ages 16 and 17 being reported to the Child Abuse/Neglect (CA/N) Hotline for non-attendance due to educational neglect.

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

1 Office Support Asst	:	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 FY 2002. There were 3,447 CA/N reports alleging educational neglect, of which 1,079 were children from 14 or 15 years of age. DFS 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 378 hotline calls would indicate a need for Family-Centered Services. DFS currently does not track the number of students who do not attend school due to religious purposes, therefore are unable to estimate the number of students/families that do not attend school for religious reasons.

Since it would not be possible to anticipate the number of parents or guardians who would choose to request that their child(ren) be required to attend to age 18, DFS assumes that the upper limit of all parents would chose to have these provisions apply. Therefore, the following staff would be needed to implement the proposed legislation:

1,079 CA/N hotlines = 5.3 Children's Services Workers (1,079 hotlines/17 hotlines per month/12 months per year)
378 FCS cases = 18.7 Children's Services Workers
24 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)

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ASSUMPTION (continued)

4 Supervisors I (to supervise Children's Services Workers)
2 Supervisor III (to supervise Supervisors)
11 Office Support Assistants (support for professional staff)

DFS assumed personnel and equipment and expense costs to exceed \$2,000,000 a year.

Oversight assumes that, due to the permissive language in the proposal, costs would be minimal. If there are a large number of requests by parents to keep children ages 16 to 18 in school and the schools accept the students, additional costs can be addressed through the appropriation process.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposal makes the following provisions:

ASSESSMENTS AND ACCREDITATION

SECTION 160.518

Permits districts to incorporate a student's performance on the statewide assessments into the grade point average or class standing of a student or, when a student scores less than proficient, permits a district to require additional coursework before graduation. By January 1, 2006, DESE shall align assessment standards to levels comparable with those used in the National Assessment of Educational Progress, and by July 1, 2006, shall revise its accreditation standards to permit

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DESCRIPTION (Continued)

process and resource standard waivers consistent with academic performance profiles.

SECTION 160.545

May permit participation of any student who meets the other eligibility criteria for participation in the A+ program, regardless of the status of such student's high school.

SECTION 161.089

The Missouri school improvement program or successor accreditation program shall not use a scoring rubric on performance that requires a score for the Parents as Teachers Program and must reward districts that use instructional technology to accomplish their advanced placement goals.

STUDENTS

SECTION 167.031

Permits parents and guardians of students to opt into a higher compulsory school age of 18. The proposal also adds religious exemptions to compulsory school attendance and clarifies that students who successfully complete all grade levels or complete school by examination are not subject to compulsory attendance.

SECTION 167.051

Modifies the part-time class attendance times to eliminate the restriction of attending classes only between eight o'clock in the morning and five o'clock in the evening.

SCHOOL DISTRICTS

SECTION 162.261

Clarifies that the nepotism provisions of the Missouri Constitution apply to school districts.

SECTION 167.231

Districts may count as reimbursable miles any mileage less than one mile from school when a student faces a transportation safety hazard such as a major highway. Districts that run their own

DESCRIPTION (Continued)

bus operations may use their buses for non-school transportation options under certain conditions.

Districts serving the same students, such as K-8 districts and the districts that provide high school to these districts, must make a good faith effort to coordinate their schedules.

OTHER PROVISIONS

SECTION 161.209

DESE must seek feedback on its rules and regulations and give priority to the review of existing regulations that could be relaxed in hard economic times without affecting student achievement.

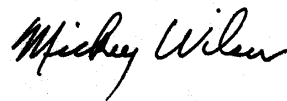
SECTION 210.145

The Division of Family Services cannot meet with a child in the same school or child care facility where abuse is alleged to have occurred. Currently, the division cannot meet with a child at any school or child care facility.

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
Office of Secretary of State
Administrative Rules Division
Office of Attorney General
Office of State Courts Administrator
Department of Social Services
Family Support/Children's Division
Division of Youth Services



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Mickey Wilson, CPA
Director
January 14, 2004

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