

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 4939-01  
Bill No.: HB 1682  
Subject: Attorney General, State: Education, Elementary and Secondary; Elementary and Secondary Education Department  
Type: Original  
Date: April 20, 2004

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**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
<b>FUND AFFECTED</b>	<b>FY 2005</b>	<b>FY 2006</b>	<b>FY 2007</b>
General Revenue	(\$696,594)	(\$856,810)	(\$878,231)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(\$696,594)</b>	<b>(\$856,810)</b>	<b>(\$878,231)</b>

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

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 4 pages.

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

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2005	FY 2006	FY 2007
<b>Local Government</b>	<b>\$696,594</b>	<b>\$856,810</b>	<b>\$878,231</b>

### FISCAL ANALYSIS

#### ASSUMPTION

Officials from the **Department of Elementary and Secondary Education** indicated this proposal would have no fiscal impact on their agency or on school districts.

Officials from the **Saint Louis Public Schools** and the **Mexico School District** stated this proposal would have no fiscal impact on their districts.

Officials from the **Office of Attorney General (AGO)** assume this legislation would require AGO to represent school districts in civil litigation. AGO assumes that well in excess of 100 lawsuits are brought against Missouri school districts in a given year. AGO assumes that these suits are wide ranging in their complexity. Adding this responsibility would be an increase of approximately 50% in the number of cases handled by AGO's Litigation Division. AGO would require 1 AAG IV, 9 AAG II, 4 legal secretaries, and 4 investigators to defend school districts in civil matters. **Oversight** notes no request was made for equipment and expense; **Oversight** assumes if additional equipment is needed it will be requested through the appropriation process.

Officials from the **Kansas City Missouri School District (KCMSD)** stated that if the State Attorney General defends school districts when actions are brought against them by third parties, this proposal could save KCMSD as much as \$200,000 a year.

ASSUMPTION (continued)

Officials from the **Columbia Public Schools (CPS)** stated that CPS spends about \$25,000 per year in general legal advice. The district errors and omissions legal liability insurance deductible is \$100,000. Therefore, CPS assumes this proposal has the potential of saving the district at least \$100,000 if litigation defense is sought. If allowed to use the Office of Attorney General for legal direction, the savings might well exceed \$125,000 annually.

<u>FISCAL IMPACT - State Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
<b>GENERAL REVENUE</b>			
<u>Cost - Office of Attorney General (AGO)</u>			
Personal Costs (18 FTE)	(\$492,641)	(\$605,948)	(\$621,097)
Fringe Benefits	<u>(\$203,953)</u>	<u>(\$250,862)</u>	<u>(\$267,134)</u>
TOTAL Costs - AGO	(\$696,594)	(\$856,810)	(\$878,231)
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>	<b><u>(\$696,594)</u></b>	<b><u>(\$856,810)</u></b>	<b><u>(\$878,231)</u></b>

<u>FISCAL IMPACT - Local Government</u>	FY 2005 (10 Mo.)	FY 2006	FY 2007
<b>SCHOOL DISTRICTS</b>			
<u>Savings - Attorney Fees</u>	\$696,594	\$856,810	\$878,231
<b>ESTIMATED NET EFFECT TO SCHOOL DISTRICTS</b>	<b><u>\$696,594</u></b>	<b><u>\$856,810</u></b>	<b><u>\$878,231</u></b>

FISCAL IMPACT - Small Business

Small law firms could see a negative fiscal impact as a result of this proposal.

DESCRIPTION

This proposal requires the Attorney General to provide legal services, upon request, to any school district sued by a third party.

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  
Kansas City Missouri School District  
St Louis Public Schools  
Columbia Public Schools  
Mexico School District  
Kansas City Missouri School District  
Office of Attorney General

**NOT RESPONDING**

**Parkway Public School District**

A handwritten signature in black ink that reads "Mickey Wilson". The signature is written in a cursive, flowing style.

Mickey Wilson, CPA  
Director  
April 20, 2004