

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3813-04
Bill No.: SCS for HCS for HB 1722
Subject: Education, Elementary and Secondary; Children; Boards, Commissions,
Committees, Councils; Nurses; Medical Procedures and Personnel; Teachers;
Liability; Public Safety Department; Education, Higher
Type: Original
Date: May 5, 2008

Bill Summary: Modifies provisions relating to elementary and secondary education, including: Modifies the definition of special education pupil count in the foundation formula; Creates the P-20 Council; Changes the name of the "State Schools for Severely Handicapped Children" to "Missouri Schools for the Severely Disabled"; Creates the Rebuild Missouri Schools Program; Children's Internet Protection Act; Liability of school employees and volunteers; Civil immunity for certain DESE and school employees; Due process for special education resolution sessions; Provisions relating to higher education scholarships; Exemption for students from transferring from outside the state from certain course and test requirements; Participation in the A+ Schools Program irrespective of accreditation status; School-based influenza vaccination pilot program; Allows school districts to maintain permanent records digitally or electronically; Modifies the definition of "bullying" as used in school district anti-bullying policies to include cyber-bullying and electronic communications.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
General Revenue	(\$327,433 Up to \$7,727,433)	(\$368,313 Up to \$7,768,313)	(\$286,097 Up to \$8,607,937)
Total Estimated Net Effect on General Revenue Fund	(\$327,433 Up to \$7,727,433)	(\$368,313 Up to \$7,768,313)	(\$286,097 Up to \$8,607,937)

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 25 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Rebuild Missouri Schools Program Fund*	\$0	\$0	\$0
State School Moneys Fund**	\$0	\$0	\$0
Workers' Compensation Fund	(\$50,000)	(\$50,000)	(\$50,000)
Kids' Chance Scholarship Fund	\$50,000 to (Unknown)	\$50,000 to (Unknown)	\$50,000 to (Unknown)
Total Estimated Net Effect on <u>Other</u> State Funds	\$0 to (Unknown)	\$0 to (Unknown)	\$0 to (Unknown)

*Offsetting transfers in and distributions are not expected to exceed \$100,000 each year.

**Offsetting transfer in and out are \$0 to \$7,300,000 annually.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2009	FY 2010	FY 2011
Total Estimated Net Effect on FTE	0	0	0

☐ 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 2009	FY 2010	FY 2011
Local Government	(Unknown - Could exceed \$100,000) Up to \$7,300,000	(Unknown - Could exceed \$100,000) Up to \$7,300,000	(Unknown - Could exceed \$100,000) Up to \$7,300,000

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. 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 to the SOS office for Administrative Rules for this proposal is less than \$2,500. The SOS recognizes this is a small amount and does not expect additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed in a given year and that collectively the costs may be in excess of what the SOS can sustain with their core budget. Any additional required funding would be handled through the budget process.

Officials from the **Office of State Treasurer, Department of Insurance, Finance, and Professional Regulation, Department of Public Safety - Office of the Director and Missouri State Highway Patrol**, and the **Department of Economic Development** state this proposal will have no fiscal impact on their agency.

ASSUMPTION (continued)

§105.711; 168.390 - Civil immunity for certain DESE and school district employees

Officials from the **Department of Insurance, Finance, and Professional Regulation, Office of Administration - Personnel Division**, and the **Office of Administration - Administrative Hearing Commission** state this portion proposal will have no fiscal impact on their respective agencies.

Officials from the **Office of Attorney General** assume that any potential costs arising from this part of the proposal proposal can be absorbed with existing resources.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume this portion of the proposal would expand the scope of the State Legal Expense Fund, so far as it applies to local school officials. The increased call on the fund's resources for legal representation would be based upon the number of actions filed.

Officials from the **Office of Administration - Risk Management** assume the only exposure to the State Legal Expense Fund is the cost of defense. The proposed legislation has the potential for costs that cannot be determined at this time.

Oversight assumes that if an increase in the number of actions filed results in a significant amount of payments from the State Legal Defense Fund, an increase in appropriation would be requested through the budget process.

§160.459 - Rebuild Missouri Schools Program

Officials from **DESE** state the costs of this proposal cannot be estimated. Any impact would depend upon the extent to which school facilities sustain uninsured damage or destruction due to an act of God or extreme weather events.

DESE assumes Subsection 5 of the proposal could have ramifications for some school districts receiving insurance proceeds or other moneys after receiving funding under the rebuild Missouri schools program. The proposal indicates that the school district shall pay to the State Board of Education the amount by which the sum of the funding under the rebuild Missouri schools program plus the insurance proceeds and other moneys exceeds the cost of the emergency project. Such payment shall be in addition to the annual payment, and not be a credit against the annual payment. The impact cannot be estimated but could be significant.

ASSUMPTION (continued)

Oversight assumes the amount of the insurance proceeds or other moneys received in excess of the cost of the project would be remitted at the time of the annual payment in addition to the annual payment and the total amount of the funded balance would then be reduced by the amount of the additional moneys received in excess of the project cost. **Oversight** further assumes funding would not be requested until other sources of funding for rebuilding are exhausted (i.e. additional insurance proceeds or other moneys). Annual payments would not likely be recalculated; however, the balance would be paid off earlier.

In response to the introduced version of this proposal, officials from the **Springfield School District** state that recent damage to a district building resulted in a \$20,000 insurance deductible.

Officials from the **Francis Howell School District** state that 75% of Missouri school districts belong to the Missouri United School Insurance Council (MUSIC) and deductibles are \$1,000. They estimate that the likelihood of many districts meeting the criteria set out in the proposal in any given year would be small and the total out of pocket costs to school districts would be minimal. **Oversight** notes that, according to the MUSIC web site, 87% of the districts in the state are members.

Officials from the **Marshfield School District** state they would see little actual use of this funding except to pay the \$1,000 insurance deductible. If schools did not adequately estimate replacement cost of facilities, the funding could be a help as a loan for the difference between insured value and actual replacement cost.

Officials from the **Poplar Bluff School District** assume fiscal impact would be minimal.

Officials from the **Charleston School District** assume no fiscal impact to their district.

Oversight assumes only the portion of a project that is not covered by insurance or other public or private emergency assistance is eligible for the no-interest funding provided for in this proposal. Fiscal impact is unknown, but in any given year, **Oversight** assumes the impact would not exceed \$100,000.

§160.545.3 - A+ School District Participation

Officials from the **Department of Elementary and Secondary Education (DESE)** assume that this proposal currently would allow students from St. Louis City and Wellston to participate in the A+ program provided they meet all other requirements.

ASSUMPTION (continued)

The enrollment of 11th grade students for Wellston is 26 and St. Louis City is 1,801. DESE estimates that twenty-five percent of those students would become eligible for A+ reimbursement and of that number only twenty-five percent would take advantage of the program. This assumption would result in a pool of 115 students.

Assuming \$334 as the average cost per credit hour of 25 public community colleges and vocational and technical schools and assuming 12 credit hours in the first year, costs for two semesters would be \$921,840. Costs for the second year would likely double as the number of students would remain the same.

DESE would require an additional FTE accounting specialist.

Oversight notes that, according to information on the DESE web site, Division of School Improvement: A+ Schools, "In most cases, high schools spend three years implementing the program by upgrading curriculum, reducing dropout rates, promoting high student achievement and establishing business advisory councils." **Oversight** will assume, for fiscal note purposes, that the program would not be in place until at least FY 2011 based on the statement from the DESE web site regarding a three year implementation period. If these schools seek A+ designation and additional personal services are needed for additional students in the program, those resources can be sought through the budget process.

Officials from the **Charleston School District** state this proposal will not affect their school district as they are already part of the A+ program.

Officials from the **St Louis Public School District** state no funds are used from the General Operating Budget, but this proposal would eliminate the burden from their Development Department from attempting to raise money beyond the 2010 program. No direct fiscal impact is indicated.

§160.545.9 - Eligibility for A+ Program reimbursements

Officials at the **Department of Higher Education (DHE)** assume this legislation expands the A+ program, which will not impact the DHE.

DHE's response is based on the assumption that the only existing institution that is not currently eligible for A+ reimbursements that would become eligible if this bill passed is Ranken Technical College. Ranken annually enrolls approximately 200 first-time students from Missouri. The legislation specifies that the tuition reimbursement shall not exceed the tuition

ASSUMPTION (continued)

charged by the community college in the technical school's service area. St. Louis Community College is the community college in Ranken's service area. The fall 2007 tuition and fee rate for St. Louis Community College is \$2,340 in-district and \$3,540 out-of-district.

The summary of fiscal impact is based on the following additional assumptions:

Each year, half of Ranken's new students will qualify for A+ reimbursements. Half of Ranken's entering class is 100 students. Each year, of the 100 new A+ eligible students at Ranken, half would qualify for reimbursement at the in-district tuition rate. Half would qualify for reimbursement at the out-of-district tuition rate. In the second year, the first cohort will receive the scholarship again and a second cohort of 100 students will join them.

Tuition at St. Louis Community College will increase at approximately the rate of inflation and inflation will be the same next year as it was this year -- about 4%.

In the third year, there will still only be a total of 200 students eligible for the scholarship (because only students in 2-year institutions are eligible to receive the scholarship). However, current A+ rules, promulgated by DESE, provide that financial incentives will be available to qualified students for a period of four years after high school graduation. Therefore, it may be possible for those students attending private vocational and technical schools that offer baccalaureate degrees to receive A+ funding to receive baccalaureate degrees.

DHE also assumes other private institutions may also become A+ eligible. If other private institutions become A+ eligible, the fiscal impact will be greater than indicated here.

DHE's estimate of A+ scholarship cost is as follows: FY 2009 (\$305,760); FY 2010 (\$635,980); FY 2011 (\$651,296).

Oversight assumes, based on statistics shown in the DESE 2009 budget request, that 35% of A+ eligible students are enrolled as first time - full time students at community colleges. No data was included for those attending Career-Technical Schools, but the "status unknown" of A+ eligible students is 32%. **Oversight** will assume, for fiscal note purposes only, that the 35% would apply to Ranken students. Considering that other schools may also qualify to receive reimbursements, **Oversight** will show the fiscal impact to be as follows: FY2009 (Could exceed \$106,406); FY 2010 (Could exceed \$109,651); FY 2011 (Could exceed than \$115,070).

Officials at the **Department of Elementary and Secondary Education (DESE)** state that as of July 1, 2007, there were 231 high schools designated A+ out of 565 high schools. It is unknown

ASSUMPTION (continued)

how many A+ students currently attend the institutions described in this proposal or how many may attend if the legislation should pass.

In addition, allowing private institutions to participate in the A+ program would require the entire A+ program to move to an IFB (invitation for bid) process in order to comply with the provisions of Chapter 34 RSMo. The IFB process would require at least 1.0 FTE supervisor.

Officials at the **University of Central Missouri (UCM)** assume each year, approximately 30-50 students that are admitted to the UCM, elect to utilize the A+ program at their local community college. Over a four year period of time, a loss of 30-50 first year students results in a potential revenue decrease of between \$673,000 and \$1,100,000 based on 2007 tuition levels.

Officials from the **St Louis Community College** and the **Kansas City Metropolitan Community College** assume this proposal will have no negative fiscal impact on their respective colleges.

Officials from the **University of Missouri** state the University would incur no additional administrative costs as a result of the passage of this proposal, as currently written.

Officials from **Linn State Technical College** assume no fiscal impact resulting from this proposal.

Oversight assumes that this proposal is expanding the existing A+ program to allow students to attend private vocational and technical schools instead of the current public only schools. For the private school to participate the school must meet certain requirements. Oversight assumes that few private schools will meet the rigorous requirements to be eligible for participation.

Oversight assumes that the Department of Elementary and Secondary Education can absorb the cost of monitoring the additional schools with existing resources.

§160.775 - Anti-bullying policy

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

Officials from the following school districts state no fiscal impact resulting from this proposal: **Poplar Bluff, Farmington, Marshfield, Francis Howell, and Independence.**

ASSUMPTION (continued)

§160.800; 160.805; 160.810; 160.815; 168.820 - P-20 Council

Officials from the following agencies stated this proposal would have no fiscal impact on their respective agencies: **Office of Administration - Division of Purchasing and Materials Management** and the **Administrative Hearing Commission; Office of Secretary of State; Department of Economic Development; Office of the Governor.**

Officials from the **Office of State Auditor (SAO)** assume that expenditures by the SAO for the required audit would be offset by payment from the corporation as provided in §160.805.8.

According to officials from the **Department of Higher Education (DHE)**, the Commissioner of Higher Education and the Chairperson of the Coordinating Board for Higher Education would serve on the board of directors of the P-20 Council corporation. The proposal would also permit the DHE to contract with the P-20 Council corporation for activities including employment of personnel, administrative services, and provision of office space. The DHE assumes that it could carry out the responsibilities associated with this bill with its existing budget and staffing levels.

Officials from **DESE** state that this proposal appears to replace the current council established in §160.730, RSMo with a new council consisting of the current members in addition to the chairperson of the Coordinating Board of Early Childhood and seven members appointed by the governor. The new council would have the same duties as the current council; however, this proposal would allow the Department of Economic Development, the Department of Elementary and Secondary Education, and the Department of Higher Education to contract with the council to carry out those duties. In addition, the contracts will not be bound by the provisions of Chapter 34, RSMo.

Depending upon the actions of the council and the resulting contracts entered into by the departments, this proposal could result in significant costs for duties that are currently being conducted by the current council.

Oversight assumes the duties of the private not-for-profit corporation created with this proposal are the same as those in the section being repealed (§160.730) and that any expenses incurred by board members representing state agencies can be absorbed with existing resources.

§162.204 - Record retention

Officials from **DESE** state this proposal will have no fiscal impact on their agency or on local

ASSUMPTION (continued)

school districts.

Officials from the **Independence School District** state this proposal will have no fiscal impact on their school district beyond the current operational expenditures.

§162.675; 162.730; 162.740; 162.755; 162.780; 162.785; 162,810; 168.520 - Name Change - Missouri Schools for the Severely Disabled

Officials from **DESE** assume the state costs to implement this change appear limited to signage and documentation/manual changes to reflect the new name in 35 schools and the central office. Costs are not expected to exceed \$15,000.

Oversight assumes these costs can be absorbed with existing resources.

§162.962 & 169.963 - Due process hearings for educational placement

Officials from **DESE** state this proposal will have no fiscal impact on their agency or on local school districts. This proposal would bring state statutes in alignment with federal IDEA and the regulation 34 CFR 300.512(a)(3).

The following school districts stated the proposed legislation would have no fiscal impact on their respective districts: **Marshfield, Special School District - St Louis, and Independence.**

§163.011 - Special Education Pupil Count in Foundation Formula

Officials from **DESE** assume the simulations prepared as SB 287 was written in 2005 included nonpublic students because the data available at that time did not separate public from nonpublic. If the benchmark for a cost increase is the May 2005 simulation, DESE assumes there would be no increase in fiscal impact as nonpublic students were in the aggregate special education count for districts in the simulations.

However, if the benchmark for cost increase is the current expected cost in FY08 compared to the cost with the addition of this provision, then the cost is approximately \$7.3 million. The FY08 budget request for the foundation formula did not anticipate paying on nonpublic students. If those are added, the weighted average daily attendance will increase about 1,600 statewide at an approximate increase of \$7.3 million over DESE's FY08 budget estimate. Approximately 50 districts are impacted. The St. Louis County Special School District has approximately 1,050 of

ASSUMPTION (continued)

the increased weighted average daily attendance and would receive approximately \$6 million of the statewide increase.

§168.133 - Teacher background checks

Officials from the **Department of Social Services** state this section will have no fiscal impact on their agency.

Officials from the **DESE** presented two assumptions:

- 1) The new language simply speaks to the one-year validity of the background check and fingerprint collection; therefore, no additional fiscal impact will be incurred.
- 2) The language will require every individual having contact with any pupil to undergo the criminal background check and fingerprint collection on an annual basis. Should the second assumption be correct, the result will be annual costs to local school districts totaling \$4,071,600 (78,000 pupil contact individuals x \$52.20 fee) and a significant increase in workload for DESE.

DESE also assumes FBI rules prohibit the practice of transferring criminal background check and fingerprint collection from one school district to another district.

Oversight assumes, based on information from the **Department of Public Safety - Missouri State Highway Patrol**, that background information may be transferred from one government entity to another; therefore, such information can be transferred from one school district to another during the one-year period outlined in the proposed legislation. Oversight assumes no significant fiscal impact to DESE or local school districts.

Officials from the **Marshfield R-I Public School District** state this proposal could save the cost of a couple of background checks totaling at most \$110. (§168.133)

Officials from the **Boone County Sheriff's Office** and the **Springfield Police Department** state there will be no fiscal impact to their respective agencies as a result of this proposal

§169.010 - Average salary calculation

The **Joint Committee on Public Employee Retirement** has reviewed this proposal and has determined an actuarial study is not needed under the provisions of section 105.660.5.

ASSUMPTION (continued)

Officials from the **Public School Retirement System (PSRS)** assume this proposal increases the cap on the final average salary used in calculating PSRS benefits from ten percent to twenty percent in determining a member's final average salary.

This request was sent to PSRS actuaries, Gabriel, Roeder, Smith and Company who estimated that while there would be some financial impact to the plan, the cost impact would be immaterial.

§170.011 - Student transfer exemptions

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

§170.256 - Training for proper internet use

According to officials from **DESE**, there are existing resources that would likely be utilized. MOREnet uses a curriculum called NetSmartz and the Safe Schools Center in Kansas City and the RPDCs use a curriculum called i-SAFE. If a school district is a member of MOREnet, these materials are included in the membership. There are likely costs involved with i-SAFE. Even if the materials are free, there could be charges for the training on how to use or implement the materials. Using an existing program that many of the districts already have access to through MOREnet, this language would likely result in minimal fiscal impact to either DESE or the districts.

§170.400 - Supplemental education services

According to **DESE** officials, the new language includes the phrase “supplemental education services” which is not defined in the proposal but which has meaning under “No Child Left Behind” as follows:

Low-income families can enroll their child in supplemental educational services if their child attends a Title I school that has been designated by the state to be in need of improvement for more than one year. The term “supplemental educational services” refers to free extra academic help, such as tutoring or remedial help, that is provided to students in subjects such as reading, language arts, and math. This extra help can be provided before or after school, on weekends, or in the summer.

Each State Education Agency is required to identify organizations that qualify to provide these

ASSUMPTION (continued)

services. Districts must make a list available to parents of state-approved supplemental educational services providers in the area and must let parents choose the provider that will best meet the educational needs of the child.

Providers of supplemental educational services may include nonprofit entities, for-profit entities, local educational agencies, public schools, public charter schools, private schools, public or private institutions of higher education, and faith-based organizations. Entities that would like to be included on the list of eligible providers must contact their state education agency and meet the criteria established by the state to be considered for the list of eligible providers.

This section provides a requirement allowing students to “retain” equipment used in the course of “supplemental education services” upon completion of those services. The federal definition of supplemental educational services in a Title I program does not appear to include equipment but rather “extra academic help such as tutoring or other remedial help”. This section as written does not apply to special education services provided to a student under an IEP. DESE has assigned no cost to this section.

§173.258 Kids Chance Scholarship Fund

Officials at the **Department of Labor and Industrial Relations** assume the language contained in this section extends the annual payment of \$50,000 a year from the Workers' Compensation Fund through 2018 for the Kids' Chance Scholarship Fund.

Officials from the **Department of Higher Education (DHE)** assume this proposal will not change the fiscal impact of the program. DHE may distribute only interest earned on the corpus of the Kids' Chace Scholarship Fund.

§192.631 - Influenza vaccination pilot program

Officials from the **Department of Social Services (DOS)** assume the proposal requires the Department of Health and Senior Services (DHSS) to develop this program. It is assumed that MO HealthNet participant children would continue to receive their immunizations through the Vaccine for Children program and that the pilot project would provide immunizations for non MO HealthNet participant children. It is assumed that DOS will not be directly affected and there will be no additional costs to their agency. DOS could use exiting resources to cooperate with DHSS in the flu vaccination awareness program in child care facilities

ASSUMPTION (continued)

Officials from **DESE** assume the proposal would have no fiscal impact on their agency. Local school districts will incur unknown administrative costs to track and record the vaccinations.

Oversight assumes the local school districts could absorb the costs to track and record the vaccinations.

Officials from the **Department of Health and Senior Services (DOHSS)** assume this section requires DOHSS to establish a school-based influenza vaccination program. DOHSS consulted with Dr. Robert Steele's medical group for assistance on developing assumptions to administer the program, since his group already operates a similar program in the Southwest part of the state. The medical group has encountered issues in dealing with Family Education Rights and Privacy Act, such as not being allowed to determine insurance status of individual students. Thus, their practice sends consent forms for the vaccines (via the school nurse) to the student's parents, who make the decision whether or not their child will receive the immunization. The parents complete the consent form and return it to the school, along with a dollar amount to pay for the vaccine. The school nurse facilitates receipt of the consent forms and money. Dr. Steele's group purchases the vaccine from a private source, and the school reimburses the practice for the cost of the vaccine with dollars collected from the students.

The pilot will run in three separate schools to represent three different school sizes. The costs are based on cost of vaccine given to 50 percent of the school's population, or 250 for the small school, 1,500 for the medium school, and 2,500 for the large school. The summary below provides the costs for each school participating in the pilot:

	Cost per student	Small School (500)	Medium School (3,000)	Large School (5,000)
# receiving the vaccine	1	250	1,500	2,500
Vaccine cost	\$18.50	\$4,625	\$27,750	\$46,250
Dose administration cost	\$0.38	\$95	\$570	\$950
Printed materials	\$0.87	\$435	\$2,610	\$4,350
TOTAL	\$18.90	\$5,155	\$30,930	\$51,500
Total supplies for all three schools:				\$87,635.00

Note: Vaccine cost is the actual cost of delivering a dose of vaccine. Dose administration costs include gloves, tissues, and Epi-pens. Printed materials include consent forms, vaccine information sheets, and informational sheets for parents.

ASSUMPTION (continued)

To administer the program, DOHSS is requesting a total of 1.5 FTE, including 0.3 FTE for a Public Health Nurse, 0.75 FTE for a Health Program Rep. II, and 0.45 FTE for a Senior Office Support Assistant. The staff will coordinate ordering the vaccine through the Centers for Disease Control and Prevention, provide nurse consultation to advise and coordinate with school nurses; and personnel time to gather data and analyze the findings of how effectiveness the pilot program was. Standard expense and equipment would be needed for these staff.

Since it is assumed one year will be enough time to gauge the effectiveness of the pilot program, funding is requested only for one year to allow the pilot to run only during the 2009-2010 school year. Since DOHSS will be required to promulgate rules prior to implementing the program, it is assumed funding would be needed for the pilot program during FY 2010.

Oversight assumes the DOHSS could absorb a 0.3 Public Health Nurse FTE, a 0.75 Health Program Rep. II FTE and a 0.45 Senior Office Support Assistant FTE for the one year project. Oversight assumes any significant increase in the workload of the DOHSS would be reflected in future budget request.

This section also requires that DOHSS distribute influenza vaccination awareness information to the parents and child care facilities of children ages six months to five years in August or September every year.

DOHSS is requesting an additional 0.75 FTE for a Health Program Representative II to carry out the influenza vaccination awareness portion of the legislation. The duties of the Health Program Representative II will be to work on the informational materials, research issues, oversee the production and shipping of these materials, direct the development of the mailing list, serve as technical advisor to schools, day-cares, and parental inquiries, and work with the vaccine providers to inform them of state actions and vaccine requirements. This position will also work closely with the pilot project. They will be responsible for tabulating the pilot project and its results, reporting on the efficacy of the project, and taking follow-up actions to close out the pilot and initiate any follow up work at the request of schools or the legislature.

The proposed legislation states, "The department shall cooperate with the Department of Social Services and the Department of Elementary and Secondary Education (DESE) in order to distribute the information to the parents and child care facilities effectively in August or September in every year." As a result of working with DESE, the department assumes they would be responsible for disseminating influenza vaccination awareness information to all school age children. Missouri's current total student enrollment is approximately 1,135,157: 146,177

ASSUMPTION (continued)

children in licensed day care facilities (Bureau of Child Care Licensing), 907,421 children in public schools (Department of Elementary and Secondary Education), and 81,559 children in private schools (Bureau of Immunization Assessment and Assurance). Based on a current order of a three-page three-color brochure, the influenza vaccination awareness information will cost approximately \$0.39 per page, for a total of \$1.17 per brochure (\$0.39 x 3 pages). Based on the total reported enrollment for the current year, the department will need 1,135,157 brochures for a total cost of \$1,328,134 (1,135,157 brochures x \$1.17 each).

DOHSS assumes that many families have more than one child in the household and would not need multiple materials. Therefore, by using the estimated number based on the student enrollment for the current year, there would be a surplus of informational materials that could be used as children move into the state during the year or to hand out to teachers and at various events.

DHSS plans to distribute the brochures through the Department of Elementary and Secondary Education and therefore assumes no postage costs.

Oversight assumes the proposal requires DOHSS to increase awareness among parents of children ages six months to five years in child care facilities. For fiscal note purposes only, the cost for brochures will shown as \$171,027, based on 146,177 children in licensed day care facilities. Oversight also assumes that since the awareness program only applies to children ages six months to five years in child care facilities and not to all school children that DOHSS will not need additional personal services to administer this portion of the proposal. Oversight assumes any significant increase in the workload of the DOHSS would be reflected in future budget request.

This section also states, "The official website of the department shall have information on the benefits of annual vaccination against influenza for children and its programs offered for the children." The DOHSS website currently includes some information regarding this subject. If any updates are needed, DOHSS will absorb the costs.

Section 1 - Compliance with Children's Internet Protection Act

According to officials from **DESE**, this section would require DESE and the Secretary of State to create a cooperative process to collect and share data. DESE estimates \$50,000 to create this process.

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
GENERAL REVENUE			
<u>Cost</u> - Department of Elementary and Secondary Education (DESE) - Funding for Rebuild Missouri Schools Program (\$160.459)	(Not expected to exceed \$100,000)	(Not expected to exceed \$100,000)	(Not to expected to exceed \$100,000)
<u>Cost</u> - DESE - Reimbursements for additional A+ students (\$160.545.3)	\$0	\$0	(\$0 or Up to \$921,840)
<u>Cost</u> - DESE- Distribution of A+ scholarships (\$160.545.9)	(Could exceed \$106,406)	(Could exceed \$109,651)	(Could exceed \$115,070)
<u>Cost</u> -DESE - Increased appropriation to foundation formula (\$163.011)	\$0 to (\$7,300,000)	\$0 to (\$7,300,000)	\$0 to (\$7,300,000)
<u>Cost</u> - Department of Health and Senior Services - Vaccine, dose administration, and printed materials (\$196.631)	\$0	(\$87,635)	\$0
<u>Cost</u> - Department of Health and Senior Services - Awareness Program (\$192.631.2)	(\$171,027)	(\$171,027)	(\$171,027)
<u>Cost</u> - DESE - Compliance with Children's Internet Protection Act (Section 1)	(\$50,000)	\$0	\$0
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u><u>(\$327,433 Up to \$7,727,433)</u></u>	<u><u>(\$368,313 Up to \$7,768,313)</u></u>	<u><u>(\$286,097 Up to \$8,607,937)</u></u>

FISCAL IMPACT - State Government

FY 2009
(10 Mo.)

FY 2010

FY 2011

**REBUILD MISSOURI SCHOOLS
PROGRAM FUND**

Transfer In - Appropriation for no-interest
loans to certain schools (§160.459)

Not expected
to exceed
\$100,000

Not expected
to exceed
\$100,000

Not expected
to exceed
\$100,000

Transfer Out - Distribution to school
districts as no-interest loans (§160.459)

(Not expected
to exceed
\$100,000)

(Not expected
to exceed
\$100,000)

(Not to expected
to exceed
\$100,000)

**ESTIMATED NET EFFECT ON
REBUILD MISSOURI SCHOOLS
PROGRAM FUND**

\$0

\$0

\$0

STATE SCHOOL MONEYS FUND

Transfer In - Department of Elementary
and Secondary Education (DESE) -
Increased funding from foundation formula
(§163.011)

\$0 to
\$7,300,000

\$0 to
\$7,300,000

\$0 to
\$7,300,000

Transfer Out - DESE - Transfer to school
districts (§163.011)

\$0 to
(\$7,300,000)

\$0 to
(\$7,300,000)

\$0 to
(\$7,300,000)

**ESTIMATED NET EFFECT ON
STATE SCHOOL MONEYS FUND**

\$0

\$0

\$0

<u>FISCAL IMPACT - State Government</u>	FY 2009 (10 Mo.)	FY 2010	FY 2011
WORKERS' COMPENSATION FUND			
<u>Cost</u> - Transfer to Kids' Chance Scholarship Fund (§173.258)	<u>(\$50,000)</u>	<u>(\$50,000)</u>	<u>(\$50,000)</u>
ESTIMATED NET EFFECT ON WORKERS' COMPENSATION FUND	<u>(\$50,000)</u>	<u>(\$50,000)</u>	<u>(\$50,000)</u>
KIDS' CHANCE SCHOLARSHIP FUND			
<u>Transfer In</u> - Department of Higher Education - Annual transfer from Division of Workers' Compensation (§173.258)	\$50,000	\$50,000	\$50,000
<u>Disbursement</u> - Department of Higher Education - Scholarships (§173.256)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON KIDS' CHANCE SCHOLARSHIP FUND	<u>\$50,000 to (Unknown)</u>	<u>\$50,000 to (Unknown)</u>	<u>\$50,000 to (Unknown)</u>

FISCAL IMPACT - Local Government

FY 2009
(10 Mo.)

FY 2010

FY 2011

LOCAL POLITICAL SUBDIVISIONS

Income - School Districts - Loans for
 rebuilding school facilities (§160.459)

Not expected to
 exceed
 \$100,000

Not expected
 to exceed
 \$100,000

Not expected to
 exceed
 \$100,000

Income - School Districts - Increased
 funding from foundation formula
 (§163.011)

\$0 to
 \$7,300,000

\$0 to
 \$7,300,000

\$0 to
 \$7,300,000

Cost - School Districts - Building repairs
 or construction (§160.459)

(Not expected to
 exceed
 \$100,000)

(Not expected to
 exceed
 \$100,000)

(Not expected
 to exceed
 \$100,00)

Cost - Community Colleges - Tuition/Fee
 revenue due to decreased enrollment
 (§160.545.9)

(Unknown -
 Could exceed
 \$100,000)

(Unknown -
 Could exceed
 \$100,000)

(Unknown -
 Could exceed
 \$100,000)

**ESTIMATED NET EFFECT ON
 LOCAL POLITICAL SUBDIVISIONS**

(Unknown -
Could exceed
\$100,000) Up to
\$7,300,000

(Unknown -
Could exceed
\$100,000) Up to
\$7,300,000

(Unknown -
Could exceed
\$100,000) Up
to \$7,300,000

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

§160.459 - Rebuild Missouri Schools Program

This section creates the Rebuild Missouri Schools Program. The State Board of Education will distribute no-interest funding to school districts that have had one or more school facility severely damaged or destroyed due to an act of God or extreme weather event as described in the proposal. Such facilities must be located in an area declared a disaster area by the Governor or President.

An eligible school district applying for funding must enter into an agreement with the State Board of Education that specifies the following: the funding will only be used for the costs of an emergency project under the act; the school district will pay no interest for the funding; the school district must repay, subject to annual appropriation, the amount of the funding in annual installments, not more than twenty years from the date the funding is received by the school district; any repayment by the school district is annually subject to appropriation, which may be from the district's incidental fund or capital projects fund; and, a pledge to the State Board of Education from the district of the use and occupancy of the school facilities that constitute the emergency project for a period ending not earlier than the date the repayment will be completed.

Any funding awarded by the State Board of Education cannot exceed the cost of the emergency project minus the amount of any insurance proceeds or other moneys received. If a school district receives any insurance proceeds or other moneys after receiving funding, it must pay to the state board of education the amount by which the sum of the funding under the program plus insurance proceeds and other moneys exceeds the cost of the project as described in the proposal. If the Rebuild Missouri Schools Fund is no longer in existence, a school district must pay any payments into the General Revenue Fund.

Funding provided under this proposal, and a repayment obligation, will not be considered a constitutional or statutory debt limitation applicable to a school district.

The State Board of Education must promulgate rules and regulations but must not do so in a way to exclude a public school district that received severe damage after April 1, 2006 from participating in the program.

The provisions of this section will expire in six years unless reauthorized.

This section contains an emergency clause.

FISCAL DESCRIPTION (continued)

§160.545.3 - A+ School District Participation

This proposed legislation states that a school district may participate in the A+ Schools Program regardless of its accreditation status by the State Board of Education if the district meets all other requirements.

§160.545.9 - Eligibility for A+ Program reimbursements

Current law provides that only public community colleges and public vocational or technical schools may receive A+ Schools Program reimbursements. This proposal would allow any two-year public or private vocational or technical school to obtain A+ Schools Program reimbursements that meets the following requirements: the school must be a member of the North Central Association and be accredited by the Higher Learning Commission; be designated as a 501(c)(3) non-profit organization; cannot receive tuition reimbursements in excess of the tuition rate charged by public community colleges for course-work offered by private vocational or technical colleges within the service area of the school; and reimbursements provided must not violate provisions of Article IX, section 8, or Article I, section 7 of the Missouri Constitution, or the First Amendment of the United States Constitution. These new requirements shall not apply to public institutions currently receiving A+ reimbursement.

§163.011- Special Education Pupil Count in Foundation Formula

This section modifies the definition of "special education pupil count" in the elementary and secondary foundation formula by including nonpublic students served through the federal Individual with Disabilities Education Act by the school district in which the nonpublic school is located.

§169.010 - Average salary calculation

This substitute requires the Public School Retirement System of Missouri when calculating a member's final average salary to disregard any increase in compensation in excess of 10% from one year to the next in the final average salary period for the superintendent of schools or other certified central office personnel of a school district or 20% for any other member.

This section contains an emergency clause.

FISCAL DESCRIPTION (continued)

§173.256 & 172.258 Kids Chance Scholarship Fund

This section modifies provisions relating to the Kids' Chance Scholarship Fund. Current law requires the Director of the Division of Workers' Compensation to deposit \$50,000 annually into the Kids' Chance Scholarship Fund from 1999 until 2008. This section extends the date to 2018.

The Department of Higher Education may distribute any accrued interest in the fund as scholarships after the second Monday in October, 2008.

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

§192.631 - Influenza vaccination pilot program

This section provides that by July 1, 2009, the Department of Health and Senior Services (DOHSS) shall establish a school-based influenza vaccination pilot program. Participation in the program will be voluntary for on the part of the school district and shall be administered with the consent of the student's parents or legal guardian. DOHSS shall also take into account the cost and benefits, fiscal impact to the state, and any barriers to implementing such a program.

DOHSS shall also work to increase influenza immunization awareness and participation among parents of children six months to five years of age in child care facilities.

This program will expire in six years unless re-authorized by the General Assembly.

Section 1 - Compliance with Children's Internet Protection Act

Any public school receiving state funds shall certify to the Secretary of State that it is in compliance with, and eligible to receive funding under the federal Children's Internet Protection Act, prior to receiving such state funds.

This legislation 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 Administration

Division of Purchasing and Materials Management

Administrative Hearing Commission

Risk Management

Personnel Division

Department of Insurance, Finance, and Professional Regulation

Department of Public Safety

Office of the Director

Missouri State Highway Patrol

Office of the Governor

Office of Secretary of State

Department of Economic Development

Department of Higher Education

Office of State Auditor

Office of State Courts Administrator

Department of Social Services

Office of Attorney General

School Districts

St Louis

Springfield

Francis Howell

Poplar Bluff

Charleston

Marshfield

Independence

Special School District - St Louis County

Farmington

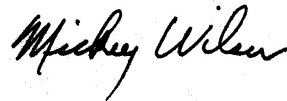
SOURCES OF INFORMATION (continued)

Local Law Enforcement

Springfield Police Department
Boone County Sheriff's Department

Colleges and Universities

University of Missouri
University of Central Missouri
Kansas City Metropolitan Community College
Lincoln University
St Louis Community College



Mickey Wilson, CPA
Director
May 5, 2008