

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 3136-05
Bill No.: SCS for HCS No. 2 for HB 1543
Subject: Education, Elementary and Secondary; Elementary and Secondary Education Dept.; Children; Boards, Commissions, Committees, Councils; Nurses; Medical Procedures and Personnel; Teachers; Governor & Lt. Governor; Cities, Towns, Villages; Transportation; Highway Patrol; Social Services Dept.; Higher Education Dept.
Type: Original
Date: May 4, 2010

Bill Summary: This proposal modifies provisions relating to elementary and secondary education.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	(\$1,325,809) to Unknown	(\$776,703) to Unknown	(\$1,471,406) to Unknown
Total Estimated Net Effect on General Revenue Fund	(\$1,325,809) to Unknown	(\$776,703) to Unknown	(\$1,471,406) to Unknown

Numbers within parentheses: () indicate costs or losses.

This fiscal note contains 43 pages.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
School Safety and School Violence Prevention Fund	\$0	Up to \$500,000	Up to \$500,000
State School Monies Fund*	\$0	\$0	\$0
Career Ladder Fund	Unknown	Unknown	Unknown
Early High School Graduation Scholarship Program Fund*	\$0	\$0	\$0
Universities*	\$0	\$0	\$0 *
Total Estimated Net Effect on <u>Other</u> State Funds	Unknown	Up to \$500,000 or Unknown	Up to \$500,000 or Unknown

***Offsetting Income and Costs in State School Monies Fund, Early Highway Graduation Scholarship Program Fund, and Universities**

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
Federal Funds	(\$81,286)	(\$32,876)	(\$33,861)
Total Estimated Net Effect on <u>All</u> Federal Funds	(\$81,286)	(\$32,876)	(\$33,861)

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	4.95 FTE	4.95 FTE	4.95 FTE
Federal Funds	.55 FTE	.55 FTE	.55 FTE
Total Estimated Net Effect on FTE	5.5 FTE	5.5 FTE	5.5 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 2011	FY 2012	FY 2013
Local Government	(Unknown)	(Unknown)	(Unknown)

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of State Courts Administrator** state this proposal will have no fiscal impact on the Courts.

Officials from the **Department of Insurance, Financial Institutions and Professional Registration, Office of the Governor, Office of Administration - Division of Budget and Planning, Office of State Treasurer, Office of the State Auditor, Department of Mental Health, Missouri Senate, Office of State Public Defender, Department of Transportation, Department of Public Safety - Highway Patrol** and the **Department of Labor and Industrial Relations** each state this proposed legislation will have no fiscal impact on their respective agencies.

Officials from the **Office of Administration - Administrative Hearing Commission** state this proposed legislation will not significantly alter its caseload.

Officials from the **Office of Administration - Office of Child Advocate** state existing funds will be used for additional duties associated with this proposal.

Officials from the **Department of Public Safety-Office of the Director** assume any costs associated with the proposal can be absorbed with existing resources.

In response to a previous version of this proposal, officials from the **Office of Prosecution Services (OPS)** stated the proposal will have no measurable fiscal impact on OPS or county prosecutors.

According to officials from the **Office of Secretary of State (SOS)**, many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the proposal. 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 for this fiscal note to the SOS for Administrative Rules is less than \$2,500.

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

ASSUMPTION (continued)

Officials from the **Department of Corrections (DOC)** stated that they could not predict the number of new commitments which could result from the creation of the offense(s) outlined in the proposal. An increase in commitments would depend on the utilization of prosecutors and the actual sentences imposed by the courts. If additional persons were sentenced to the custody of the DOC due to the provisions of this legislation, the DOC would incur a corresponding increase in operational costs either through incarceration (FY 2009 average \$16.04 per inmate, per day or an annual cost of \$5,855 per inmate) or through supervision provided by the Board of

Probation and Parole (FY 2009 average \$3.71 per offender, per day or an annual cost of \$1,354 per offender). Supervision by the DOC through probation or incarceration would result in some additional costs, but DOC officials assume that the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

The following factors contribute to DOC's minimal assumption:

- DOC assumes the narrow scope of the crime will not encompass a large number of offenders.
- The low felony status of the crime enhances the possibility of plea-bargaining or imposition of a probation sentence.
- The probability exists that offenders would be charged with a similar but more serious offense or that sentences may run concurrent to one another.

In summary, supervision by the DOC through probation or incarceration would result in some additional costs, but it is assumed the impact would be \$0 or a minimal amount that could be absorbed within existing resources.

§160.353 - Physical Education Credit for Participation in Interscholastic Athletics

According to officials from the **Department of Elementary and Secondary Education (DESE)**, this section is only a change in policy regarding how districts award credit and will have no fiscal impact.

§160.355 - Physical Education Credit for Participation in Marching Band

Officials from DESE state that because this is only change in policy regarding how districts award credit, it will have no fiscal impact. Marching band participation in Missouri public school only entails a portion of first semester, so three years of participation in marching band implies 3 semesters.

ASSUMPTION (continued)

§160.405.6 - Charter Schools

This section requires DESE to conduct a study of schools who fit this criteria. The study would require DESE to assess student performance, graduation rates, educational outcomes, and entry into workforce or post-secondary education. DESE assumes this study could be completed without significant cost.

§160.410 - Charter Schools

According to officials from DESE, the section authorizing nonresident students to attend charter schools does not address whether it is the nonresident or resident district's state and local aid that should be paid the charter. If the money is supposed to follow the student, then there would be little, if any, increased cost to the state school foundation formula. The assumption is that the student is already attending a public school but now makes a choice to attend a charter public school.

§160.522 and §162.720 - Gifted Education

According to officials DESE, these sections pose no additional cost to the foundation formula.

§160.400 and §160.420 - Charter Schools

Oversight assumes this section is permissive and would have no fiscal impact.

§160.545 - A+ Program

The FY 2011 Governor's recommendations include a transfer of A+ funding (\$25,336,524 and 1.0 FTE) from DESE's budget to the Coordinating Board for Higher Education. DESE defers to the Coordinating Board regarding the fiscal impact of the proposed legislation.

DESE cannot determine the impact the proposed legislation will have on the A+ appropriation. DESE has no means to determine the number of students who would meet the criteria.

§161.209 & 163.410 - Appropriations and Withholding of Funds by the Governor

DESE assumes no fiscal impact

Oversight assumes that although certain monies could be redirected as a result of this proposed

ASSUMPTION (continued)

legislation, there would be no actual increase or decrease in school funding. For fiscal note purposes only, **Oversight** will show no fiscal impact on local political subdivisions

§161.370 - School Safety and School Violence Prevention Fund

In response to similar legislation: (Perfected HCS #2 for HB 1543 - FN 3136-03), agencies provided the following responses:

Officials from the **Office of State Treasurer** state this proposal will have no fiscal impact on their agency.

Officials from the **Department of Elementary and Secondary Education (DESE)** note that an amount not to exceed \$500,000 a year is to be appropriated to DESE to be placed in the School Safety and School Violence Fund.

Officials from the **Boone County Sheriff's Department** and the **Jefferson City Police Department** state this proposal will have no fiscal impact on their respective departments.

Officials from the **University of Missouri - St Louis Charter School Liaison** stated their schools and sponsorship have determined the proposed changes will have few if any financial implications.

Officials from the **University of Missouri - Kansas City Charter School Center** indicate savings would offset costs associated with this proposal.

Officials from the **Department of Elementary and Secondary Education (DESE)** do not anticipate a significant impact to school districts as a result of this proposal; however DESE defers to local school districts regarding any impact on insurance premiums, litigation costs, or administrative duties.

Officials from the **Independence, Parkway, and Francis Howell School Districts** assume this proposal will have no fiscal impact on their respective districts.

Officials from the **Sikeston School District** state this proposal would only have minor costs for collection of data and implementation.

Officials from the **Special School District of St Louis County** state this proposed legislation is

ASSUMPTION (continued)

not expected to have a material fiscal impact on their district.

Oversight assumes, based on responses received from school districts, that costs, if any, would be minimal and could be absorbed with existing resources

§162.081- Lapse of a school district

DESE assumes no fiscal impact.

§162.1195 - Regional Professional Development Centers

According to officials from DESE, the fiscal impact is difficult to determine. If a person is employed in a Regional Professional Development Center whose sole responsibility is fine arts Regional Instructional Facilitator, the fiscal impact would be \$62,400 per person, or a total of \$686,400 for all eleven RPDCs (excluding travel expenses). If a full-time professional is not employed, each RPDC may incur expenses to contract with an outside individual who is qualified to perform such services, at an undefined cost. Further, it is difficult to determine the fiscal impact for “contributing to the development and implementation of in-service training, regionally and state-wide.” Conducting in-service training usually requires that the presenter incurs expenses such as travel, materials, preparation time, and (if not covered as part of regular duties) payment for services. It is not clear how many of these in-service trainings are required. Those costs might approach, but not exceed, \$100,000.

§162.1196 - Regional Professional Development Centers

It is unclear as to which employee of a Regional Professional Development Center would be responsible for the coordination and supervision of activities listed in this section. The fiscal impact would not likely be significant.

Perfected SS for SCS for SB 734 changed the ‘shall’ to ‘may’. Therefore, **Oversight** will range the fiscal impact to DESE ‘up to’ the \$686,400 cost estimate.

In response to a previous version of this proposal, officials from the **University of Missouri System, Truman University, Missouri Western University, and Linn State Technical College** state this proposal will have no fiscal impact on their respective institutions.

Officials from the **Metropolitan Community College** and the **University of Central Missouri**

ASSUMPTION (continued)

state this proposal will have no fiscal impact on their respective institutions.

Officials from **Missouri State University (MSU)** assume that having a fine arts education consultant at each RPDC will, in most cases, require the addition of a staff member with this specialization. Currently the RPDC connected with Missouri State University has no one with qualifications to address fine arts education in the manner indicated. MSU estimates that for their RPDC the additional costs of a fine arts staff member will be \$100,000 which is estimated based on \$67,000 salary + \$20,300 fringe + additional funding for travel and office operations. This cost estimate is based on the current salary range in their RPDC, and it is estimated at the low-end of the present salaries of RPDC employees. The cost of the total proposal for requiring fine arts personnel in each RPDC across the state would be the product of MSU costs times the number of RPDC's unless some areas are already staffed to this level.

Officials from the **Parkway School District** state this proposal will have no fiscal impact on their district.

Oversight assumes the provisions within new Section 162.1196 can be absorbed within the existing appropriation to the eleven regional professional development centers in the state. Therefore, Oversight will assume Section 162.1196 will not create an additional fiscal impact to the state.

§163.031- Foundation Formula Modifications

According to officials from DESE, this section is subject to appropriation and specifies how to adjust district's allocations when the appropriation is insufficient to meet that year's phase-in percentages. The section also provides direction should the appropriation be more than enough for that year's phase-in percentages.

Officials from the AGO assume that costs of implementation could be absorbed with existing resources, but if multiple cases result, AGO could request additional appropriation. In addition, due to the nature of the provision, AGO assumes this proposal has the potential to be the subject of state and federal litigation. Therefore, potential costs are unknown.

§163.036 - Summer School

DESE assumes the fiscal impact of the change in summer school attendance included in the foundation formula cannot be estimated. The department cannot estimate the change in attendance hours due to the limitation of core subject areas. The provision of "no more than ten

ASSUMPTION (continued)

percent of a school district's weighted average daily attendance shall be derived from summer school attendance" may not affect any district since currently no district's summer school ADA is more than ten percent of the district's payment weighted ADA.

Officials from the AGO assume that costs of implementation could be absorbed with existing resources, but if multiple cases result, AGO could request additional appropriation. In addition, due to the nature of the provision, AGO assumes this proposal has the potential to be the subject of state and federal litigation. Therefore, potential costs are unknown.

168.500, 168.515 - Career Ladder

DESE assumes the cost or savings is dependent on appropriation; the change in the state match may reduce the state cost from the FY10 appropriation but that cost is unknown at this time.

§163.410 and §161.209- Funding requirement exemptions

Officials from the **AGO** assume that costs of implementation could be absorbed with existing resources, but if multiple cases result, AGO could request additional appropriation. In addition, due to the nature of the provision, AGO assumes this proposal has the potential to be the subject of state and federal litigation. Therefore, potential costs are unknown.

In response to similar legislation filed this year, (HB 2053) , the following responded:

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

Officials from the **Office of the Governor** state no added costs are anticipated as a result of this proposed legislation.

Officials from the **Parkway School District** stated this proposed legislation would have no fiscal impact on their district.

Officials from the **Sedalia School District** assume this proposal would help with funding on professional development.

Officials from the **St Joseph School District** state this proposed legislation would save their district just under \$400,000 annually from not having to spend professional development monies.

ASSUMPTION (continued)

Officials from the **Blue Springs School District** estimate this proposal would allow school districts statewide to utilize millions of dollars to their high priority classroom needs.

Officials from the **Fair Grove School District** assume not have the spending requirements designated would positively impact schools financially.

Officials from the **Francis Howell School District (FHSD)** assume the proposed legislation would have a positive financial impact because FHSD would be relieved of certain expenditure requirements. FHSD is currently required to spend approximately \$300,000 per year on professional development. This proposed legislation would remove that requirement, allowing their district to used those funds for other purposes, if necessary.

Oversight assumes that although certain monies could be redirected as a result of this proposed legislation, there would be no actual increase or decrease in school funding. For fiscal note purposes only, **Oversight** will show no fiscal impact on local political subdivisions.

§167.128 - Bus Travel Time

In response to similar legislation filed this year, HCS HB 2053, the following responded:

Officials from the **Parkway School District** stated this proposed legislation would have no fiscal impact on their district.

Officials from the **Independence School District** do not anticipate any cost to their district as a result of this proposal. It could create a substantial savings for their district.

Officials from the **Francis Howell School District (FHSD)** assume the proposed legislation would have no negative fiscal impact on their district.

Oversight assumes that although certain monies could be redirected as a result of this proposed legislation, there would be no actual increase or decrease in school funding. For fiscal note purposes only, **Oversight** will show no fiscal impact on local political subdivisions.

§167.151 & 168.151 - Tuition for non-resident children of district teachers and employees

Officials from DESE assume this proposal should not increase the state cost of the school foundation formula. The child of a teacher is probably attending the school district of residence

ASSUMPTION (continued)

with that district receiving state school foundation formula aid. If the child attends the district where the parent is employed, then the state aid will be paid to the district providing the educational services. There could be a slight difference in the amount of state money paid to the two districts.

Officials from the **Francis Howell School District (FHSD)** state the tuition rate calculated for FHSD for FY 10 is \$10,454. There would be no fiscal impact for FHSD, since FHSD, currently, by Board policy, allows children of teachers and regular employees to attend school in FHSD without the payment of tuition.

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

Officials from the **Special School District of St Louis County (SSD)** assume the proposed legislation would probably have a positive fiscal impact on SSD. Officials estimate it would reduce expense by up to \$300,000 and decrease related State revenue by about \$110,000 and reduce Federal revenue by about \$40,000. The net positive fiscal impact to SSD is estimated to be \$150,000.

Oversight assumes certain school districts could see a reduction in state aid while others could have an increase in state aid as a result of children of teachers and school employees changing schools.

§168.071

Officials from the AGO state this section provides some additional crimes which, if committed by a licensed teacher, would subject the teacher to automatic license revocation. Because the AGO handles these revocation cases before DESE, AGO assumes that this amended section could generate additional cases in the event a licensee commits one of the newly enumerated crimes. AGO assumes that any costs associated with this provision could be absorbed within existing resources, but if there is a significant increase in claims over time, the AGO may seek appropriation to adequately enforce the proposal.

§168.133 - Background checks

In response to a previous version of this proposal, officials from the **Department of Public Safety - Missouri State Highway Patrol (MHP)** stated that MHP already assesses fees for the state and federal criminal background check under §168.133. The proposed legislation in

ASSUMPTION (continued)

§168.133 mandates checks through the Family Care Safety Registry (FCSR). Since a fee is already collected for the fingerprint checks, the additional \$9 fee (\$10 beginning March 1st) for the initial registration for the FCSR is a duplicate fee and unnecessary. The cost for new applicants' background checks, pursuant to §168.133, has been analyzed in previous fiscal notes in past years. It is recommended to waive the FCSR fee for those applicants required for a criminal background check and Family Care Safety Registry check in §168.133.

Officials from the **Department of Health and Senior Services** concur with the MHP recommendation of waiver of FCSR fee.

Officials from the **Department of Elementary and Secondary Education (DESE)** assume, if a student, who has filed a complaint of sexual abuse against a teacher, feels that they can no longer attend school where that teacher is teaching, then the resident school district would have to contract with another school or school district for that student to attend. DESE may direct the student's ADA be counted in the receiving district resulting in the state money following the student. There may be some increased cost to the resident district even though DESE could have the money follow the student. This should not increase the cost to the state. The student would also be viewed as a resident student for activity purposes.

DESE assumes there might be some increased time by school employees to meet the provisions of this bill. **Oversight** assumes, based on responses from school districts, that costs would be minimal and could be absorbed with existing resource.

DESE provided the following information from **Office of Administration – Information Technology Services Division (OA – ITSD)**:

OA – ITSD estimates that in order to accomplish the requirements of this proposal, programming and storage would need to be enhanced within DESE. Automation will be required to share data between DESE, Department of Health and Senior Services, Department of Public Safety, Department of Corrections, and Department of Mental Health. Additional work by the licensure staff would be required as well.

Currently the certificated and non-certificated school employees are not always kept in the same data storage area. Because of outdated and unsupported software, a new system would need to be developed to accomplish the goal of verifying all employees are on the Family Care Safety Registry and Access Line (FCSR) system. That system is estimated at \$1.5 million. This system also would accomplish the goal of verifying the appropriateness of Social Security Numbers and gather information from national clearing houses for infractions in other states.

ASSUMPTION (continued)

The machines on which the current data are stored are 7 to 8 years old, which is twice the expected life cycle. A new machine would cost \$25,000 and would need upgraded storage capability and licenses at an additional cost of approximately \$5,000. A three to four year replacement cycle is necessary to ensure the integrity of the data on the machine. The cost of this could be averaged out each year to approximately \$9,000 (this includes the replacement and licensing costs).

Due to increased demands on OA – ITSD staff at DESE, it is requested that an additional 2 FTE Computer Information Technician (each at \$40,308 per year, plus fringe benefits) be added to ensure support and future changes to this system receive the attention deserved.

The initial cost of verifying that all school employees are registered in the FCSR will be approximately \$2,205,000 (\$9 per person for 120,000 certified teachers plus another 125,000 non-certified school employees). An annual cost of \$72,000 for an additional 6,000 to 8,000 new hires is anticipated. In order to accomplish these requirements, DESE will require 1.5 FTE administrative assistant (each at \$31,560 per year, plus fringe benefits).

DESE estimates the total cost of the proposal to be approximately \$2.3 million in FY 10, and approximately \$225,000 in subsequent years.

Oversight assumes, pursuant to §168.133.3, the applicant shall pay the fee for the state and federal criminal history record checks pursuant to §43.530, and §210.900 to 210.936. Therefore, Oversight has not included the cost for the criminal history record checks in the fiscal note.

Officials from the **Department of Health and Senior Services (DOHSS)** assume the Family Care Safety Registry (FCSR) will be required to process worker registrations submitted by public school staff that have contact with students. This will require approximately 208,029 workers to initially be registered as well as 12,000 staff on an annual basis who are newly hired or who change positions in the public school system. In addition, officials from DESE indicated that it will utilize the FCSR in order to perform the annual screening of certified staff, with local schools responsible for the submission of the annual screening requests for non-certified staff.

DOHSS assumes the provisions of §168.133 will impact Family Care Safety Registry Registrations (a registration is an individual's initial entry into the Family Care Safety Registry which establishes his/her record and stores the relevant data in the system).

Based on an estimate provided by the Missouri Public School Retirement System/Public Education Employees Retirement System (PSRS/PEERS), there are 83,029 certificated and

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temporary certificated staff in their active membership. DESE estimates there are 125,000 non-certified public school staff for a total of 208,029 certified and non-certified staff to be registered with the FCSR. Based on information provided by DESE, 4,000 new teachers will graduate in-state annually and an additional 4,000 teachers will move or transfer to Missouri schools annually. Based on information from PSRS/PEERS, DHSS assumes that the number of non-certified staff will increase 3.2 percent annually ($125,000 \times 3.2 \text{ percent} = 4,000$). This will require an estimated 8,000 certified staff and 4,000 non-certified staff to be registered with FCSR on an ongoing basis.

The FCSR anticipates there will be an initial effort to register all current certificated and non-certificated employees (208,029) in order to provide background screenings on an ongoing/annual basis. Historically, 30 percent of registrations are performed online and 70 percent are processed manually. Assuming that holds constant, 62,409 individuals will register online resulting in minimal work by FCSR for these registrations. The remaining 145,620 individuals will require manual processing that is more labor intensive. In order to meet the demand for processing registrations, DHSS plans to hire temporary FTEs to process the initial registrations. These staff will not be needed on an ongoing basis since the number of new registrations is estimated to decrease to 12,000 annually after the first year. DHSS estimates each temporary FTE will work no more than 1,040 hours and process 5,000 registrations each resulting in the need to hire 29 temporary FTE ($145,620/5,000 = 29$). Based on \$16.07 per hour in wages for these staff, (HPR II salary) \$484,671 ($29 \times \$16.07 \times 1,040$) in one-time costs will be needed to pay wages for these FTEs. These staff will be housed in existing space, work after hour shifts, and use existing equipment and furniture. DHSS will also need one HPR II on an ongoing basis to process the annual 12,000 new registrations related to turnover and new staff entering the public school system.

DOHSS assumes the following impact for the FCSE Background Screenings (a background screening is an inquiry made of the Family Care Safety Registry accessing existing records and retrieving data concerning an individual):

DESE is required in §168.133, RSMo to facilitate the annual processing of background screenings to include criminal history, Sex Offender Registry, and child abuse/neglect searches.

Previously the Missouri State Highway Patrol (MHP) processed criminal history and sex offender searches at no cost to DESE. However, MHP has changed their policy and if DESE continues to utilize the MHP in this manner, the cost to DESE will be \$2,080,290 annually ($\$10.00 \times 208,029$). As a result of this proposal, DESE informed DOHSS they plan to conduct these annual background screenings using the FCSR as it also incorporates the required child

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abuse/neglect search. DOHSS plans to modify the existing computer software to utilize batch processing in conjunction with the existing web application for the background screening process to expedite processing and minimize the need for additional ongoing staff. DOHSS estimates that DESE will utilize the electronic batch submission process to obtain updated screenings on the certified staff. Historically, 10 percent of the screenings submitted through the electronic batch processing ($83,029 \times .10 = 8,303$) require review by FCSR staff to determine an accurate match. Non-certified staff of 125,000 will not be batch submitted and will therefore require manual processing. This will require a total of 133,303 ($8,303 + 125,000$) screenings requiring manual processing. DOHSS estimates that one HPR II FTE and 0.5 OSA FTE are required to process 12,000 screening manually. Therefore 11 HPR II FTE's and six OSA FTE's ($133,303 / 12,000 = 11.11$) rounded down to 11) will be required to process background screenings annually.

In addition, each individual screened and their employer receives a letter notifying them of their registration, as well as their background screening results. DOHSS estimates the mailing of each notification will cost \$0.335 and therefore a request is included for the postage costs associated with the mailing of 880,116 result letters in the first fiscal year of implementation [$208,029$ current staff + $12,000$ new employees = $220,029 \times 4$ letters (a registration letter to the employer and the registrant and a screening letter to the employer and registrant)] and 464,058 in subsequent years [$(208,029 \text{ current staff} \times 2 \text{ screening letters}) + (12,000 \text{ new employees} \times 2 \text{ registration letters} \times 2 \text{ screening letters})$]. A three percent inflationary factor is applied to Fiscal Year 2011 and Fiscal Year 2012 to cover anticipated increase in postage costs.

DOHSS provided the following **Office of Administration-Information Technology Services Division (OA-ITSD)** costs:

Support from OA-ITSD will be needed to modify the existing database used by DOHSS, FCSR. The proposed language states the MHP, DOHSS, the Department of Social Services, and DESE shall develop procedures that permit an annual check of employed persons holding current active certificates under §168.021 against criminal history records in the central repository under §43.530, the sexual offender registry, and child abuse central registry under §210.900 to 210.936. DESE shall facilitate the development of procedures for school districts to submit personnel information annually for persons employed by the school districts who do not hold a current valid certificate who are required by subsection 1 of this section to undergo a criminal background check, sexual offender registry check, and child abuse central registry check.

An interface with a web-based system currently in use by the MHP will need to be modified. The FCSR plans to verify registration of teaching staff through a batch process. OA-ITSD

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resources would be required to initially setup the batch process. On-going funds will be needed to complete the task annually once the batch process has been established.

COST CATEGORY	FIRST YEAR (10 Months)	ONGOING
Consultant cost for analysis, design development, testing, and implementation of modification needed to collect and store data.	\$71,760	\$3,000
FTE - Computer Information Technology Specialist II (0.25 FTE) – to provide project management, development support and administration/maintenance of application.	\$14,304 (.25 FTE for 12 months)	\$0
Additional State Data Center charges due to increased volume.	\$12,000	\$12,000
TOTAL	\$98,064	\$15,000

Oversight has, for fiscal note purposes only, changed the starting salary for the Health Program Rep II to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research. Oversight assumes the FTE would be housed in existing DHSS facilities. Therefore, the fiscal note includes no rent or janitor/trash/utilities expenses.

Oversight assumes §168.133.4 of the proposal requires DESE to facilitate an annual check of employed persons holding current active certificates against criminal history records in the central repository under §43.530, the sexual offender registry under §589.400 to 589.475, and child abuse central registry under §210.900 to 210.936. **Oversight** assumes these required annual checks can be conducted in the manner they are currently being conducted. Therefore, **Oversight** assumes no ongoing background screenings will be conducted through the FCSR and Oversight has included no cost for the ongoing background screenings.

Oversight assumes DOHSS would be mailing notification to regarding 220,029 new registrants in the first year and 12,000 new registrants in subsequent years.

ASSUMPTION (continued)

Oversight assumes OA-ITSD (DOHSS) is provided with core funding to handle a certain amount of activity each year. **Oversight** assumes OA-ITSD (DOHSS) would absorb the information technology-related duties within existing resources. Therefore, **Oversight** has included no cost for the 0.25 FTE Computer Information Technology Specialist II. **Oversight** has adjusted the State Data Center charges for FYs 2011 and 2012 to reflect approximately 12,000 new registrations per year. If multiple bills pass which require additional staffing and duties at substantial costs, OA-ITSD (DOHSS) could request funding through the appropriation process.

Oversight assumes \$168,133.4 of the proposal requires DESE to facilitate an annual check of employed persons holding current active certificates against criminal history records in the central repository under Section 43.530, the sexual offender registry under §589.400 to 589.475, and child abuse central registry under §210.900 to 210.936. **Oversight** assumes these required annual checks can be conducted in the manner they are currently being conducted; therefore, **Oversight** assumes no information systems upgrades would be required by DESE for the background checks.

Oversight assumes OA – ITSD staff at DESE could absorb any increased duties that would be required by the proposal. Oversight assumes any significant increase in the workload of the OA – ITSD staff at DESE would be reflected in future budget requests.

Oversight assumes DESE would verify school employee registration in the FCSR. Oversight assumes DESE would require 1.5 FTE Administrative Assistants. **Oversight** has, for fiscal note purposes only, changed the starting salary for the Administrative Assistants to correspond to the second step above minimum for comparable positions in the state's merit system pay grid. This decision reflects a study of actual starting salaries for new state employees for a six month period and the policy of the Oversight Subcommittee of the Joint Committee on Legislative Research.

§173.231 - Early High School Graduation Scholarship Program

According to officials from the DESE, a student eligible for this program that graduates early is counted in the Weighted Average Daily Attendance (ADA) of the school district they attended for the time in attendance as well as the time after they graduate. The amount of state aid that is generated by the student for the period of time after graduation is placed by DESE in the Early High School Graduation Scholarship Fund. There will be some cost to the state because these students would have had their attendance stopped upon graduation and as a result would generate

ASSUMPTION (continued)

less state aid. The cost to the state will be this half year of state aid that otherwise would not have been paid. Due to lack of data there is no way to accurately estimate the increased cost.

Officials from the **Department of Higher Education (DHE)** assume that the incentive created by this program would result in no significant net gain or loss in the state's general revenue for the grants provided pursuant to this program. Without this program, funds would be appropriated to the school district for a student's last year of high school. With this program, and the incentive it provides for students to graduate from high school early, the same amount of funds would be used to provide a grant to the early-graduating student and the school district from which they graduated.

DHE assumes that it would have to reprogram the software it uses to administer financial aid programs, FAMOUS, to include this new program. The cost of reprogramming FAMOUS is estimated to be approximately \$175,000 and is a one-time expense. The DHE assumes that funds for this reprogramming would be appropriated to DHE rather than to OAITSD.

DHE would be required to determine which students and institutions meet the statutory definitions and criteria regarding eligibility, determine award amounts, and make grants to

students and the school districts from which they graduated. DHE would also be required to make determinations regarding students' request to defer their grants or extend their eligibility for grants, to annually report on the utilization of the new program, and to promote the program as described in the proposal. Finally, DHE would be required to promulgate rules for the new program's implementation and to facilitate the transfer of funds for the program. DHE assumes that they would hire a program specialist to perform the duties associated with the new program, and that the program specialist's starting salary would be at the low end of the UPC range.

Finally, DHE assumes that it would require approximately \$5,000 per year to provide information about this new program to potentially eligible students. This money would be spent on print publications, travel to college fairs and other events at which information about financial aid is presented, and other forms of outreach.

Oversight assumes travel and other forms for outreach are already being done by DHE and the only additional promotional costs would be to prepare a publication to be posted on the internet which should be a one time cost.

ASSUMPTION (continued)

Based on additional information from DESE and DHE, **Oversight** makes the following assumptions regarding this proposal:

- The average amount of basic formula per weighted ADA for all school districts is \$3,643.
- The average of published in-state tuition and fees is \$11,583.
- The number of high school graduates in 2009 was 61,761; of those 63.3% entered a 2 or 4 year college or university. (39,095)
- The amount of each scholarship would be the lesser of 80% of the weighted ADA for one semester or tuition and fees for one semester. ($\$3,643 / 2 \times .80 = \$1,457$)
- The amount of the grant to the high school from which the student graduated from would be 20% of the weighted ADA for one semester. ($\$3,643 / 2 \times .20 = \364)
- Assuming 2% of high school graduates going on to college may graduate early, 782 students may be eligible for the program outlined in this proposed legislation.
- Cost would be \$1,139,374 for scholarships to early graduating students and \$283,883 for grants to school districts. This would be a redirection of existing foundation formula funding.

Officials from the **Fair Grove School District** assume this proposal could impact funding for local public school districts.

Officials from the **Blue Springs School District** assume this proposed legislation would take thousands of dollars annually out of the foundation formula that would otherwise be used to fund the regular K-12 program.

Officials from the **Parkway School District** and **Francis Howell School District** state this proposal would have no fiscal impact on their respective districts.

Officials from the following colleges and universities anticipate no fiscal impact as a result of this proposed legislation: **Missouri State University; Linn State Technical College; East Central College; Truman State University; Metropolitan Community College.** Officials from **Missouri Western University** responded, but not provide an estimate of fiscal impact.

ASSUMPTION (continued)

Officials from the **University of Missouri** state this proposal would have a positive impact by providing an incentive for students to continue their education beyond high school. The effect is not possible to quantify since it cannot be predicted how many additional students would be attracted to study at the University of Missouri.

§178.693 and §178,695 - Parents as Teachers

According to officials from DESE, this section does not appear to pose a fiscal impact to their agency. The impact will be incurred by the school districts and families. It is difficult to determine true cost to the districts and families. The FY09 appropriation was \$34,304,651.00. School districts also invested \$16,254,195.00 of local funds to support Parents as Teachers.

DESE assumes there may be a cost to gather the data and preparing reports. Oversight assumes data gathering costs can be absorbed with existing resources.

§210.152

Officials from the **Department of Social Services - Children's Division** has determined fiscal impact on staffing needs as well as computer system programming needs to the FACES system. Assumptions are based on a two-year average of investigation conclusions for Fiscal Year 2008 and 2009.

STAFFING IMPACT

ONGOING/FUTURE IMPACT:

The average number of investigations concluded per year in which the alleged perpetrator is a school employee is 712.

The Division assumes 20% of the investigations concluded in the original year of investigation may be requested to be reopened.

The Division also anticipates an additional 5% of those investigations, concluded in the original year of investigation, may be requested to be reopened in each subsequent year for three years.

This results in an anticipated total of 35% of concluded investigations requested to be reopened in any given year on an ongoing basis beginning with fiscal year 2011.

ASSUMPTION (continued)

ADDITIONAL FIRST YEAR/PRIOR YEAR IMPACT:

The Division anticipates a higher number of requests to reopen investigations in the first year of implementation. Because there is no time limit on when a request may be made to reopen an investigation, the Division is assuming requests to reopen cases may be made in any of the past 14 years, prior to fiscal year 2008.

In the first year of implementation of this bill, the Division anticipates 10% of the 3 previous years' concluded investigations will be requested to be reopened (fiscal years 2008, 2009, and 2010).

The Division also expects 2% of the total investigations concluded in the 14 years prior to Fiscal Year 2008 will be requested to be reopened over a 3 year period.

	<u>Previous 14 Years</u>	<u>Original Investigation Year</u>						
		<u>FY08</u>	<u>FY09</u>	<u>FY10</u>	<u>FY11</u>	<u>FY12</u>	<u>FY13</u>	<u>Total</u>
Total/Average Number of Investigations	9,961	573	850	712	712	712	712	
<u>Year Reinvestigation Requested</u>								
FY11	66	57	85	71	142			422
FY12	66	29	43	36	36	142		351
FY13	66	29	43	36	36	36	142	387
FY14				36	36	36	36	
FY15					36	36		
FY16								
Total/Average Percent Reinvestigations Requested	199 2%	115 20%	170 20%	178 25%	249 35%	249 35%	249 35%	387

*Projected average based on FY 08 and FY 09 concluded investigations.

ASSUMPTION (continued)

When the Division receives a request to reopen a case, the Division will follow a two part process:

First, Children's Service Specialists will be needed to screen the validity of the request to determine if the investigation was improperly conducted or if there is new information available. The Division estimates an average of 387 requests for cases to be reopened will be made each year. 40 cases per month or 480 annually can be screened per Children's Service Specialist, therefore 1 Children's Service Specialist is needed ($387 \div 480$).

As a result of the screening process, the Division estimates that only 50% or 193 ($387 * .50$) of the requests for reopened cases would result in a reinvestigation. Based on an average caseload of 12 investigations per worker per month (144 annually), the Division anticipates a staffing need of 1 additional Children's Service Worker to meet the provisions of this bill. (Average annual investigations of $193 \div 144$ reinvestigations completed per worker annually)

A total of 2 FTE is needed. All staff will need to be on board at the beginning of FY11 so they are trained by the time this bill would go into effect.

FACES SYSTEM PROGRAMMING IMPACT:

This legislation will require a case, which has already been closed, to be reopened in the electronic case file, creating significant changes to the existing database. Analysis of potential computer system programming changes as a result of this legislation indicates a total of 1,104 staff hours at a total cost of \$82,800 ($1,104 \text{ hours} \times \$75.00 \text{ per hour} = \$82,800$). This projection includes technical analysis, development of business requirements, and system coding, development, and testing.

Section 556.037- Changes the the statute of limitations for a criminal prosecutions brought when a person under age 18 is a victim of a sex crime from twenty years to thirty years. AGO assumes that, to the extent this change results in more prosecutions and convictions, AGO will have an increase in the number of appeals filed. AGO assumes that any increase in appeals will be modest and can be absorbed within existing resources, but if there is a significant increase in claims over time, the AGO may seek appropriation to adequately enforce the proposal.

Oversight assumes the AGO could absorb any increased costs generated as a result of the provisions in §162.068.3.

ASSUMPTION (continued)

Officials from the **Department of Corrections (DOC)** state the changes in this section of the proposed legislation do not impact the DOC's original response.

Officials from the **Department of Public Safety - Missouri State Highway Patrol** state this section will have no fiscal impact on their agency.

Officials from the **Department of Social Services (DOS)** state this amendment does not change the fiscal impact to the DOS that was submitted for previous versions of the proposal.

In response to a previous version of this proposal, officials from the **Blue Springs and Parkway School District** stated this proposal will have no fiscal impact on their respective districts.

Officials from the **Jefferson City Police Department** and **Boone County Sheriff's Department** state this proposed legislation will have no fiscal impact on their respective departments.

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
GENERAL REVENUE			
<u>Savings</u> - Department of Elementary and Secondary Education (DESE) - Reduction in state aid for foundation formula (§163.031)	Unknown	Unknown	Unknown
<u>Savings</u> - DESE - Reduction in funding for summer school (§163.036)	Unknown	Unknown	Unknown
<u>Savings</u> - DESE - Reduction in funding for Career Ladder Program (§163.031, 168.500, 168.515)	Unknown	Unknown	Unknown
<u>Cost</u> -DESE - Funding for school safety and violence prevention (§161.370)	\$0	(Up to \$500,000)	(Up to \$500,000)
<u>Cost</u> - DESE - Division of School Improvement - Statewide areas of critical need - Disbursements to Universities for Regional Professional Development Centers (RPDC) to fund fine arts education consultants (§162.1195)	\$0	\$0	(Up to \$686,400)
<u>Cost</u> – DESE			
Personal Service (1.5 FTE)	(\$34,484)	(\$42,623)	(\$43,901)
Fringe Benefits	(\$16,770)	(\$20,728)	(\$21,349)
Equipment and Expense	<u>(\$3,991)</u>	<u>(\$1,766)</u>	<u>(\$1,819)</u>
	(\$55,245)	(\$65,117)	(\$67,069)
ESTIMATED NET CHANGE IN FTE - DESE	1.5 FTE	1.5 FTE	1.5 FTE

<u>FISCAL IMPACT - State Government</u>	FY 2011	FY 2012	FY 2013
(GENERAL REVENUE - Continued)	(10 Mo.)		

Cost - Department of Higher Education -
 (§173.231)

Personal Services (1 FTE)	(\$24,545)	(\$30,337)	(\$31,248)
Fringe Benefits	(\$12,871)	(\$15,909)	(\$16,386)
Equipment and Expense	(\$2,595)	(\$328)	(\$337)
Programing FAMOUS software	(\$175,000)	\$0	\$0
Publication Cost	<u>(\$5,000)</u>	<u>\$0</u>	<u>\$0</u>
	(\$220,011)	(\$46,571)	(\$47,971)

ESTIMATED NET CHANGE IN FTE -
 HIGHER EDUCATION

1 FTE	1 FTE	1 FTE
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Cost – Department of Health and Senior
Services (DHSS) (§168.133)

Personal Service (temporary staff - 29)	(\$484,671)	\$0	\$0
Personal Service (1 FTE)	(\$27,686)	(\$34,220)	(\$35,247)
Fringe Benefits	(\$14,519)	(\$17,945)	(\$18,484)
Equipment and Expense	<u>(\$308,300)</u>	<u>(\$25,743)</u>	<u>(\$26,514)</u>
Total Cost – DHSS	(\$835,176)	(\$77,908)	(\$80,245)
FTE Change – DHSS	1 FTE	1 FTE	1 FTE

Cost – Department of Social Services –
Children’s Division (DOS) (§210.152)

Personal Service (1.45 FTE)	(\$48,241)	(\$49,688)	(\$51,179)
Fringe Benefits	(\$25,297)	(\$26,056)	(\$26,838)
Equipment and Expense	(\$81,726)	(\$11,363)	(\$11,704)
FACES System Changes	<u>(\$60,113)</u>	<u>\$0</u>	<u>\$0</u>
Total Cost – DOS (§210.152)	(\$215,377)	(\$87,107)	(\$89,721)
FTE Change – DOS (§210.152)	1.45 FTE	1.45 FTE	1.45 FTE

**ESTIMATED NET EFFECT ON
 GENERAL REVENUE FUND**

<u>(\$1,325,809) to</u>	<u>(\$776,703) to</u>	<u>(\$1,471,406) to</u>
<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
ESTIMATED NET FTE CHANGE FOR GENERAL REVENUE	4.95 FTE	4.95 FTE	4.95 FTE
STATE SCHOOL MONIES FUND			
<u>Loss</u> - Reduction in State Aid through foundation formula (§163.036)	(Unknown)	(Unknown)	(Unknown)
<u>Loss</u> - Summer School - Reduction in State Aid (§163.036)	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON STATE SCHOOL MONIES FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
CAREER LADDER			
<u>Savings</u> - Reduction in Funding (§163.031, 168.500, 168.515)	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>
ESTIMATED NET EFFECT ON CAREER LADDER	<u>Unknown</u>	<u>Unknown</u>	<u>Unknown</u>

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
EARLY HIGH SCHOOL GRADUATION SCHOLARSHIP PROGRAM FUND			
<u>Transfer In</u> - DESE - Scholarship program funding (§173.231)	\$1,139,374	\$1,139,374	\$1,139,374
<u>Transfer In</u> - DESE - Grant funding for certain high schools (§173.231)	\$283,883	\$283,883	\$283,883
<u>Distribution</u> - Scholarships (§173.231)	(\$1,139,374)	(\$1,139,374)	(\$1,139,374)
<u>Distribution</u> - Grants for certain high schools (§173.231)	<u>(\$283,883)</u>	<u>(\$283,883)</u>	<u>(\$283,883)</u>
ESTIMATED NET EFFECT ON EARLY HIGH SCHOOL GRADUATION SCHOLARSHIP PROGRAM FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
SCHOOL SAFETY AND SCHOOL VIOLENCE PREVENTION FUND			
<u>Income</u> - Funding for statewide center for school safety and violence prevention (§161.370)	\$0	Up to \$500,000	Up to \$500,000
ESTIMATED NET EFFECT ON SCHOOL SAFETY AND SCHOOL VIOLENCE PREVENTION FUND	<u>\$0</u>	<u>Up to \$500,000</u>	<u>Up to \$500,000</u>

<u>FISCAL IMPACT - State Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
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UNIVERSITIES

<u>Income</u> - Disbursements to fund fine arts education consultants at RPDCs	\$0	\$0	Up to \$686,400
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<u>Disbursements</u> - Transfer to RPDCs for staff and expenses	<u>\$0</u>	<u>\$0</u>	(Up to \$686,400)
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ESTIMATED NET EFFECT ON UNIVERSITIES	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
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<u>FISCAL IMPACT - Federal Government</u>	FY 2011 (10 Mo.)	FY 2012	FY 2013
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FEDERAL FUNDS

Cost – DOS – Children’s Division (DOS)
 (\$210.152)

Personal Service (.55 FTE)	(\$18,207)	(\$18,753)	(\$19,315)
Fringe Benefits	(\$9,548)	(\$9,834)	(\$10,129)
Equipment and Expense	(\$30,844)	(\$4,289)	(\$4,417)
FACES System Changes	(\$22,687)	<u>\$0</u>	<u>\$0</u>
<u>Total Cost</u> – (DOS) (\$210.152)	(\$81,286)	(\$32,876)	(\$33,861)
Net FTE Change – DOS	.55 FTE	.55 FTE	.55 FTE

ESTIMATED NET EFFECT ON FEDERAL FUNDS	<u>(\$81,286)</u>	<u>(\$32,876)</u>	<u>(\$33,861)</u>
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ESTIMATED NET FTE CHANGE FOR FEDERAL FUNDS	.55 FTE	.55 FTE	.55 FTE
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<u>FISCAL IMPACT - Local Government</u>	<u>FY 2011</u> <u>(10 Mo.)</u>	<u>FY 2012</u>	<u>FY 2013</u>
LOCAL POLITICAL SUBDIVISIONS			
<u>Income</u> - Certain School Districts - Increase in State Aid (§167.151 & 168.151)_	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000	Unknown - Could exceed \$100,000
<u>Cost</u> - Certain School Districts - Decrease in State Aid (§167.151 & 168.151)	Unknown - Could exceed (\$100,000)	Unknown - Could exceed (\$100,000)	Unknown - Could exceed \$100,000)
<u>Loss</u> - Local School Districts____			
Reduction in State Aid through foundation formula (§163.031)	(Unknown)	(Unknown)	(Unknown)
Reduction in State Aid for Summer School (§163.036)	(Unknown)	(Unknown)	(Unknown)
Reduction in State Aid for Career Ladder (§163.031, 168.500, 168.515	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS	<u>(Unknown)</u>	<u>(Unknown)</u>	<u>(Unknown)</u>

FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

AMY HESTIR STUDENT PROTECTION ACT

SECTION 37.710 - This act grants the Office of the Child Advocate the authority to file any findings or reports of the Child Advocate regarding the parent or child with the court and to issue recommendations regarding the disposition of an investigation, which may be provided to the court and the investigating agency.

SECTION 160.261 - If a student reports alleged sexual misconduct by a teacher or other school employee to a school employee who is required to report to the Children's Division, the employee and the school district superintendent must forward the allegation to the Children's Division within twenty-four hours. Any reports made to the Children's Division must be investigated by the Division in accordance with Division procedures. The school district must not conduct an investigation for purposes of determining whether the allegations should be substantiated. A district may investigate the allegations for purposes of making a decision regarding the accused employee's employment.

A mandated reporter as described in the act, who is a school officer or employee, who fails to report, will be subject to a class A misdemeanor.

SECTION 160.262 - This act authorizes the Office of the Child Advocate to offer mediation services when requested by both parties when child abuse allegations arise in a school setting. No student, parent of a student, school employee, or school district will be required to enter into mediation. If either party does not wish to enter into mediation, mediation will not occur. Procedures for mediation are described in the act.

SECTION 161.370 - School Safety and School Violence Prevention Fund

This section requires, subject to appropriations and beginning in Fiscal Year 2012, the General Assembly to annually appropriate an amount not to exceed \$500,000 to the newly created School Safety and School Violence Prevention Fund. It establishes a procedure for selecting a statewide center for school safety and violence prevention and specifies the resources that the center will provide for schools including, but not limited to, bullying prevention, building safety review, and annual training for safety coordinators.

FISCAL DESCRIPTION (continued)

SECTION 162.014 - A registered sex offender, or a person required to be registered as a sex offender, is prohibited from being a school board member or candidate for school board.

SECTION 162.068 - By July 1, 2011, every school district must adopt a written policy on information that the district may provide about former employees to other public schools.

The act grants civil immunity to school district employees who are permitted to respond to requests for information regarding former employees under a school district policy and who communicates only the information that the policy directs and who acts in good faith and without malice. If an action is brought against the employee, he or she may request that the Attorney General defend him or her in the suit, except as described in the act.

If a school district had an employee whose job involved contact with children and the district received allegations of the employee's sexual misconduct and as a result of such allegations or as a result of such allegations being substantiated by the Child Abuse and Neglect Review Board the district dismisses the employee or allows the employee to resign and the district fails to disclose the allegations in a reference to another school district or when responding to a potential employer's request for information regarding such employee, the district will be liable for damages and have third-party liability for any legal liability, legal fees, costs, and expenses incurred by the employing district caused by the failure to disclose such information to the employing district.

When a school district employs a person who has been investigated by the Children's Division and for whom there has been a finding of substantiated from such investigation, the district must immediately suspend the person's employment. The district may return the person to his or her employment if the Child Abuse and Neglect Review Board's finding that the allegation is substantiated is reversed by a court on appeal. Nothing shall preclude a school district from otherwise lawfully terminating the employment of an employee about whom there has been a finding of unsubstantiated from such an investigation.

A school district that has employed a person for whom there was a finding of substantiated from a Children's Division investigation must disclose the finding of substantiated to any other public school that contacts it for a reference.

SECTION 162.069 - By January 1, 2011, every school district must develop a written policy concerning teacher-student communication and employee-student communications. Each policy must include appropriate oral and nonverbal personal communication, which may be combined

FISCAL DESCRIPTION (continued)

with sexual harassment policies, and appropriate use of electronic media as described in the act, including social networking sites. Teachers cannot establish, maintain, or use a work-related website unless it is available to school administrators and the child's legal custodian, physical custodian, or legal guardian. Teachers also cannot have a nonwork-related website that allows exclusive access with a current or former student.

By January 1, 2011, each school district must include in its teacher and employee training a component that provides information on identifying signs of sexual abuse in children and of potentially abusive relationships between children and adults, with an emphasis on mandatory reporting. Training must also include an emphasis on the obligation of mandated reporters to report suspected abuse by other mandatory reporters.

SECTION 168.021 - In order to obtain a teaching certificate, an applicant must complete a background check as provided in section 168.133.

SECTION 168.071 - The crimes of sexual contact with a student while on public school property as well as second and third degree sexual misconduct are added to the offenses for which a teacher's license or certificate may be revoked.

SECTION 168.133 - A school district's criminal background check on school employees must include a search of publicly available information in an electronic that displays information through a public index or single case display. School districts are responsible for conducting the criminal background check on bus drivers they employ. For drivers employed by a pupil transportation company under contract with the district, the criminal background check must be conducted through the Highway Patrol's criminal record review and must conform to the requirements of the National Child Protection Act of 1993, as amended by the Volunteers for Children Act.

This act changes, from two to one, the number of sets of fingerprints an applicant must submit for a criminal history background check. An employee employed after July 1, 2011, who is required to undergo a criminal background check must register with the family care safety registry. The Department of Elementary and Secondary Education must facilitate an annual check for employees with active teaching certificates against criminal history records in the central repository, sexual offender registry, and child abuse central registry. The Missouri Highway Patrol must provide ongoing electronic updates to criminal history background checks for those persons previously submitted by the Department of Elementary and Secondary Education.

FISCAL DESCRIPTION (continued)

A school district may conduct a new criminal background check and fingerprint collection for a newly hired employee.

SECTION 210.135 - Third-party reporters of child abuse who report an alleged incident to any employee of a school district are immune from civil and criminal liability under certain circumstances.

SECTION 210.145 - The Children's Division must provide information about the Office of the Child Advocate and services it may provide to any individual who is not satisfied with the results of an investigation.

SECTION 210.152 - The Children's Division may reopen a case for review at the request of any party to the investigation if information is obtained that the investigation was not properly conducted under the provisions of Chapter 210, RSMo, or if new information becomes available. For any case previously investigated by the Children's Division for which there was a finding of unsubstantiated, the Children's Division must reconduct its investigation one time at the request of the Office of the Child Advocate if the Child Advocate has reasonable suspicion of wrongdoing. However, the Children's Division must not reopen an investigation if a court of law has entered a final judgment on the matter.

SECTIONS 210.915 and 210.922 - This proposal adds the Department of Elementary and Secondary Education to the list of departments that must collaborate to compare records on child-care, elder-care, and personal-care workers, including those individuals required to undergo a background check under Section 168.133 and who may use registry information to carry out assigned duties.

SECTION 556.037- Notwithstanding the provisions of §556.036, prosecutions for unlawful sexual offenses involving a person eighteen years of age or under must be commenced within thirty years after the victim reaches the age of eighteen unless the prosecutions are for forcible rape, attempted forcible rape, forcible sodomy, kidnaping or attempted forcible sodomy in which case such prosecutions may be commenced at any time.

FISCAL DESCRIPTION (continued)

EDUCATION PROVISIONS

SECTION 160.261 and 167.115 - SCHOOL DISCIPLINE POLICIES & REPORTING REQUIREMENTS:

Currently, school discipline policies must include a requirement that school administrators report acts of school violence to teachers with a need to know. This act provides that such acts of school violence must be provided to all teachers at the attendance center. Students on suspension for acts of violence or deregulated offenses cannot be within 1,000 feet of school property or any activity of the district without the authorization of the superintendent or unless the student is enrolled in and attending an alternative school. This act expands employee immunity from correctly following discipline policies to all policies. Current law provides that spanking, when administered by certificated personnel in a reasonable manner, is not abuse.

This act provides that the use of reasonable force to protect persons or property, when administered by school district personnel in a reasonable manner, is not abuse, as long as no allegation of sexual misconduct arises and another school employee is present as a witness in the case of spanking.

SECTION 160.660 - SCHOOL FACILITIES AND SAFETY CRITERIA:

By July 1, 2012, the State Board of Education must add to any school facilities and safety criteria developed for the Missouri School Improvement Program provisions that suggest that the drills required pursuant to the standard for safe facilities occur at least annually. All staff must receive sufficient training on the security and crisis management plan. These provisions are substantially similar to provisions

SECTION 160.755 - CYBERBULLYING & SCHOOL ANTI-BULLYING POLICIES:

This act modifies the definition of "bullying" as used in anti-bullying policies that must be enacted by school districts. The definition of "bullying" shall include cyber-bullying and electronic communications.

FISCAL DESCRIPTION (continued)

SECTION 161.370 - SCHOOL SAFETY AND SCHOOL VIOLENCE PREVENTION FUND:

This act establishes the "School Safety and School Violence Prevention Fund." Beginning in fiscal year 2012, subject to appropriations, the General Assembly must appropriate no more than \$500,000 each year to the fund. The funding is to be used to create a statewide center to provide training, information and guidance regarding violence prevention in schools. The Department of Elementary and Secondary Education may contract with a non-profit organization to serve as the statewide center for school safety and school violence prevention.

These provisions are substantially similar to provisions

SECTIONS 162.1195 & 162.1196 REGIONAL PROFESSIONAL DEVELOPMENT CENTERS:

Beginning in fiscal year 2013, the Division of School Improvement within the Department of Elementary and Secondary Education may ensure that each Regional Professional Development Center provide professional development educational assistance for fine arts. The emphasis for fine arts assistance may be on the following: act as a resource for school districts, as described in the act; work with school districts in staff development and curriculum issues related to fine arts education; collaborate with the regional office and regional personnel; coordinate services available from other entities involved in fine arts education and fine arts integration; assist and support local school districts in providing fine arts education; and contribute to the development and implementation of in-service training that responds to the needs of arts specialists and other educators for the needs of Missouri students in the fine arts.

This act requires each regional professional development center to identify ways in which school districts can achieve efficiencies, become more cost effective, reduce costs, and reduce and minimize duplicative operations, services, and purchasing. Examples of such ways include: allowing districts to share a superintendent, allowing group purchasing of supplies, allowing group purchases of insurance, allowing group administration of support services (payroll, maintenance, human resources), and allowing group participation in a deferred compensation plan. RPDCs must provide assistance to school districts that choose to implement such measures.

SECTION 163.031 - FOUNDATION FORMULA MODIFICATIONS:

The phase-in of the SB 287 formula will be extended through the 2016-2017 school year. The phase-in percentages for the new and old formulas are modified, as described in the act. This act contains allowances for the distribution of state aid depending on the amount of available

FISCAL DESCRIPTION (continued)

appropriations, as described below. This act allows the General Assembly to appropriate more funds than required by the phase-in percentages for any particular school year. In such a situation, the Department of Elementary and Secondary Education is required to adjust the phase-in percentages to accommodate appropriations in order to distribute one hundred percent of the total amount of appropriated funds. In addition, in any school year during the phase-in which the foundation formula appropriation is insufficient to fully fund the applicable percentages or is reduced by at least one percent from the current year appropriation by the Governor, the Department of Elementary and Secondary Education must reduce the payment amounts awarded to all school districts, including hold harmless districts.

The Department of Elementary and Secondary Education must calculate a uniform proportional reduction percentage based on all available state aid to be applied to the payment amount to which all districts would otherwise be entitled under the applicable phase-in percentages. In addition, language pertaining to the summer school penalty, which terminated at the end of the 2008-2009 school year, is repealed.

SECTION 163.036 - SUMMER SCHOOL:

Beginning in the 2010-2011 school year, summer school attendance that can be included in a district's average daily attendance will only include attendance hours of students exclusively in academic areas of study. Curriculum must be based on core subject areas of the regular instruction program for relevant grade levels. Each school district must verify to the Department of Elementary and Secondary Education that its summer school program conforms to these requirements. School districts may offer a summer school program that offers non-academic or enrichment activities at their own expense. In addition, no more than ten percent of a school district's weighted average daily attendance shall be derived from summer school attendance, except for any district with a free and reduced lunch population in excess of seventy-five percent. Such a district may derive up to twenty-five percent of its weighted average daily attendance from summer school attendance.

SECTION 167.020 & 167.022 - HOMELESS CHILDREN & TRANSFER OF SCHOOL RECORDS:

The act replaces the definition of "homeless children" with the federal definition when addressing residency requirements for school districts. Current law requires a school official who enrolls a nonresident pupil to request student transfer records within forty-eight hours. This act requires a school official to request all education records deemed necessary by the school official for enrollment within two business days, including IEPs and health

FISCAL DESCRIPTION (continued)

records . All schools, including private or parochial schools must respond to the request. In addition, school districts may report or disclose education records to other state or local officials as described in the act.

SECTIONS 167.023 and 167.115 - REPORTABLE OFFENSES FOR STUDENTS:

When a student is found to have committed a reportable offense, the school district must provide notice of the offense to any school district or private or parochial school to which the student transfers. If the student has been certified as an adult for trial or has committed a certain crime, then the school district must attach notice to the student's disciplinary record. Expungement of school disciplinary records may occur in accordance with current law.

SECTION 167.029 - STUDENT DRESS CODE:

Currently, only the St. Louis City school district may require school uniforms. This act allows any school district to require students to wear a school uniform or restrict student dress to a particular style.

SECTION 167.128 - TRANSPORTATION OF STUDENTS:

This act allows a student whose travel time by bus to a school in his or her district is more than an hour to enroll in another district's school if it takes one half the time or less to travel to the other school. Both school districts must agree to enroll the student. The state aid generated by the student would be transferred from the school district of residence to the receiving district. The state aid generated by the student would be transferred from the school district of residence to the receiving district. The receiving district may provide transportation to the student from a point within its boundaries.

SECTION 168.104 - TEACHER TENURE RELATING TO PRE-K TEACHERS:

Current law allows certified teachers who teach at the pre-kindergarten level in a program in which no fees are charged to parents or guardians in a school district other than St. Louis City.

This act allows certified teachers who teach at the pre-kindergarten level in a district other than St. Louis City who are paid on a school district salary schedule to be eligible for tenure.

FISCAL DESCRIPTION (continued)

SECTIONS 167.151 and 168.151- PAYMENT OF TUITION TO SCHOOL DISTRICT:

This act repeals the requirement that certain school districts charge tuition to nonresident pupils who attend the school district and who are the children of teachers or employees of that school district. School boards may admit non-resident children of district teachers and employees and set a tuition fee, if any. In addition, this act repeals the prohibition on school boards charging tuition to teachers.

SECTIONS 167.161 and 167.164 - STUDENT EXPULSION:

A school board may expel a student upon a finding that the student has been charged, convicted or pled guilty to the commission of a felony after notice to parents or others who have custodial care and after a hearing.

SECTIONS 167.621, 167.624, 167.627 & 167.630 - ADMINISTRATION OF MEDICATION OR MEDICAL SERVICES:

This act exempts unqualified employees who refuse to administer medication or medical services from disciplinary action. A school district may develop a program to train employees in CPR and other lifesaving methods. Qualified employees are exempted from liability for administering medication or medical services, including CPR and other lifesaving methods, when done in good faith and according to standard medical practices.

Students may self-administer medication for chronic conditions. Employees trained and supervised by the school nurse are authorized to use an epinephrine auto-syringe on a student as described in the act. Trained employees administering a prefilled auto syringe are exempt from liability when acting in good faith and according to standard medical practices. These provisions are substantially similar to provisions

SECTION 168.017 - SUBSTITUTE TEACHER LICENSES:

When issuing a substitute Missouri certificate of license to teach, no school district or the Department of Elementary and Secondary Education shall consider whether the applicant's completion of the required number of semester hours occurred at a postsecondary institution for religious or theological studies.

FISCAL DESCRIPTION (continued)

SECTION 168.221 - TEACHER REMOVAL HEARINGS IN THE ST. LOUIS CITY SCHOOL DISTRICT:

During any time in which a special administrative board governs the St. Louis City School District, the board may appoint a hearing officer to conduct a hearing to remove a permanent teacher. The hearing officer must conduct the hearing according to the procedures outlined in chapter 536 for contested cases. The hearing officer must issue a written recommendation to the school board. The board must then issue a decision based on the recommendation and the record from the hearing.

SECTIONS 168.500 and 168.515 - CAREER LADDER:

This act modifies the Career Ladder program. This act removes the requirement that the General Assembly make an annual appropriation. Beginning in fiscal year 2012, Career Ladder payments will only be made available to local school districts if an appropriation is made. Any state appropriation must be made prospectively in relation to the year in which work under the program is performed. Nothing in this act shall be construed to prohibit a local school district from funding the program for its teachers for work performed in years for which no state appropriation is made available.

In addition, this act removes the variable match portion of Career Ladder. Instead, Career Ladder will be funded by sixty percent local funding and forty percent state funding. The three groups of school districts with variable funding rates are eliminated.

These section contain an emergency clause.

SECTION 173.231 - EARLY HIGH SCHOOL GRADUATION SCHOLARSHIP PROGRAM:

This act creates the "Early High School Graduation Scholarship Program," to be implemented and administered by the Department of Higher Education. The Program will provide scholarships to students who graduate from public high school in Missouri in thirty-six months or less. A student who graduates from high school in no more than thirty-six months and meets other requirements as described in the act will be offered a scholarship in an amount equal to eighty percent of the school district's state aid payments divided by the district's average daily attendance for the year immediately prior to the student's graduation.

FISCAL DESCRIPTION (continued)

The student's high school will be offered a grant in an amount equal to twenty percent of the district's state aid payments, divided by the district's average daily attendance for the year immediately preceding the student's graduation. A student can use the scholarship for tuition, mandatory fees, or both, if attending a public or private institution of higher education in Missouri.

A scholarship recipient must use the scholarship within one year of graduating from high school. Exceptions exist for students who cannot attend an institution of higher education because of service to a nonprofit organization, a state or federal government agency, or a branch of the United States military. A scholarship recipient may seek an extension if he or she shows hardship or good cause, as described in the act.

When a scholarship recipient enrolls in a higher education institution, the institution must apply to the charges for tuition and mandatory fees the lesser of the amount of the scholarship or the actual tuition or mandatory fees. The Department of Elementary and Secondary Education must place an amount equal to the total of the scholarship and grant amounts in the Early High School Graduation Scholarship Program Fund. The Department of Higher Education will use these funds to distribute the scholarships and grants. The Department of Elementary and Secondary Education must confirm the student's graduation and higher education enrollment with the high school and institution of higher education, in cooperation with the Department of Higher Education. Each public high school must provide information about the scholarship program to students and include the number and type of credits necessary to meet the program's eligibility requirements and the appropriate order in which those courses must be earned

By January 31, 2011, the Department of Higher Education, in cooperation with the Department of Elementary and Secondary Education, must prepare a publication about the program and post it on its website.

SECTION 177.161 and 177.171 - BID REQUIREMENTS FOR ST. LOUIS CITY SCHOOL DISTRICT:

Current law requires the St. Louis City school district to request bids for supplies and building projects that cost more than \$5,000. This act increases that cost threshold to \$15,000 before the district must solicit bids. Also, current law allows St. Louis City School Board to use its own employees on building and improvement projects without going through a bidding process if the costs of labor do not exceed \$20,000. This act lowers that cost limit to \$15,000. Also, upon

FISCAL DESCRIPTION (continued)

approval of the school board, the district superintendent or another designated employee may enter directly into contracts of less than \$15,000 without public letting, advertising, or bid soliciting.

SECTIONS 178.693 & 178.695 PARENTS AS TEACHERS:

This act modifies the Parents as Teachers program. If available appropriations are insufficient to fund services, the Department of Elementary and Secondary Education must direct funds to serve high need or low income individuals. School districts may charge a co-pay or fee on a sliding scale based on income and family size. The Department of Elementary and Secondary Education must annually submit, by October 1, to the Joint Committee on Education a report concerning the demographics of the individuals served by Parents as Teachers, including income level and whether the individuals are high need.

SECTION 210.102 - MISSOURI CHILDREN'S SERVICES COMMISSION:

The Missouri Children's Services Commission is required to recommend best practices for sharing agency information regarding students receiving state services by July 1, 2011. These provisions are substantially similar to provisions

This proposed legislation contains an emergency clause on §163.410, 163.031, 163.036, 168.500, and 168.515.

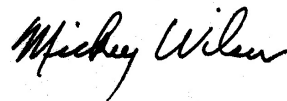
§168.221 has a delayed effective date of July 1, 2011.

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

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SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Insurance, Financial Institutions and Professional Registration
Office of State Courts Administrator
Office of the Governor
Department of Labor and Industrial Relations
Department of Mental Health
Office of Secretary of State
 Administrative Rules Division
Department of Corrections
Office of State Public Defender
Office of Administration
 Administrative Hearing Commission
 Office of Child Advocate
Office of Prosecution Services
Department of Public Safety
 Office of the Director
 Missouri State Highway Patrol
Office of Attorney General
Department of Health and Senior Services
Department of Social Services
Department of Higher Education
Office of State Treasurer
Missouri Senate
School Districts, Colleges and Universities
Local Law Enforcement



Mickey Wilson, CPA
Director
May 4, 2010