

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3970-01  
Bill No.: HB 1628  
Subject: Education, Elementary and Secondary; Elementary and Secondary Education  
Department  
Type: Original  
Date: February 9, 2010

---

Bill Summary: This proposal establishes the “Metropolitan District Dropout Prevention Program”.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
General Revenue	(Up to \$500,000 or Unknown)	(Up to \$500,000 or Unknown)	(Up to \$500,000 or Unknown)
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>(Up to \$500,000 or Unknown)</b>	<b>(Up to \$500,000 or Unknown)</b>	<b>(Up to \$500,000 or Unknown)</b>

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on <u>Other</u> State Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

Numbers within parentheses: ( ) indicate costs or losses.  
This fiscal note contains 5 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ 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).

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>			
FUND AFFECTED	FY 2011	FY 2012	FY 2013
<b>Local Government</b>	<b>Up to \$500,000 or Unknown</b>	<b>Up to \$500,000 or Unknown</b>	<b>Up to \$500,000 or Unknown</b>

## FISCAL ANALYSIS

### ASSUMPTION

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

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.

Officials from the **Department of Elementary and Secondary Education (DESE)** state this proposal offers grants to establish a pilot program within the St. Louis Public School District known as the "Metropolitan District Dropout Prevention and Recovery Program" with a goal of determining replicable results and best practices in dropout prevention strategies.

When comprehensive guidance programs are fully implemented, school counselors spend 100 percent of their professional time providing students with guidance activities and services organized and delivered through four interrelated program components; guidance curriculum, individual planning, responsive services, and systems support.

DESE reports that a 2007 study entitled, "Missouri School Counselors Benefit All Students - How Implementing Comprehensive Guidance Programs Improves Academic Achievement For All Missouri Students" revealed that the ratio of school counselors to students in high implementing schools was one counselor for every 362 students; but, in low implementing schools the ratio was one counselor for every 415 students.

DESE officials state the proposal does not indicate a dollar threshold for the pilot program. The program shall be funded through appropriations and costs to the state would depend upon the actions of the general assembly. DESE estimates \$500,000 will fund approximately ten dropout prevention counselors. It appears reasonable to assume a pilot program with ten counselors could serve a program with a student population ranging from 3,600 to 4,150 students. The additional time for DESE personnel to accept applications, score grants, and administer the

ASSUMPTION (continued)

program could be assumed with existing resources for a pilot program of this size. A larger program would likely lead to a need for additional staff.

Officials from the **St Louis Public School District** state they currently have a dropout recovery program. They assume the proposal would take funds from the state formula and determine it to be used for a sole purpose.

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

**GENERAL REVENUE**

<u>Cost - DESE - Funding grants for a dropout prevention program</u>	(Up to \$500,000 or Unknown)	(Up to \$500,000 or Unknown)	(Up to \$500,000 or Unknown)
--	---------------------------------	---------------------------------	---------------------------------

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>(Up to \$500,000 or Unknown)</u></b>	<b><u>(Up to \$500,000 or Unknown)</u></b>	<b><u>(Up to \$500,000 or Unknown)</u></b>
--	--	--	--

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

**LOCAL POLITICAL SUBDIVISIONS**

<u>Transfer In - St Louis Public School District - Grants for a dropout prevention program</u>	Up to \$500,000 or Unknown	Up to \$500,000 or Unknown	Up to \$500,000 or Unknown
--	-------------------------------	-------------------------------	-------------------------------

<b>ESTIMATED NET EFFECT ON LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>Up to \$500,000 or Unknown</u></b>	<b><u>Up to \$500,000 or Unknown</u></b>	<b><u>Up to \$500,000 or Unknown</u></b>
---	--	--	--

FISCAL IMPACT - Small Business

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

### FISCAL DESCRIPTION

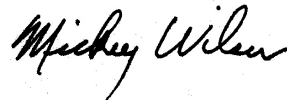
This proposed legislation establishes the Metropolitan District Dropout Prevention and Recovery Program, a pilot program within the St Louis Public School District. The Department of Elementary and Secondary Education (DESE) will distribute three-year, renewable grants from funds appropriated to the newly created Metropolitan District Dropout Prevention and Recovery Fund. Grantees will be schools within the metropolitan school district which may contract with organizations to provide program services. Those districts must cooperate with DESE on annual evaluations to determine replicable results and best practices. Applications for the grants will be taken during school year 2010-2011 to begin implementation of the program for the 2011-2012 through 2013-2014 school years.

The provisions of the proposal will expire six years from the effective date.

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

### SOURCES OF INFORMATION

Department of Elementary and Secondary Education  
Office of Secretary of State  
Administrative Rules Division  
Office of State Treasurer  
St Louis Public School District



Mickey Wilson, CPA  
Director  
February 9, 2010