

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 2034-02  
Bill No.: HB 1023  
Subject: Elementary and Secondary Education  
Type: Original  
Date: April 5, 2019

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Bill Summary: This proposal modifies provisions relating to seclusion and restraint policies in public schools.

**FISCAL SUMMARY**

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Total Estimated Net Effect on General Revenue</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<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 6 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Total Estimated Net Effect on FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

☐ Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$100,000 in any of the three fiscal years after implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2020	FY 2021	FY 2022
<b>Local Government</b>	<b>\$0</b>	<b>(Unknown)</b>	<b>(Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

Officials from **Department of Elementary and Secondary Education (DESE)** assume this proposed change would require updating an existing state written policy on seclusion and restraint; rulemaking with regard to a new hearing process; developing forms and other sources of information with regard to those hearings; and spending time associated with the new hearings held at the state level regarding the local use of seclusion and restraint. While DESE anticipates that these new responsibilities will have a fiscal impact, the impact will be determined by the number of local appeals the State Board of Education (board) receives. At this time, DESE anticipates that costs can be absorbed with existing resources. If, in addition to this legislation, other legislation requiring hearings is passed, DESE may need to request additional funding and/or FTE.

Based on information provided by DESE and from the [Civil Rights Data Collection](#) from the Office for Civil Rights, **Oversight** notes the following:

2013-2014 Missouri Estimates	Number of Instances	Number of Students	Number of students as a percent of 2013-2014 Enrollment (887,033)
Seclusion	6,318	2,347	0.26%
Mechanical Restraint	175	165	0.02%
Physical Restraint	4,849	1,932	0.22%
<b>Total</b>	<b>11,342</b>	<b>4,444</b>	<b>0.50%</b>

Upon further inquiry, **Oversight** notes that DESE anticipates the cost to be less than \$10,000. Oversight does not have any information to the contrary. Therefore, Oversight assumes DESE can absorb the cost with existing resources and will reflect a zero impact on the fiscal note for DESE.

Officials from the **Springfield Public Schools** assume this proposal will have an unknown fiscal impact on the district.

Officials from the **Wellsville-Middletown R-1 School District** assume the proposal will have no fiscal impact on their organization.

ASSUMPTION (continued)

**Oversight** assumes there could be additional costs for school districts to hold hearings on filed complaints as well as additional reporting requirements. Oversight will show an unknown cost to school districts starting in FY 2021.

Oversight received a limited number of responses from school districts related to the fiscal impact of this proposal. Oversight has presented this fiscal note on the best current information available. Upon the receipt of additional responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

Oversight only reflects the responses that we have received from state agencies and political subdivisions; however, other school districts were requested to respond to this proposed legislation but did not. For a general listing of political subdivisions included in our database, please refer to [www.legislativeoversight.mo.gov](http://www.legislativeoversight.mo.gov).

Officials from the **Office of the Secretary of State (SOS)** state many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this fiscal note to the SOS for Administrative Rules is less than \$5,000. The SOS recognizes that this is a small amount and does not expect that additional funding would be required to meet these costs. However, the SOS also recognizes that many such bills may be passed by the General Assembly in a given year and that collectively the costs may be in excess of what the office can sustain with the core budget. Therefore, the SOS reserves the right to request funding for the cost of supporting administrative rules requirements should the need arise based on a review of the finally approved bills signed by the governor.

**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 require additional resources.

Officials from the **Joint Committee on Administrative Rules (JCAR)** assume this proposal is not anticipated to cause a fiscal impact beyond its current appropriation.

**Oversight** assumes JCAR will be able to administer any rules resulting from this proposal with existing resources.

<u>FISCAL IMPACT - State Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT - Local Government</u>	FY 2020 (10 Mo.)	FY 2021	FY 2022
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**SCHOOL DISTRICT FUNDS**

<u>Cost</u> - hearings and reporting requirements	\$0	<u>(Unknown)</u>	<u>(Unknown)</u>
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<b>ESTIMATED NET EFFECT ON SCHOOL DISTRICT FUNDS</b>	<u>\$0</u>	<u>(Unknown)</u>	<u>(Unknown)</u>
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FISCAL IMPACT - Small Business

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

FISCAL DESCRIPTION

This bill defines "restraint" and "seclusion" and requires school districts to include in policy a prohibition on the use of restraint or seclusion, for any purpose other than the health and safety of students, teachers, and staff members. The bill requires that before July 1, 2020 each school district policy shall include reporting requirements for any occurrence of restraint or seclusion as outlined in the bill. The reporting requirements include parental notification, right to review a report, file a complaint of dissatisfaction, and appeal report findings as detailed in bill. The bill also requires the board of education for the school district to hold hearings on filed complaints, and the Department of Elementary and Secondary Education to, upon appeal, issue a report substantiating a parental claim of dissatisfaction or finding a claim unsubstantiated.

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  
Joint Committee on Administrative Rules  
Office of the Secretary of State  
Springfield Public Schools  
Wellsville-Middletown R-1 School District



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Director  
April 5, 2019

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April 5, 2019