

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 4415H.03I
Bill No.: HB 2858
Subject: Education, Elementary and Secondary; Health Care; Mental Health
Type: Original
Date: April 22, 2024

Bill Summary: This proposal provides a state supplement for public schools to hire a school nurse and a mental health professional.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue*	Could exceed (\$90,665)	Could exceed (\$104,454)	Could exceed (\$106,243)
Total Estimated Net Effect on General Revenue	Could exceed (\$90,665)	Could exceed (\$104,454)	Could exceed (\$106,243)

*Subject to appropriation.

**Oversight notes the costs above simply reflect the one FTE for DESE to administer the program. Regarding the size of the appropriation needed for the program to provide supplements to local schools, Oversight notes there are currently 2,284 schools in 521 public school districts in Missouri (2022-2023 Statistics of MO Public Schools). DESE has estimated that for every \$1,000 supplement provided per school (2,284) the cost would be \$2,284,000. ($\$1,000 \times 2,284 = \$2,284,000$). If all schools participated and a cap was set on the supplement at \$5,000 the cost would be \$11,420,000. ($\$5,000 \times 2,284 = \$11,420,000$). Therefore, Oversight assumes costs to General Revenue will exceed \$250,000.

Numbers within parentheses: () indicate costs or losses.

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
School Nurse Financial Supplement Fund*	\$0	\$0	\$0
School Mental Health Professional Financial Supplemental Fund*	\$0	\$0	\$0
Total Estimated Net Effect on <u>Other</u> State Funds	\$0	\$0	\$0

*Distributions and transfers assumed to net to zero.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Total Estimated Net Effect on <u>All</u> Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
General Revenue	1 FTE	1 FTE	1 FTE
Total Estimated Net Effect on FTE	1 FTE	1 FTE	1 FTE

Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

ESTIMATED NET EFFECT ON LOCAL FUNDS			
FUND AFFECTED	FY 2025	FY 2026	FY 2027
Local Government	\$0	\$0	\$0

*Distributions and transfers net to zero.

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Department of Elementary and Secondary Education (DESE)** assume Section 167.501 would allow for a supplement to employ a school nurse for public schools. There are currently 2,284 schools in 521 public school districts in Missouri (2022-2023 Statistics of MO Public Schools). Estimating the number of schools who would participate in the grant programs would not be possible as some employ these staff currently and would not seek support, some schools may share staff, or others may choose not to hire these staff. In order to provide an estimate, DESE has estimated that for every \$1,000 supplement provided per school (2,284) the cost would be \$2,284,000. ($\$1,000 \times 2,284 = \$2,284,000$). If all schools participated and a cap was set on the supplement at \$5,000 the cost would be \$11,420,000. ($\$5,000 \times 2,284 = \$11,420,000$). These estimates could fluctuate higher or lower depending on the number of participants in the program and the supplement to be distributed. Actual costs would also be dependent upon appropriation.

Section 167.503 would allow for a supplement to employ a mental health professional for public schools. There are currently 2,284 schools in 521 public school districts in Missouri (2022-2023 Statistics of MO Public Schools). Estimating the number of schools who would participate in the grant programs would not be possible as some employ these staff currently and would not seek support, some schools may share staff, or others may choose not to hire these staff. In order to provide an estimate, DESE has estimated that for every \$1,000 supplement provided per school (2,284) the cost would be \$2,284,000. ($\$1,000 \times 2,284 = \$2,284,000$) If all schools participated and a cap was set on the supplement at \$5,000 the cost would be \$11,420,000. ($\$5,000 \times 2,284 = \$11,420,000$) These estimates could fluctuate higher or lower depending on the number of participants in the program and the supplement to be distributed. Actual costs would also be dependent upon appropriation.

Managing the implementation of the programs described in Sections 167.501 and 167.503 would require an FTE (Supervisor) at the salary of \$58,680 plus benefits, expenses, and equipment. The development of the criteria for both sections would be significant, including the annual management (communication and coordination with 500+ LEA's), reporting, and technical support.

Oversight notes this proposal establishes financial supplements for public schools to employ school nurses and mental health professionals. School districts must apply to the DESE and specify the schools to hire these positions. Preference is given to schools demonstrating the greatest need based on criteria specified by the Department. Oversight is unable to estimate the number of schools that would participate in the grant programs as some employ these staff currently and would not seek support, some schools may share staff, or others may choose not to hire these staff. The estimates could fluctuate higher or lower depending on the number of

participants in the program and the supplement to be distributed. Actual costs would also be dependent upon appropriation.

Oversight will show a potential range of impact to General Revenue of \$0 (no appropriation) to an Unknown cost transferring to the School Nurse Financial Supplement Fund and the Mental Health Professional Financial Supplement Fund with the corresponding impact to School Districts. For simplicity, Oversight assumes all funds will be utilized in the year in each they were received.

Officials from the **Department of Health and Senior Services, Department of Mental Health, and Office of the State Treasurer** each assume the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note.

Oversight did not receive any 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 received from state agencies and political subdivisions; however, school districts were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

Rule Promulgation

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

Officials from the **Office of the Secretary of State (SOS)** note 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 its 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.

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
GENERAL REVENUE			
<u>Transfer Out – DESE – supplements for public schools to employ school nurses - §167.501</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Transfer Out – DESE – supplements for public schools to employ mental health professionals - §167.503</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Costs – DESE</u>			
Personnel Service	(\$48,900)	(\$59,854)	(\$61,051)
Fringe Benefits	(\$31,469)	(\$38,218)	(\$38,682)
Equipment and Expense	(\$10,296)	(\$6,382)	(\$6,510)
<u>Total Costs – DESE</u>	(\$90,665)	(\$104,454)	(\$106,243)
FTE Change	1 FTE	1 FTE	1 FTE
ESTIMATED NET EFFECT ON GENERAL REVENUE	Could exceed <u>(\$90,665)</u>	Could exceed <u>(\$104,454)</u>	Could exceed <u>(\$106,243)</u>
Estimated Net FTE Change to the General Revenue Fund	1 FTE	1 FTE	1 FTE
SCHOOL NURSE FINANCIAL SUPPLEMENT FUND			
<u>Transfer In – from General Revenue - §167.501</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Income – gifts, bequests or donations - §167.501</u>	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Transfer Out – to School Districts - §167.501</u>	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON SCHOOL NURSE FINANCIAL SUPPLEMENT FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – State Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
SCHOOL MENTAL HEALTH PROFESSIONAL FINANCIAL SUPPLEMENTAL FUND			
<u>Transfer In</u> – from General Revenue - §167.503	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Income</u> – gifts, bequests or donations - §167.503	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Transfer Out</u> – to School Districts - §167.503	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON SCHOOL MENTAL HEALTH PROFESSIONAL FINANCIAL SUPPLEMENT FUND	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

<u>FISCAL IMPACT – Local Government</u>	FY 2025 (10 Mo.)	FY 2026	FY 2027
SCHOOL DISTRICTS			
<u>Revenue Gain</u> – from School Nurse Financial Supplemental Fund - §167.501	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Revenue Gain</u> – from School Mental Health Professional Financial Supplemental Fund - §167.503	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Costs</u> –for school nurses and mental health professionals - §167.501 & §167.503	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
ESTIMATED NET EFFECT ON SCHOOL DISTRICTS	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

FISCAL IMPACT – Small Business

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

FISCAL DESCRIPTION

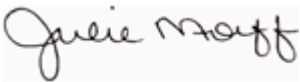
This bill establishes financial supplements for public schools to employ school nurses and mental health professionals. School districts must apply to the Department of Elementary and Secondary Education (DESE) and specify the schools to hire these positions. Preference is given to schools demonstrating the greatest need based on criteria specified by the Department.

The bill creates the "School Nurse Financial Supplement Fund" and the "School Mental Health Professional Financial Supplement Fund" and requires DESE to create rules ensuring that positions funded with supplement money only perform duties associated with the job title, and preference be given to schools that demonstrate the greatest need.

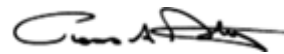
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Health and Senior Services
Department of Mental Health
Office of the Secretary of State
Joint Committee on Administrative Rules
Office of the State Treasurer



Julie Morff
Director
April 22, 2024



Ross Strobe
Assistant Director
April 22, 2024