

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 3204-01  
Bill No.: SB 639  
Subject: Children and Minors; Courts; Crimes and Punishment; Education, Elementary and Secondary; Elementary and Secondary Education Dept; Fees; Law Enforcement Officers and Agencies  
Type: Original  
Date: February 13, 2006

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
General Revenue	\$0	\$0	\$0
<b>Total Estimated Net Effect on General Revenue Fund</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Offsetting Revenue and Transfers Out are \$72,618 FY 07; \$95,062 FY 08; \$142,584 FY 09

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>			
FUND AFFECTED	FY 2007	FY 2008	FY 2009
Gang Resistance Education and Training Fund	\$0	\$0	\$0
After-School Reading and Assessment Fund	\$0	\$0	\$0
<b>Total Estimated Net Effect on <u>Other</u> State Funds*</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* Offsetting Transfers In/Out are \$72,618 FY 07; \$95,062 FY 08; \$142,584 FY 09

Numbers within parentheses: ( ) indicate costs or losses. This fiscal note contains 7 pages.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<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 LOCAL FUNDS</b>			
<b>FUND AFFECTED</b>	<b>FY 2007</b>	<b>FY 2008</b>	<b>FY 2009</b>
<b>Local Government</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

\* **Offsetting Income/Costs are \$72,618 FY 07; \$95,062 FY 08; \$142,584 FY 09**

**FISCAL ANALYSIS**

**ASSUMPTION**

Officials from the **Office of State Treasurer (STO)** state there will be no fiscal impact to STO as a result of this proposed legislation.

Officials from the **Office of the Secretary of State (SOS)** assume many bills considered by the General Assembly include provisions allowing or requiring agencies to submit rules and regulations to implement the act. The SOS is provided with core funding to handle a certain amount of normal activity resulting from each year's legislative session. The fiscal impact for this proposal for Administrative Rules is less than \$1,500. SOS recognizes this is a small amount and does not expect additional funding would be required to meet these costs. However, SOS also recognizes that many such bills may be passed in a given year and that collectively the costs may be in excess of what the SOS can sustain with their core budget. Any additional required funding would be handled through the budget process.

Officials from the **Department of Elementary and Secondary Education (DESE)** state the proposed legislation would require DESE to administer a "Gang Resistance Education and Training Program" (GREAT) for school districts which DESE determines are in need of such programs. The impact on DESE would be minimal as the curriculum, federal funding for law **ASSUMPTION** (continued)

enforcement agencies, guidelines, and agreements with school districts have already been established by the federal government. DESE assumes the Department of Public Safety will provide costs related to training.

Officials from the **Department of Public Safety** stated there would be no fiscal impact to the Director's Office.

In addition, the proposal would require DESE to develop a grant program to provide school districts with matching grants to fund after-school reading and assessment programs. DESE would require 1.0 FTE Supervisor and 1.0 FTE Administrative Assistant to establish grant criteria, provide copies of criteria to all school districts, promulgate grant application forms, review proposals, award grants, and administer the program. Cumulative costs to develop grant application forms, print copies of grant criteria and distribute to all school districts, and acquire grant reader services should be less than \$100,000. **Oversight** assumes that since it appears funding has not been appropriated for the After-School Reading and Assessment Grant Program since the legislation was enacted (SB 319 - 2001), personnel will not be needed for this additional program until funds are appropriated. If services are required at that point, they may be requested through the budget process. Existing resources should be adequate to administer the amount of matching grant money generated by this proposal

The proposal would also create a \$25 surcharge to be assessed as costs in each court proceeding filed in any court in the state in all felony criminal cases involving chapters 195, 565, 566, 569, 570, and 571, RSMo. One-half of these funds shall be used to promote the GREAT program and one-half shall be used to fund the after school reading retreat program. DESE defers to the Office of State Courts Administrator regarding the potential quantity of funding.

Based on FY 2005 data, officials from the **Office of State Courts Administrator (CTS)** estimate that the \$25 surcharge would apply to 25,350 circuit-level felony cases. Since these defendants often do not have steady employment or cash reserves, the court often gives the defendants the period of probation to pay the costs and fines. Therefore, the revenue generated the first year is less than that generated in subsequent years. Based on an average collection rate range from 50% to 60% for felony cases, the surcharge would provide the following: 50% collection rate, \$79,219 in the first 12 months; \$158,438 in the second 12 months, \$237,656 in the third 12 months, and \$316,875 in every year thereafter. A collection rate of 60% would provide \$95,063 in the first 12 months, \$190,125 in the second, \$285,188 in the third, and \$380,250 in every year thereafter. For fiscal note purposes, **Oversight** has taken an average of the two collection percentage rates and calculated distributions to the funds as follows:

ASSUMPTION (continued)

LD:LR:OD (12/02)

	FY 2007 (10 Mo.)	FY 2008	FY 2009
Gang Resistance Education and Training Fund	\$36,309	\$47,531	\$71,297
After-School Reading and Assessment Fund	\$36,309	\$47,531	\$71,297
Total Allocation	\$72,618	\$95,062	\$142,584

Officials from the **St Louis Metropolitan Police Department** and the **Springfield Police Department** state this proposal will have no fiscal impact on their respective departments.

Officials from the **Kansas City, Missouri School District** anticipate no direct fiscal impact. The creation of the surcharge would allow more funding for the reading grant program, which would allow more districts to benefit from the program.

Officials from the **Columbia School District** would anticipate a positive fiscal impact as a result of this proposal.

Officials from the **City of Kansas City, Missouri** assume the proposal would have no direct adverse or beneficial fiscal impact on the city. However, because the City funds the KC Police Department, any additional program involvement may require either new funding or the elimination of current KCPD expenditures. The potential impact of this proposal must be determined by the Kansas City Police Department. The **Kansas City Police Department** did not respond to a request for fiscal note.

Officials from the **St Louis County Police Department** state their department would incur costs associated with the amount of time required by an officer or officers to work with school districts to develop the program. At this time it is hard to estimate what this cost and other related costs might be. It is possible that the Department would have recurring costs depending on the role of the Police in presenting the program once it is developed.

Officials from the **Boone County Sheriff's Department** assume that unless the monies designated for the GREAT fund were also allowed to employ and equip the law enforcement officer designated to implement the program in the school, the cost to an agency could be substantial if a school or schools are identified by a district as needing such a program.

ASSUMPTION (continued)

**Oversight** assumes participation by local law enforcement agencies would occur only to the extent funding is available, therefore additional costs exceeding revenue are not assigned.

**This proposal will increase Total State Revenue.**

<u>FISCAL IMPACT - State Government</u>	FY 2007 (10 Mo.)	FY 2008	FY 2009
<b>GENERAL REVENUE</b>			
Income - Office of State Treasurer			
Court Costs	\$72,618	\$95,062	\$142,584
Transfer Out - Transfer to After-School Retreat Reading and Assessment Fund	(\$36,309)	(\$47,531)	(\$71,297)
Transfer Out - Transfer to Gang Resistance Education and Training Fund (GREAT) Fund	<u>(\$36,309)</u>	<u>(\$47,531)</u>	<u>(\$71,297)</u>
<b>ESTIMATED NET EFFECT ON GENERAL REVENUE</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>AFTER-SCHOOL RETREAT READING AND ASSESSMENT FUND</b>			
<u>Transfer In</u> - State Treasurer	\$36,309	\$47,531	\$71,297
<u>Cost</u> - Distributions to School Districts	<u>(\$36,309)</u>	<u>(\$47,531)</u>	<u>(\$71,297)</u>
<b>ESTIMATED NET EFFECT ON AFTER-SCHOOL RETREAT READING AND ASSESSMENT FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>

**GREAT FUND**

<u>Transfer In</u> - State Treasurer	\$36,309	\$47,531	\$71,297
<u>Cost</u> - Distributions to School Districts	<u>(\$36,309)</u>	<u>(\$47,531)</u>	<u>(\$71,297)</u>

**ESTIMATED NET EFFECT ON GREAT FUND** **\$0** **\$0** **\$0**

FISCAL IMPACT - Local Government FY 2007 (10 Mo.) FY 2008 FY 2009

**SCHOOL DISTRICTS**

<u>Income</u> - After School Retreat and Assessment Grant Program	\$36,309	\$47,531	\$71,297
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<u>Income</u> - GREAT Program	\$36,309	\$47,531	\$71,297
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<u>Cost</u> - Expenses Related to After-School Retreat and Assessment Grant Program and GREAT Program	<u>(\$72,618)</u>	<u>(\$95,062)</u>	<u>(\$142,584)</u>
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**ESTIMATED NET IMPACT ON SCHOOL DISTRICTS** **\$0** **\$0** **\$0**

FISCAL IMPACT - Small Business

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

DESCRIPTION

This proposed legislation imposes a \$25 surcharge on all felony court proceedings involving drugs, offenses against the person, sexual offenses, robbery, burglary, arson, stealing, and weapons offenses, except when charges are dismissed or when costs are to be paid by the state or political subdivision. Fifty percent of the surcharge will be deposited in the Gang Resistance Education and Training (GREAT) Fund, to be administered by the Department of Elementary and Secondary Education (DESE). DESE, in conjunction with participating local law enforcement, will develop a program for gang resistance training in school districts in need of such services, as determined by DESE. The program is intended to help children understand how

DESCRIPTION (continued)

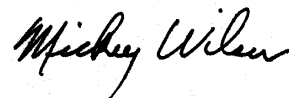
gang violence affects communities and how to resolve conflicts without violence. The remaining fifty percent of the funds collected will be used to provide matching grants to school districts to fund the after-school reading retreat program.

The provisions of this proposal, with regards to Sections 488.5020 and 589.313, terminate on December 31, 2010.

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 State Courts Administrator  
Office of State Treasurer  
Office of Secretary of State  
    Administrative Rules Division  
City of Kansas City  
Columbia School District  
Boone County Sheriff's Department  
Springfield Police Department  
St Louis Metropolitan Police Department  
St Louis County Police Department



Mickey Wilson, CPA  
Director  
February 13, 2006