

COMMITTEE ON LEGISLATIVE RESEARCH
OVERSIGHT DIVISION

FISCAL NOTE

L.R. No.: 0543-06
Bill No.: HCS for SCS for SB 64
Subject: Education, Elementary and Secondary: Elementary and Secondary Education
 Dept; Teachers; Tourism
Type: Original
Date: April 6, 2007

Bill Summary: Authorizes school districts to set school opening date up to a certain date prior to Labor Day and provides for exemption to make-up days requirement based on inclement weather; also provisions for teacher mentoring standards and educational needs of children in treatment at residential care facilities.

FISCAL SUMMARY

ESTIMATED NET EFFECT ON GENERAL REVENUE FUND			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
General Revenue	(\$15,000)		
Total Estimated Net Effect on General Revenue Fund	(\$15,000)	\$0	\$0

ESTIMATED NET EFFECT ON OTHER STATE FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Lottery Proceeds Fund	(Unknown - Greater than \$100,000)	(Unknown - Greater than \$100,000)	(Unknown - Greater than \$100,000)
Total Estimated Net Effect on Other State Funds	(Unknown - Greater than \$100,000)	(Unknown - Greater than \$100,000)	(Unknown - Greater than \$100,000)

Numbers within parentheses: () indicate costs or losses. This fiscal note contains 8 pages.

ESTIMATED NET EFFECT ON FEDERAL FUNDS			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on All Federal Funds	\$0	\$0	\$0

ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)			
FUND AFFECTED	FY 2008	FY 2009	FY 2010
Total Estimated Net Effect on FTE	0	0	0

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 2008	FY 2009	FY 2010
Local Government	\$0	\$0	\$0

FISCAL ANALYSIS

ASSUMPTION

Officials from the **Office of 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 to the SOS office for Administrative Rules is less than \$2,500. The 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.

§161.375; 168.021

Officials from the **Department of Elementary and Secondary Education (DES)** state that this proposal requires DES to develop standards for high-quality mentoring for beginning teachers and beginning principals and to involve representatives from the state teacher organizations, administration and principal organizations, Missouri advisory council for the certification of educators, Missouri staff development council, and from colleges and universities. DES estimates six meetings involving 40 - 50 participants, costing approximately \$2,500 per meeting for a total of approximately \$15,000. (*§161.375*)

There are approximately 6,000 new teachers per year. The current American Board for Certification of Teacher Excellence mentoring program fee is \$350 per participant. Therefore, total costs could be \$2.1 million per year. (*§161.375*)

Oversight assumes the legislation does not require participation in the program provided by the American Board for Certification of Teacher Excellence (ABCTE); therefore the costs shown for fees per participant are not shown on the fiscal note. **Oversight** also assumes the ABCTE provides prospective teachers another avenue for teacher certification and that participation fees would be paid by the applicant.

This proposed legislation would allow certificates of license to teach based on certification by the American Board for Certification of Teacher Excellence. DES assumes the applicant would pay the \$600 - \$750 cost of the test. However, DES would have to verify the teaching experience and the additional professional development and mentoring required. DES would require 1.0 FTE Supervisor to meet these requirements. (*§168.021*)

ASSUMPTION (continued)

Oversight assumes that this section of the proposal expands the certification criteria by allowing applicants who are certified by the American Board for Certification of Teacher Excellence to be granted certificates to teach. Since the number of potential applicants is unknown, for fiscal note purposes, **Oversight** assumes the program can be administered with existing resources. If the amount of applicants is large and additional personnel are needed, funds to support the program would be sought through the appropriations process.

§167.128

Officials from the **Office of the State Courts Administrator** and the **Department of Mental Health** each assume the proposal would have no fiscal impact on their respective agencies.

Officials from the **Department of Elementary and Secondary Education** assume it is difficult to determine the fiscal impact of educational changes proposed in this legislation, but using certain assumptions, the following costs are likely:

- a. The cost to provide educational services in the “contractor setting by the contractor” are significantly higher when provided on site in a private agency setting. This increase in costs conservatively exceeds 50% or more.
- b. In FY06, 3,405 children were placed in a school district (not their domicile/home district) by a state agency under Section 167.126, RSMo, and received educational services by a non-domicile district. This proposal appears to exclude educational services for 1,624 children with disabilities having an Individualized Education Plan (IEP). However, 52.31% of the children (1,781 children) did not have an IEP and could therefore be subject to the requirements in this proposal. The maximum number of children who could incur increased educational costs (based on FY06 data) could be 1,781 annually.
- c. FY06 Excess Costs for Public Placement program expenditures were approximately \$9 million. $52.31\% \text{ (non-IEP children)} \times \$9 \text{ million} = \$4,707,900$ in annual excess costs allocated to this non-IEP group of children served by the existing education decision making provisions.
- d. If the provisions of this proposal are implemented and the DSS contractor does in fact provide education services on site and bills the local district for the full cost of educational services, the minimum anticipated increase in educational costs (50%) would impact the Excess Costs for Public Placement program as follows: $\$4,707,900 \times 1.5 = \$7,061,850$ or an increase state cost of \$2,353,950.

ASSUMPTION (continued)

In addition, the provisions of this proposal might result in an increase in the ADA and weighted ADA of a district and that increases cost, but there is no way to estimate such growth. Therefore, the impact to the General Revenue Fund is unknown.

The amendments do not appear to violate IDEA. The amendment to section 167.128.6(3) will cause timing issues in many districts which open prior to September 15th.

Oversight assumes it is unknown how many children that are in residential care facilities are attending public school or how many are receiving in-house education services provided by on-site teaching staff. Also, it cannot be determined how much over the already contracted amount is the actual excess cost of educational services. For fiscal note purposes, **Oversight** will assume the cost to the Lottery Proceeds Fund will be (Unknown - Greater than \$100,000).

Oversight assumes through discussions with the Division of Youth Services (DYS) that educational costs are already occurring between DHS, residential care facilities and local school districts. Therefore, for fiscal note purposes only, **Oversight** assumes there would be no additional costs due to an increase in the ADA and weighted ADA of a district.

Officials from the **Department of Social Services - Division of Youth Services** assume that all existing contracts include provisions for full time education services provided by certificated teachers, thus no additional costs are anticipated.

Officials from the **Department of Social Services - Children's Division** does not anticipate a fiscal or programmatic impact.

In response to the introduced version of this proposal, officials from the **Parkway Public Schools** assume the proposal would have no fiscal impact on their agency.

In response to the introduced version of this proposal, officials from the **Mexico Public Schools** assume the fiscal impact of this proposal is reasonable. The significance of the impact will vary for districts depending on the number of students effected but generally there should be no significant impact.

§160.041, 171.031, 171.033

Officials from the **Department of Elementary and Secondary Education** state this proposal will have no fiscal impact on their agency or on local school districts.

ASSUMPTION (continued)

Officials from the **Department of Economic Development - Division of Tourism** did not anticipate a direct fiscal impact to their agency.

In response to the introduced version of this proposal, officials from the **St Joseph School District, Poplar Bluff School District, and the Independence School District** do not anticipate a fiscal impact to their respective districts.

<u>FISCAL IMPACT - State Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
GENERAL REVENUE			
<u>Cost - DES - Development of standards for mentoring program (\$161.375)</u> _____	<u>(\$15,000)</u>	<u>\$0</u>	<u>\$0</u>
ESTIMATED NET EFFECT ON GENERAL REVENUE	<u>(\$15,000)</u>	<u>\$0</u>	<u>\$0</u>
LOTTERY PROCEEDS FUND			
<u>Cost - DES - Excess Costs of Educational Services (\$167.128)</u>	(Unknown - Greater than \$100,000)	(Unknown - Greater than \$100,000)	(Unknown - Greater than \$100,00)
NET EFFECT ON LOTTERY PROCEEDS FUND	<u>(Unknown - Greater than \$100,000)</u>	<u>(Unknown - Greater than \$100,000)</u>	<u>(Unknown - Greater than \$100,00)</u>
<u>FISCAL IMPACT - Local Government</u>	FY 2008 (10 Mo.)	FY 2009	FY 2010
	<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

§ 161.375

This proposal requires the Department of Elementary and Secondary Education (DES) to create mentoring standards for beginning teachers and principals no later than June 30, 2008. The proposal enumerates the principles for mentoring and the benchmarks for quality programs. DES is required to involve representatives from education sectors to participate in the development of the standards.

§167.128

This legislation requires the Department of Social Services to provide for the educational needs of children placed in licensed residential care facilities at either an on-site school or a public school. Facilities and local school districts will be compensated for the educational services provided. The educational needs of the children in residential care facilities is specified as six hours for each regular school day spent under the guidance and direction of a teacher in an educational process.

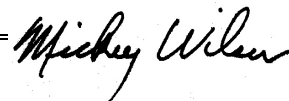
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Department of Elementary and Secondary Education
Department of Economic Development
 Division of Tourism
Office of Secretary of State
 Administrative Rules Division
Office of the State Courts Administrator
Department of Social Services
Department of Mental Health

School Districts
===== Poplar Bluff
 St Joseph
 Independence
 Mexico Public Schools
 Parkway Public Schools

=====



Mickey Wilson, CPA
Director
April 6, 2007